



Eleventh sitting

Wednesday, 11 June 2008, 10.15 a.m.

President: Mr Salamín

REPORT OF THE COMMITTEE ON RURAL EMPLOYMENT: SUBMISSION, DISCUSSION AND APPROVAL

Original Spanish: The PRESIDENT

I declare open the 11th sitting of the 97th Session of the Conference. We will start immediately with the presentation, discussion and adoption of the report, conclusions and resolutions of the Committee on Rural Employment. The texts are contained in *Provisional Record* No 15.

I would like to invite all of the members of the Committee on Rural Employment – Mr Chisupa, the Chairperson, Mr O'Reilly, the Employer Vice-Chairperson, Mr Ritchie, the Worker Vice-Chairperson, and Ms Fehringer, the Reporter – to come up to the podium and take their seats.

Let us begin by giving the floor to Ms Fehringer, Government delegate of Austria and Reporter of the Committee, for her to present the report.

Ms FEHRINGER (Government, Austria; Reporter of the Committee on Rural Employment)

I am very pleased to be able to present the draft report of the Committee on Rural Employment. The work of the Committee was chaired by its most competent and able Chairperson, Mr Ngosa Chisupa from the Government of Zambia. His leadership and understanding, along with his drive for us to be outcome-focused, were instrumental in helping the Committee complete its work.

Equally valuable to the outcome of the work of the Committee were the efforts made to find common ground by Mr Philip O'Reilly, who is the Employer member of New Zealand, and Mr James Ritchie, Worker representative, also from New Zealand.

I also wish to acknowledge the efforts of all Governments and the Employers' and Workers' delegates in the Committee.

Now, let me turn my attention to the report. The report reflects our Committee's work. We met 14 times and the drafting group held six sittings. The report can broadly be considered in five parts.

Firstly, the introduction to the report contains the record of our election of Officers, the introductory statement from the Office, and the opening statements from the Employers, the Workers and the Governments. The second part of the report contains the record of our discussions, discussion point by discussion point. Thirdly, there is the report of the amendments and, fourthly, there are the Committee's conclusions, including the annexes.

Finally, we have decided on two resolutions. Our discussions in this Committee over the last two weeks show clearly that we all believe in the importance of the promotion of rural employment for poverty reduction.

It is a crucial issue involving some 3.4 billion women and men, slightly less than half of the world's population, and three-quarters of the world's poor living in rural areas. The challenges before us are enormous.

The promotion of decent employment in rural areas is a key prerequisite for advancing the global Decent Work Agenda and it is crucial for moving towards the attainment of the Millennium Development Goals (MDGs).

Through our deliberations we have identified the components of a strategy to promote decent and productive work in rural areas around the world and the critical role which governments and social partners have to play.

Furthermore, we have identified the key aspects of an integrated plan of action for the ILO to support this strategy.

Like you, I share the hope that this will lead to much-needed changes and actions.

Particular challenges in the field of poverty reduction in rural areas are the creation of decent and productive jobs in rural areas, especially with a view to the high unemployment rates of youth in rural areas. It is crucial to create decent and productive employment and to give youth a future.

Another prerequisite for poverty reduction in rural areas is the creation of an enabling environment – very important with a view to the creation of an enabling environment is good governance and the rule of law. Good governance which is based on transparency, predictability, stability, participation and freedom from corruption.

Another huge challenge of employment in rural areas is the prevalence of child labour and informal work. The equal treatment of women is another key issue to reduce poverty and to attain the MDGs.

Another challenge which we have to face is skills development and equal access to education and vocational training for boys and girls, for women and men.

Last, but not least, I would like to draw your attention to another challenge, that of fostering entrepreneurship in rural areas. This can be a very important factor in poverty reduction and in the creation of decent and productive jobs.

Finally, let me say something about the process and what it has taught us about our New Zealand

friends. I am sure you will all agree with me that their good humour and their willingness to come up with changes we can all believe in have played a significant part in the success of our work.

In closing, I would also like to thank our Committee secretariat, which worked very efficiently under the guidance of Mr Henriques, representative of the Secretary-General, for their dedication, commitment and assistance.

I take great pride in recommending to the Conference the adoption of the report presented by the Committee on Rural Employment.

Thank you.

Mr O'REILLY (*Employer, New Zealand; Employer Vice-Chairperson of the Committee on Rural Employment*)

We started our discussion on the promotion of rural employment for poverty reduction, a subject of vital importance to us all in this house, some two weeks ago.

We conclude today, much richer for the experience, and with a clear idea of the way forward. It was 20 years ago that this house last examined this issue – a 20-year gap that has seen vast changes in almost every respect. That was the backdrop to our discussions.

Global economic integration has changed considerably the landscape both for enterprises and for workers. The world has become a much smaller and integrated place. New and growing markets exist, supply chains link the smallest producer to new markets thousands of miles away.

Rapid technological advances are changing the rules of the game, revolutionary advances in biotechnology offer potentially large benefits to all producers and consumers.

These are very different realities from those faced by our predecessors 20 years ago. These new realities that we argued over during the last two weeks require new responses. The recent spiralling of food prices and the impact that this is having added further urgency to our work.

Two weeks ago at the outset of the discussions we, as an Employers' group, suggested four key principles that would need to be observed if we were to achieve our collective goals.

First, we underlined the importance of sound agricultural policies. Agriculture is critical for fostering overall economic growth, and that growth in agriculture has large benefits for the poor. Our conclusions recognize this clearly.

Second, we urged policy-makers not just to focus on the farm. Agriculture is only one piece of the policy puzzle and we cautioned against equating rural with agriculture. In terms of pathways from poverty, non-farm employment and enterprise are a crucial element.

Third, we urged the Committee not to turn its back on open trade and investment policies. We made the case that trade, economic openness and competition underpin not only the development of our economies but more broadly, our societies. These policies help the spread of ideas, they encourage new thinking, new ways of doing things. We argued that trade is vital. Finally, and most importantly, we reinforced a point made clearly by this house last year in the discussion on sustainable enterprises, namely that growth, development, wealth and job creation need an enabling framework.

Allow me to dwell on this point for a moment because it is of vital importance. Once again this Or-

ganization has stood up and reinforced the message that an enabling environment is a prerequisite for enterprise creation and development, and consequently job creation.

The conclusions of our work clearly outline that good and transparent democracy and governance, free of corruption, are vital. They tell us that transparent and unbureaucratic regulatory frameworks that stimulate innovation and promote competition and respect for property rights are enablers for growth. That a physical, productive and social infrastructure is an essential accompaniment for the development of economies. And finally, they tell us that creating a culture of entrepreneurship is the foundation with which successful economies are nurtured.

This was a powerful message from the tripartite constituents.

In terms of the role of the ILO, the conclusions also provide much guidance. Firstly, they tell us that the ILO – as the only agency uniquely tasked with a mandate covering the world of work and with a global network of workers and employers – must use this comparative advantage in implementing the strategy. Secondly, they remind us not to reinvent the wheel nor replicate the work of others. The multilateral system needs to work on the principle that the whole is greater than the sum of its parts.

Thirdly, the Organization must stay focused and must be realistic about what can be achieved within the confines of its mandate, competencies and budgetary constraints. We made the point that it would be unfair of this Committee to develop an unrealistic programme of work that will not be implemented. In fact we underlined that it would not only be wrong, it would be a dereliction of our governance role.

The reason that we were able to achieve a positive and constructive outcome to these discussions was essentially because we, as a Committee, chose a path that was positive, that was constructive and that targeted practical outcomes.

The positive message emanating from this Committee in the form of the fine set of policy conclusions before you was not an accident. It was a choice. We, as a Committee, chose not to score points against each other. We chose to stay focused on what was achievable and what was relevant. And finally we chose a positive, constructive argument. We made our points to each other in a constructive way, even where we differed, and in a way that respected all views. As a result, we can return to our various countries and offices with a clearer view of the way ahead. This Organization now has a defined blueprint for the development of rural employment strategies. This has been a good day's work.

I might also add that we chose to take our responsibilities seriously. At the outset of our discussions we stated that we needed to "do what we say". We also need to "mean what we say". If we come here to the ILO, we must be realistic about what is possible and we must be sincere in what we agree to.

I want to finish on a point made numerous times in our Employers' group; and indeed, it was a point made as recently as last Monday by some of the Governments who were present. If the objective of this Organization is the achievement of "decent work for all", then there needs to be an increased focus on the "work" part of that equation. This Organization is uniquely equipped with the wherewithal in this respect. It is the only UN organization

with a private sector network traversing the globe, encompassing every sector. It needs to harness this asset in developing effective responses to job creation and to nurturing the creation of sustainable enterprises. If it can do that effectively, it will not only have made a real difference to rural employment for poverty reduction, it will have created a new and compelling relevance to policy-makers all around the world.

Finally, may I publicly thank my Worker colleague, James Ritchie, and his team for their excellent collaboration, the secretariat team led by Michael Henriques for their fantastic work, my own Employer team who were fantastically helpful and supportive, and our wonderful Chairperson, Ngosa Chisupa, who steered us safely home.

Mr RITCHIE (*Worker, New Zealand; Worker Vice-Chairperson of the Committee on Rural Employment*)

I am James Ritchie from the New Zealand Dairy Workers' Union and am here as part of the New Zealand Council of Trade Unions delegation.

Thank you for the opportunity to speak on the adoption of the report of the Committee on Rural Employment on promotion of rural employment for poverty reduction. It gives me great pleasure to present to the Conference some general views from the Workers' group. Two of my colleagues will speak after me more specifically from the perspective of young workers and of women in rural areas. We feel very strongly that these perspectives need to be presented in some detail.

Our Committee could not have been more timely or our subject more pressing. After many years of what can only be described as global policy neglect, the Workers' group welcomes most sincerely the efforts to put rural employment back on the ILO agenda.

There is, it seems, an awareness that the Millennium Development Goals will not be achieved unless attention is paid to agriculture and, more broadly, to rural areas.

Here, the Workers' group would like to congratulate the Office on providing a well-researched, comprehensive view of the current situation in rural areas, a situation that, it has to be said, has not changed since feudal times in some countries, with workers still tied, as serfs, to their employers. Moreover, 800 million people in the world are going hungry, and the number is growing rapidly in many developing countries. Perhaps I am stating the obvious, but the best way to ensure that these people have food is decent work, while providing decent rural employment is a way of ensuring poverty reduction.

However, rural poverty cannot be seen in isolation from the drivers that are changing the nature of the global food supply chain: the impact of increasing retail concentration; control of the supply chain by a small number of supermarkets; the increasing control of commodity traders and, finally, the impact of increasing financialization in agriculture.

Much of our discussion over the past few weeks has centred around closing the gap for rural workers, widening the scope of legislation to include them, extending social protection to some of society's most vulnerable workers and ensuring life's essentials, such as potable water and health care. The move towards equality with other workers is, in fact, a very modest demand. Regrettably, in agriculture, even application of the core Conventions can-

not be guaranteed. The lack of freedom of association in agriculture has been noted many times in the Committee of Experts on the Application of Conventions and Recommendations and is highlighted again this year in the Director-General's Report.

At the start of our discussions, we in the Workers' group said that the Committee could not meet without making reference to the food crisis. This crisis has highlighted how vulnerable and fragile the lives of many millions of people in the world are. The crisis underlines the need for global coherence to ensure food security. As trade unions representing workers throughout the food chain, from plough to plate, we believe it is absolutely essential that the ILO and its constituents should be at the heart of the debate and the policies and strategies developed to ensure an equitable distribution of the world's food resources.

We were, therefore, particularly pleased that the Employers and Governments were able to agree to support our resolution on the role of the ILO and its constituents in the food crisis. We hope that this matter will get the urgent attention it deserves. I look forward to hearing the views of the High-level Panel on the Food Crisis, Production, Investments and Decent Work that will take place later this morning.

Throughout the work of the Committee, the approach of the Governments and the Employers has, on the whole, been practical and constructive, and we thank them for their contributions. The ILO staff also helped us enormously and our thanks to them.

I would, in particular, like to take this opportunity to put on record our thanks to Mr Chisupa, the Chairperson, for his excellent work in chairing the Committee. There was a good, positive atmosphere in the Committee most of the time, but he kept us focused and helped us move to consensus when there were difficulties. The very comprehensive set of conclusions we have reached, is testimony to his skills.

It is indeed a substantial set of conclusions and a detailed plan of action for the ILO, for Governments, for trade unions and employers. We welcome the agreement for the ILO to do research on the employment and enterprise impacts of biofuels. We know this is a controversial subject but we hope for a clear analysis of the employment impacts of biofuels so that governments can make more informed decisions.

Too much of the debate so far has been about environmental impact and while, of course, this is important, the employment and social implications must also be considered.

Finally, everything we talk about here over these next few days will remain simply that – talk, unless the ILO puts resources into work, into agriculture. We are talking about just under half the world's workforce in this single industry: 700 million agricultural workers in Asia alone. The decent work deficits facing rural workers are multifaceted. Addressing them adequately will require a multifaceted approach that brings together rights, employment, social protection and social dialogue. These pillars of the ILO have formed the framework of our discussions and we strongly request that the Office maintain this integrated approach in the implementation of its work programme.

I said at the beginning that the Committee was timely, but in fact it was rather more than that. We think we are at a unique moment in time. With

world leaders struggling to find solutions to the world's food crisis, with increasing concerns about the environment and about the effects of climate change, the time is right to put decent work in agriculture and rural areas at the heart of the solution. Agriculture is the driving force for development, but many millions of its workers still lack the resources to feed themselves and their families. It is time to end this, to close the gap for rural workers. The ILO has the chance to put creating decent work in agriculture and rural areas firmly on the agenda of the other UN agencies and Bretton Woods institutions. The Workers' group hopes, and agricultural workers around the world demand, that the ILO takes up this challenge based on the workplan the Committee has drawn up. Therefore, I have great pleasure in recommending that the conclusions and resolutions of the Committee on Rural Employment for poverty reduction be duly adopted.

Mr CHISUPA (*Government, Zambia; Chairperson of the Committee on Rural Employment*)

I have the honour and privilege of addressing this plenary session on the report that has been concluded by the Committee on Rural Employment for poverty reduction.

Firstly, I wish to thank the Africa group for their confidence, and for nominating Zambia to chair this Committee.

The work of the Committee proceeded very well because of the support that was received from the various constituents, the Employers' group led by Mr O'Reilly and the Workers' group led by Mr Ritchie, and since both of them are from New Zealand, they made the Chair feel that he may be flying to New Zealand to join them as well. The Committee's deliberations took place in an enabling environment, which ensures that we reached a common goal, a common consensus on the issues related to the promotion of rural employment for poverty reduction.

In my view, this discussion was hugely important because of both its substance and its timing. The topic of rural employment is closely connected with the wider topics of poverty reduction and sustainable development, and the recent dramatic rise in food prices has focused attention on the crucial role that the agriculture sector plays in the global economy, generally, and in the supply of food, specifically.

We know that some 3.4 billion people, slightly less than half the world's population, now live in rural areas. The vast majority of rural people, around 97 per cent, are in developing countries, and statistics show that three-quarters of the world's poor live in rural areas. Most earn their living from agriculture and in many cases the returns that derive from their labour are insufficient to meet their basic needs.

As our Committee commenced its work some two weeks ago, we clearly acknowledged that the promotion of decent employment in rural areas is a prerequisite for moving towards the Millennium Development Goals and for advancing the ILO's global Decent Work Agenda.

So our discussion has been both timely and important. The challenge which the Governing Body puts before the Committee thus is to draw up a comprehensive strategy to promote productive employment and decent work for poverty reduction in rural areas around the world, and to suggest an inte-

grated plan of action for the ILO to implement this strategy.

The Committee took an integrated approach to this task and addressed this issue of rural employment from a broad perspective, including the ILO's four strategic objectives of employment, standards, social protection and social dialogue. In recognition of the fact that decent work provides an effective organizing framework for addressing the multiple challenges of proper rural employment, the Committee therefore acknowledged that there is need to look at how the employment situation in rural areas could be harnessed, so as to draw up a comprehensive strategy to enhance the promotion of productive employment and decent work for poverty reduction in rural areas, with a particular focus on the situation in developing countries, and to suggest an integrated plan of action for the ILO to support the implementation of this strategy.

The two Vice-Chairpersons have ably emphasized the importance of the fact that 20 years ago we met here in the ILO to discuss this very important subject, and 20 years later we are convening, through the Committee on Rural Employment for Poverty Reduction to once again look at how best to operationalize the implementation and conclusions to this effect.

I think the Committee has managed to meet the challenges posed by the Governing Body. I shall not cover in depth the substance of the Committee's conclusions, which have already been summarized so ably by the Reporter of the Committee, Ms Eva Fehringer.

I shall, however, touch on some silent features that I believe are of particular significance.

Firstly, the conclusions confirm the important contribution that the ILO can make in the field of promoting rural employment. They reiterate the strong link with the Decent Work Agenda, and its employment pillar, the Global Employment Agenda.

They also recognize the relevance of last year's International Labour Conference conclusions on the promotion of sustainable enterprises.

All these aspects are clearly reflected in the conclusions that you have before you, which also contain a useful annex listing the ILO standards that are particularly relevant to the promotion of decent work in rural areas.

Second, the conclusions provide a fairly detailed framework for action. The framework identifies strategies to promote productive employment in rural areas, including economic policies, policies to develop skills, technology and employability, as well as policies to promote sustainable enterprises in rural areas. It also looks at appropriate labour market regulations and institutions for rural areas.

The framework also covers strategies to extend rights at work in rural areas, and spells out what can be done to extend social protection and social inclusion, and promote social dialogue and better governance.

Third, the conclusions also provide very useful guidance to governments and social partners in terms of their roles in implementing the framework of action.

Finally, the conclusions give detailed guidance to the ILO in terms of future areas of work to support the promotion of rural employment across the four strategic objectives of the Office, including the promotional research and technical assistance ac-

tivities, which could underpin those efforts. They also referred to policy guidelines that could usefully be developed, and the partnerships with organizations such as the FAO, that could support the ILO's efforts in this area.

All these issues are looked at in the context of the ILO's commitment to working with member States to implement Decent Work Country Programmes and in the wider context of the United Nations reform.

I think you will agree with me that the conclusions provide a set of very comprehensive, balanced and practical guidelines. In addition to the conclusions, the Committee also drafted a resolution on the ILO's and the tripartite constituents' role in tackling the global food crisis. I believe that you will find this additional output to be a valuable contribution to addressing this crucially important topic.

Having summarized the work of the Committee and the issues that were addressed, I wish also to highlight that, in arriving at a consensus in the conclusions, the Committee was greatly assisted by the enthusiasm, commitment and knowledge of the two Vice-Chairpersons, Mr Philip O'Reilly, from the Employers' group and Mr James Ritchie from the Workers' group. Their enthusiasm greatly assisted the Chair in providing appropriate guidance in order to provide for consensus. During difficult moments, it was very important that, as Chair, I did not sit on the fence, but ensured that we reached a common position that would benefit us all in terms of achieving our goals.

Apart from their wide knowledge on the subject, I was also very much impressed by the exemplary human qualities which they demonstrated, especially at difficult junctures in the negotiations.

The Government members also played a very active role, both from the developing, and from the industrialized countries, in terms of trying to address the broad range of issues, and the perspectives and expertise that they brought to the table enriched the discussions. All parties have a natural inclination to view issues through the eyes of their own experience. But I believe the members on the Committee on Rural Employment showed their great willingness to listen, to learn and also to discuss other viewpoints.

The Committee did not have any formal votes and, as Chair, I tried to make sure that we narrowed down the various difficult challenges that we had, even if it meant suspending the meeting so that we think about the issues. And indeed there was consensus throughout, we relied on consensus. This is another testimony to the professionalism and excellent spirit of cooperation displayed by all parties throughout the discussion.

Without an enthusiastic and expert secretariat, our work would not have been successful. Those responsible for the preparation, processing and production of our work played a very key part in the whole effort of finalizing our work.

My thanks go to the representative of the Secretary-General, Mr Michael Henriques, the deputy representative, Mr David Lamotte, the coordinators, Ms Brigitte Bissière, Ms Karin Klotzbuecher and their team.

The background documentation prepared by the Office was also very helpful to the Committee's work, not least the Office report, whose lead writers, Ms Ann Herbert and Mr Graeme Buckley, pro-

vided valuable support throughout, as did the Experts, whose in-depth knowledge of the ILO's work and its four strategic objectives assisted the Committee at various points.

Without the highly professional team of interpreters we would not have functioned as a Committee.

Our drafting group prepared a set of draft conclusions, which provided an excellent basis for our work in the second week. I want to thank them all, warmly, for their efforts.

I would also like to thank, and express special thanks to, Mr José Manuel Salazar, the Executive Director, who took a keen interest in the Committee's work, with whom we had the pleasure to work.

I now conclude with these remarks. The conclusions before the plenary are comprehensive and forward looking. They draw on the latest thinking and could add real value and guidance in a dynamic world of ever-changing challenges, needs and priorities. Given the cross-cutting nature of these conclusions, a lot will need to be done in terms of trying to achieve policy coherence, especially across the multilateral agencies that were also involved in delivering the various outcomes with regard to rural employment.

Policy-makers, employers' and workers' organizations, as well as others concerned with addressing the multidimensional challenges that face us in respect of employment, poverty reduction and social, economic and environmental stability in rural areas, should find the guidance provided by the document very relevant and useful.

I, therefore, have no hesitation in recommending to the Conference that both the conclusions of the Committee on Rural Employment, and the resolution concerning the ILO and its tripartite constituents' role in tackling the global food crisis, be adopted.

Original Spanish: The PRESIDENT

The discussion of the report of the Committee on Rural Employment is now open.

Mr MACDONALD (*representative, International Co-operative Alliance*)

I am delighted to see the frequent references to cooperatives throughout this report and especially from each constituent part of the ILO. In particular, I welcome the fact that four of the conclusions stress the importance of cooperative enterprise to rural employment.

It is also important to stress that, like other forms of businesses, cooperatives are not just about alleviating poverty and improving rural employment alone. I think we are uniquely well placed to do just that, but it makes that work much more effective if it is clearly acknowledged that cooperative enterprises are a very important part of the world economy whether in a rural or urban setting.

Cooperatives have a reputation for just getting on with the job and perhaps underemphasizing their own size, skill and influence. In conferences such as these and at other international events, such as the World Economic Forum, cooperatives are not often mentioned. We intend to change that perception, and to follow the example of our investor-owned competitors and to start shouting about who we are. And where better to start than at the International Labour Conference, where cooperatives have always played a significant role and where the International Co-operative Alliance and the ILO have

operated a successful memorandum of understanding for some years now.

Cooperatives, of course, are major employers in their own right. Indeed, some are represented as employers here today, showing that there is a different, but equally successful way, of organizing business. We also maintain that cooperatives are a particularly appropriate form of enterprise in the rural context, existing in all fields of activity, such as agriculture, financial services, health provision, and, indeed, in all economic spheres.

The real difference between cooperatives and other forms of businesses, however, is their equal emphasis on economic and social justice and their special form of ownership. ENRONs just cannot happen in a cooperative environment, and our values of solidarity, democracy, self-help, self-responsibility, equity and equality ensure that ownership is shared and of benefit to all. One person—one vote applies whatever the individual stake, but we still offer, equally, entrepreneurial opportunities.

Perhaps it is the size and skill of the cooperative movement throughout the world that is most surprising. As I mentioned at the Committee session, a recent survey of the top 300 cooperative and mutual enterprises in the world shows that their total turnover was equal to the size of the ninth economy of the world, which happens to be Canada. Indeed, here in Switzerland, it is the biggest private employer, and, by way of example, 55 per cent of the gross domestic product of Kenya comes from cooperative enterprise. And I could go on with many different examples of a similar nature.

But in conclusion, it is important to remember, of course, that it was the ILO Promotion of Cooperatives Recommendation, 2002 (No. 193), which led the way in encouraging the promotion of cooperatives. Since then, that instrument has been used all over the world to do just that, but we would like to see the ILO put even more emphasis on that Recommendation. And it seems to me that this report makes that very point by acknowledging, in its conclusions, the importance of cooperative enterprise in the promotion of rural employment and the consequent alleviation and prevention of poverty.

As the ILO Director-General keeps repeating, we do need a fair globalization. We think this can be achieved through cooperative enterprise, and I commend this report before you.

Original Spanish: Ms MELE (Worker, Argentina)

On behalf of the Argentine Union of Rural Workers and Stevedores, an affiliate of the General Confederation of Workers of the Argentine Republic, and as the representative of workers in my country, in Latin America and the Caribbean, we see our remit as upholding the rights of our brothers and sisters, of monitoring the enforcement of national, regional and international legislation to secure the present and the future in the world of work and in the daily lives of our members.

It is therefore necessary to respond to the predicament of the rural sector, taking into account the most vulnerable groups. Here we would like to pay tribute to the work done by our rural workers, since agriculture is the biggest employer of women, in particular in Africa and Asia. According to a document published by the United Nations Economic and Social Council (ECOSOC) in 2005, we owe half the foodstuffs grown in the world to women working in rural areas.

Thus, our focus is on improving the working conditions and the standard of living of female rural workers, taking into account health coverage, the protection of pregnant women, women who are breastfeeding, protection against the risks involved in agriculture, safety and health at work, working hours, wages and vocational training, as well as access to retirement, all of which are essential for decent rural work and a dignified rural life.

Furthermore, it is important to say that the Government Group of Latin American and Caribbean States (GRULAC) cooperated with us in the work carried out in the Committee on Rural Employment and in monitoring these goals, and we call upon them to join forces and lend support to keep up its work in the rural sector.

Ms CROWLEY (representative, Food and Agriculture Organization of the United Nations (FAO))

The FAO would like to congratulate the Committee on its conclusions and plan of action for promoting rural employment for poverty reduction. These conclusions, and the report which inspired them, were long overdue and constitute a clear step forward for addressing many of the challenges and opportunities for decent employment in rural areas.

Like the ILO, the FAO recognizes that UN agencies that are serious about the fight against poverty and hunger can no longer merely pay lip service to the specific challenges of rural and agricultural communities, workplaces and markets, but need to address these head-on. It is clear that, more than ever before, the multifaceted nature of rural poverty requires an integrated cross-sectoral approach. Decent rural employment is not just about work in agriculture, rural enterprises and agro-industries, but also in forestry, fisheries, animal husbandry, natural resources management and a range of other productive processing and marketing services.

We, the United Nations, will need to continue to work together to overcome the sectoral divisions of our mandates to find full and integrated solutions to the needs of the working poor.

We also recognize that the complexity of rural employment relationships does not always fit easily within the ILO's tripartite structure. The fact that a single poor farmer, fisherman, pastoralist or forest user can at any given time be simultaneously self-employed, a part-time waged worker and an employer for part of the year and that millions of rural people find themselves in this very situation can make it difficult for the ILO's constituents to know how best to find voice for these interwoven interests.

Social partner efforts to increase their outreach to rural workers and employers will be important, but together the FAO and the ILO may also need to work to find new ways to support the member-based organizations of rural peoples and to improve their capacities for collective bargaining and freedom of association, regardless of whether or not these fall neatly within the world of work.

The FAO is convinced that existing rural member-based organizations, such as farmer organizations and cooperatives, are critical building blocks for sustainable social dialogue in rural areas.

Ministries of labour may also need to work with ministries of agriculture, fisheries, forestry, natural resources, land and rural development to ensure that more and better investments are channelled to rural areas and to the social services and markets that are

desperately needed to reduce poverty and improve rural livelihoods over the long term. The FAO stands ready to work with the ILO to support national inter-ministerial coordination and coherence for poverty reduction in rural areas.

As the report suggests, a plan of action offers fertile terrain for growing FAO and ILO collaboration. The FAO will continue to work closely with the ILO on the international partnership for cooperation with regard to the issues of child labour in agriculture, the Work in Fishing Convention, 2007 (No. 188), reducing vulnerability and promoting sustainable livelihoods for indigenous peoples and rural women, men and young people affected by the impact of HIV/AIDS and other diseases and rural migration and other areas outlined in our 2004 Memorandum of Understanding.

The FAO also hopes to work more closely with the ILO to create decent rural employment, develop sustainable enterprises and promote sustainable agriculture and rural development through the Common Country Assessment (CCA), the United Nations Development Assistance Framework (UNDAF), Decent Work Country Programmes and national medium-term planning frameworks, including through the establishment of one or more joint FAO–ILO positions at headquarters at decentralized levels.

Collecting reliable gender-disaggregated data on the livelihood characteristics of rural households to assist policy-makers and evidence-based policy formulation is a second area for closer future collaboration.

Thirdly, the FAO hopes to work more closely with the ILO jointly to develop and implement field school community and territorial approaches and good agricultural practices that promote the upgrading of skills in rural areas with a specific focus on youth and strengthen rural worker occupational safety and health.

Fourthly, in the field of property rights, the FAO is keen to work more closely with the ILO to develop joint policy guidance and an evidence base on how securing land, natural resources and other property rights can reinforce decent work outcomes in rural areas.

We wish to thank the ILO again for having involved the FAO in the preparation of this paper and in the discussions over the past two weeks. We fully endorse the conclusions of the Committee and are committed to supporting the ILO's efforts to implement them. We hope that ILC members will periodically check the recently launched FAO–ILO web site to keep abreast of these developments in the areas outlined in this statement and of other ongoing efforts of the FAO and the ILO to deliver as one.

Mr WALTON (*Worker, Australia*)

My name is Daniel Walton, here representing the Australian Workers' Union as part of the Australian Council of Trade Unions' delegation.

I would like to start off by thanking you for the opportunity to speak on behalf of young rural workers. Throughout the Conference we have heard about the many serious issues impacting young workers in the rural sector, but none more serious than the health and safety conditions.

It is all too common that training in health and safety procedures and provisions is non-existent in rural areas. This, combined with the eagerness and

over-confidence of young workers to excel on the job, often results in serious injury and, with the nature of the sector, death.

Toxic pesticides, long hours and extreme temperatures are some of the conditions many young workers face. Adequate education and skills training for youth is crucial in ensuring safe work practices and decent employment. The agriculture sector is the largest employer and one of the most dangerous occupations in terms of accidents at work, fatalities, injuries and work-related ill health.

Our Committee stressed the need for public policies to provide access to quality compulsory and free education. Quality education is the key to eliminating child labour – with up to 70 per cent of child labour working in agriculture.

I am pleased to note that tomorrow's World Day against Child Labour will support the call for education for all. Young workers must have access to freely chosen decent employment and enjoy the right to freedom of association and collective bargaining. If we are hopeful about creating decent rural employment for poverty reduction we must think about rural employment being broader than agriculture alone.

In Australia, many young workers are leaving our rural areas and moving into urban areas in search of the social infrastructure that many in the generation-wide demographic want in their ever-modernizing lives. Access to decent basic services, including health, education, transport, communications and technology are fundamental to keeping young workers in rural areas.

Many of the conditions and experiences of young workers can be shared by all, but young workers are often the silent voices in the rural sector and the most vulnerable in our society. Addressing the challenges of rural youth employment today will set the stage for decent work for generations to come.

Original Spanish: Mr MORALES GAUZÍN
(*Government, Mexico*)

On behalf of the Group of Latin American and Caribbean States (GRULAC) I am honoured to turn to point 4 on the agenda on the promotion of rural employment for poverty reduction and, in particular, the conclusions and resolution of the Committee on the food crisis. GRULAC sees this document as very important in guiding policies aimed at reducing rural poverty and promoting decent work.

We would like to join those who have praised the spirit of cooperation and compromise displayed by all the Committee members in order to achieve this end result. GRULAC is particularly grateful to the Chairperson, Mr Chisupa, and to the Vice-Chairpersons, Mr O'Reilly, from the Employers' group, and Mr Ritchie, from the Workers' group, and to all those members who contributed to the work of the Committee.

GRULAC welcomes the work and the conclusions we reached.

Original Spanish: The PRESIDENT

There are no further speakers on the list, so we now move to the approval of the report of the Committee on Rural Employment. This report consists of 431 paragraphs and an annex. If there are no objections, I shall assume that paragraphs 1–431 and the annex are approved.

(The report – paragraphs 1–431 and its annex – is approved.)

**CONCLUSIONS ON PROMOTING RURAL EMPLOYMENT
FOR POVERTY REDUCTION: ADOPTION**

Original Spanish: The PRESIDENT

We now move to the adoption of the conclusions on rural employment for poverty reduction and their two annexes.

If there are no objections, I shall consider that these conclusions and annexes are adopted as a whole.

(The conclusions and annexes are adopted as a whole.)

**RESOLUTION CONCERNING PROMOTION OF RURAL
EMPLOYMENT FOR POVERTY REDUCTION: ADOPTION**

Original Spanish: The PRESIDENT

We move on to the adoption of the resolution concerning rural employment for poverty reduction. If there are no objections, I shall consider that the resolution is adopted.

(The resolution is adopted.)

**RESOLUTION CONCERNING THE ILO'S AND THE
TRIPARTITE CONSTITUENTS' ROLE IN TACKLING
THE GLOBAL FOOD CRISIS: ADOPTION.**

Original Spanish: The PRESIDENT

Finally, we move to the adoption of the resolution concerning the ILO's and the tripartite constituents' role in tackling the global food crisis.

In the absence of objections, I shall consider that this resolution is adopted.

(The resolution is adopted.)

If there are no objections, I shall consider the report of the Committee on Rural Employment, as a whole, is approved.

(The report, as a whole, is approved.)

I should like to congratulate the Chairperson, the Vice-Chairpersons, the reporter and the members of the Committee on Rural Employment for the excellent work they have done. Let us also remember the very, very valuable contribution of the secretariat throughout the process. My thanks to the secretariat.

**REPORTS OF THE CHAIRPERSON OF THE GOVERNING
BODY AND OF THE DIRECTOR-GENERAL:
DISCUSSION (CONT.)**

Original Spanish: The PRESIDENT

We now resume our discussion of the Reports of the Governing Body and of the Director-General.

Mr POTTER (*Employer, United States*)

The United States Employers' delegation welcomes the opportunity to discuss the Director-General's Report to the Conference. Building on last year's sustainable development report, this year's Report, *Decent Work: Some strategic challenges ahead*, should be viewed as the Director-General's vision of a sustainable ILO.

Today, in order to be sustainable, a business must do several things well. First, it needs to focus on its core business, to innovate, and to stick to its core competencies. Second, it means creating enduring brands and consistent performance by ensuring the sustainability and health of the communities the markets it serves so that they remain intact and can

support the business in the future as consumers. Third, it means achieving growth and success without limiting the opportunity of others to achieve the same. It is in the self-interest of business to do so. It is no longer enough to just *say* the right things. We have to *do* the right things.

These considerations apply to the ILO as well. The ILO's mandate is the world of work – that is the ILO's core business. Within that sphere, the ILO has to maintain, improve and innovate its products and services and brand itself within its core business and competencies. The genius of the Decent Work Agenda has been both to brand the ILO's work and align the four strategic priorities of the ILO under a unifying banner. The ILO will lose its focus and essential relevance to its constituents in the marketplace, as many businesses have done, if it tries to do everything no matter how tangential it is to its core business.

A considerable amount of the Director-General's Report to this Conference covers issues such as the recent financial crisis which are important but well beyond the mandate of the ILO. Such issues should not detract us from the significant amount of important work that is on the ILO agenda.

We still have a long way to go to complete our work in the four strategic areas of the ILO. Like a business, we must not be distracted from these core areas by issues which, although related to world of work, are not part of our strategic priorities. With limited resources, the ILO must focus its efforts on the areas where it is best positioned to have a real impact. If the agenda of the ILO is spread too thin over a wide range of issues, it will not be in a position to have a high impact on any of them.

In the Committee on the Application of Standards, we see the gap between the act of ratification and actual implementation in law and practice, including labour inspection and enforcement. Closing this implementation gap between the requirements of ratified standards and implementation in law and practice should be one of the ILO's highest priorities. Social justice was a founding principle of the ILO in 1919 and remains equally valid today.

One way to measure the importance of implementation is to consider the issue through the lens of supply-chain management. As an executive responsible for social compliance in our supply chain, a lot of good work is being done by the private sector to promote good labour practices throughout the supply chain. Much of that work is designed to bring suppliers, at a minimum, into compliance with their own national laws. As a consequence, firms perform a function to fill the shortfall of government action in implementing and enforcing their own national laws. To fulfil the ILO's founding ideal of social justice, the ILO must focus on technical assistance and capacity building and make these a priority in order to enable governments to fulfil their international obligations undertaken by virtue of ratification of ILO standards.

*Original Portuguese: Mr FONSECA VIEIRA DA SILVA
(Minister of Labour and Social Solidarity, Portugal)*

May I begin by saying how honoured I am to once again address the plenary of the International Labour Conference, which this year has reached its 97th Session. It is very encouraging for us to see that we are here, with the very rich history of this Organization and the very authoritative contributions that have been made, and are encouraged by

the fact that this Organization will be closely following and trying to assist with developments in the world of work.

I believe that this meeting has great significance and that it will have an impact on everything we are doing. More than just an annual formal event, this Conference provides an opportunity to evaluate the work and progress achieved in labour markets in social conditions in our countries. From this standpoint, we have reason to support those who sound a cautious note. Inequality, poverty and lack of rights for workers are phenomena which are still far too widespread in the world. For this very reason we need to combat them with a robust global policy and a global agenda – a weighty agenda at that.

Turning now to decent work for sustainable economy and to the Decent Work Agenda, this has been taking shape and becoming more deeply rooted, and there is today a recognized focus and approach that goes beyond the walls of this forum. The Decent Work Agenda is now part and parcel of the major world instruments and it allows us to really put into practice the Millennium Development Goals (MDGs). Two further points. The importance of the concept of decent work cannot be challenged from an analytical or from a political point of view; it holds huge potential. Even some people, who at the outset expressed misgivings, slowly but surely have been won over by this approach. We should keep up the good work, we should deepen the consensus and get the Decent Work Agenda accepted far and wide as part of the work we are jointly developing. There is no alternative in my view; it is the only approach and we have to seek to get worldwide consensus on this.

The tripartite nature of the International Labour Organization which led to this concept, is without a doubt one of the decisive factors in this success. We have come a long way, this Agenda has been consolidated and transposed into instruments and has taken on great political importance.

The active and decisive role of those who have led the destinies of this Organization in recent years

needs to be further enhanced, because the Decent Work Agenda sends a signal of modernization and renewal of the International Labour Organization.

Allow me now to recall the great importance of the achievements in the second half of 2007, the holding of the first ILO Forum on Decent Work for a Fair Globalization, which was held in Lisbon under the joint auspices of the International Labour Organization and the European Union.

The Lisbon Forum enabled us to note the progress made and define the ways forward. This is shown in the conclusions, and significant signals were sent about the programme which, at the time of speaking, with economic uncertainty reigning, are extremely relevant, and the idea should give even more weight to the ILO agenda.

I would like, in particular, to underscore the need to move towards a results-oriented policy. To see to it that the instruments and tools are appropriate for moving towards increasingly concrete goals which are up to coping with developments.

In a very clear-cut and enthusiastic fashion, I would like to support the Declaration on Social Justice for a Fair Globalization adopted yesterday. I would also like to join those, namely the European Union, who supported the Declaration, the resolution and the very fundamental points and priorities which were adopted. Emphasizing this support, let me say a word of recognition to the International Labour Organization. I believe it is only right that thanks should go to the Director-General, Mr Juan Somavia, who I would urge to press on with the work of the Organization in the future and to deepen the Decent Work Agenda.

This Agenda is truly a global agenda, an agenda promoting progress and development, and I hope that the next European Regional Meeting of the ILO can be held in my country, in Lisbon, in February 2009. Let us hope that it can truly contribute to more deeply involving the European Union in the agenda of the ILO and in the Decent Work Agenda.

(The Conference adjourned at 11.35 a.m.)

Twelfth (special) sitting

Wednesday, 11 June 2008, 11.40 a.m.

President: Mr Salamin

HIGH-LEVEL PANEL ON THE FOOD CRISIS: PRODUCTION, INVESTMENT AND DECENT WORK

Original Spanish: The PRESIDENT

I have the honour to declare open the 12th sitting of the 97th Session of the International Labour Conference. In this plenary session, we meet as the High-level Panel on the Food Crisis: Investment, Production and Decent Work. One of our major speakers will be the Right Honourable Prime Minister of the Kingdom of Lesotho, Mr Pakalitha Mosisili. We will also be hearing from Mr O'Reilly, who will be setting out the view of the Employers, and from Mr Oswald, who will be reporting on the view of the Workers, and from Mr Lennart Båge, President of the International Agricultural Development Fund. The final conclusions will be presented by the Director-General, Mr Juan Somavia.

The increase in the price of food has become a serious problem on a world scale. Last week, the Rome Declaration on World Food Security was adopted, which included an appeal for an increase in investment in agriculture and an increase in production, particularly in developing countries. No country can escape the effects of the upward pressure on food prices, whose effects, particularly on families with low incomes, are enormous. This could cause a serious setback in the achievements attained so far in combating poverty.

There is no doubt that decent work is a goal that is beset with problems. It is therefore important that the International Labour Conference face up to those difficult circumstances. We in the Panel hope, in particular, that we will be able to propose approaches which governments, employers and workers will be able to use as instruments to face up to the crisis.

I have the great honour of presenting the Right Honourable Prime Minister of the Kingdom of Lesotho. His Excellency is an active defender of dialogue in his country in southern Africa and outside their borders.

He is used to speaking freely on employment and labour relations, and also on development. Lesotho is one of the least developed countries, but that has not prevented the Prime Minister recently making a statement to the effect that being a less developed country is not a permanent condition. We are all very keen to move out of this category.

He was a speaker at the High-level Conference on World Food Security which took place last week in Rome. I have the honour of inviting the Right Hon-

ourable Prime Minister of the Kingdom of Lesotho to address us.

Mr MOSISILI (Prime Minister of the Kingdom of Lesotho)

Mr President, honourable Ministers, Excellencies, Ambassadors, Director-General Juan Somavia, distinguished fellow panellists, distinguished social partners and delegates, ladies and gentlemen, allow me to commence by expressing my profound gratitude to the Director-General and the Governing Body of the International Labour Organization for extending an invitation to me to address this august body on this occasion of the 97th International Labour Conference.

It is at the Conference that organized workers and business, as well as governments, converge. They do so to discuss critical issues that affect them in one way or another as they carry out their respective mandates. The trio are the kingpins of any country's economy. Sound and sustained economic growth, with mechanisms for equitable distribution of income, materializes whenever the three partners represented here today engage in harmony and with a focus on high productivity. Sharing some thoughts with you today is truly a distinct honour and a special privilege for me.

May I take my turn in congratulating you, Mr President, and the members of your Bureau, on your election.

I am highly confident, as others are, that you have been able, and will continue, to display sterling leadership qualities. No doubt, such leadership will manifest itself in your skilful steering of this Conference and ensuring that it achieves the expected outcomes for the benefit of the Members of the ILO.

In the same vein, permit me also to convey very warm greetings from the Government and people of the mountain kingdom, or the kingdom in the sky, as Lesotho is affectionately called. Let me briefly take this audience through Lesotho's involvement with the ILO.

The Kingdom of Lesotho has been closely linked to the ILO since the attainment of its independence in October 1966. As a result of that active engagement, Lesotho, as a Member in good standing, has ratified 23 international labour Conventions, as well as the Declaration on the Fundamental Principles and Rights at Work of the ILO, of course.

Lesotho has faithfully domesticated these core Conventions into her national laws. As a result of that enduring cordial relationship and Lesotho's resolute determination to systematically inch in towards best practices, the ILO deemed it proper to

periodically lend a helping hand, both technically and financially, to nurture Lesotho's efforts towards full fruition.

This is perhaps the right point at which I should take advantage of this rare opportunity to pay tribute to the ILO for being in the forefront in advocating faithful adherence to, *inter alia*, rights at work, decent work, fair remuneration, non-discrimination practices, gender equality and equity, and the fight against HIV/AIDS in the workplace, to catalogue but a few examples. May I urge the ILO to continue undeterred to be the vanguard in the advancement and defence of rights at work.

The invitation to address the 97th Session of the International Labour Conference comes to me at the time of enormous global challenges. The developing world, especially Africa, and low-income countries in general, bear the brunt of the adverse effects of these challenges. The economic performance of a number of African and low-income developing countries elsewhere was beginning to show vibrance and great promise of achieving a reasonable number of the Millennium Development Goals (MDGs) by the target date of 2015. But, alas, the menace of the current international financial markets' instability, skyrocketing oil prices, and phenomenally escalating food prices have combined to dash those hopes.

External imbalances are emerging in numerous countries. The pressures of rising inflation rates are upon us. The spectre of heavy external indebtedness, in some cases relapsing to unsustainable levels, is once again haunting us. Dampened economic growth rates are an inevitable consequence.

This litany of economic ills leads to further delays in poverty reduction and translates into prolonged suffering among the poor. Moreover, this litany of ills implies that the MDGs may well be missed by a wide margin in 2015.

The situation is worse in net oil-importing and net food-importing countries. It is devastating in those that are, in addition, landlocked.

May I comment now on the global food crisis and its consequences?

A critic listening to me might consider it superfluous to issue a reminder that food is the most basic of all human needs. Yet I feel obliged to do so as some of those who live in opulence tend, more often than not, to forget this reality.

Any food crisis imposes a heavy burden on the poor, and causes considerable social strain, as well as creating a fertile ground for the build up of social tension and widespread unrest. Food and oil prices-related riots have already occurred in more than a dozen countries around the world. Indeed, they are spreading like wildfire. One government has already collapsed as a result. In the circumstances, the choice of the food crisis as a theme for this particular component of the Conference has not only been timely but inspired.

Moreover, this alarming food crisis is threatening the still fledgling democracies and the fragile peace in post-conflict countries of the world. It also triggers outright massive inter-country and inter-continent migration and accelerates intra-country rural-to-urban migration.

The current food crisis is serious enough to have provoked a world summit, hosted by the Food and Agriculture Organization in Rome last week. I flew into Geneva from that summit which had attracted many world leaders from all walks of life. Active

participation, keen and honest debate, as well as concrete commitment of resources, characterized that forum.

There is an old saying that "Coming events cast their shadows before them." The food crisis was, indeed, foreseen by analysts, but no remedial measures were put in place in time due to procrastination and, in some cases, outright scepticism or disinterest.

The crisis is caused by a combination of factors, among which the following can be mentioned: a growing world population, which means more mouths to feed; increased consumption per person in developing countries as incomes rise; a high food wastage rate in developed countries; high oil prices that have increased the cost of production and transportation; poor storage and inefficient distribution systems; use by many low-income countries of primitive technology, methods and inputs that cannot lead to the realization of full production potential; rural-to-urban migration, which means the abandonment of farming land and often leaving environmental degradation behind; market distortions, largely due to farm subsidies in developed countries, increasingly subjecting food markets to speculation; climate change and its implications for low-income countries; heavy reliance on rain-fed agriculture; and growing demand for farm land and crops for biofuel production, to mention just some of the relevant factors.

Some observers and analysts have included liberalization under the structural adjustment programmes, popularly known as the Washington Consensus, as one of the suspects in the cause of the crisis. The contrasting tales of Haiti and Malawi are cited by some as an example. Haiti, which followed the Washington Consensus to the letter, ended up joining the ranks of net food importing developing countries and, indeed, faced riots, while Malawi, which provided subsidies to farmers, as developed countries do, experienced a bumper crop. Does that not remind us of the Asian financial crisis of the 1990s? The countries that declined to follow the Washington Consensus were the ones that weathered the storm far better and bounced back much faster. Perhaps experts in these matters, such as Joseph Stiglitz, Jeffrey Sachs and others, can give us further guidance in this regard.

Food aid would be welcome as a temporary relief at this juncture. I should point out emphatically, however, that obstructing the flow of emergency food aid to the portion of the population in dire need is a flagrant violation of human rights and a clear disregard of humanitarian norms. It is indeed deplorable. As I pointed out in my statement to the high-level conference in Rome last week, diverting food to the production of biofuels when 800million fellow human beings go hungry is, in my humble view, not only obscene, but sinful and untenable.

Medium- to long-term solutions to the current food crisis need to be sought and put in place as expeditiously as possible. However, technical assistance to developing countries should be user driven and human resources capacity building should be needs based and sustainable.

Investment, both private and public, accompanied by appropriate or adapted technology transfer and diffusion to rural areas in general, and to agriculture in particular, and the raising of productivity are the key challenges in addressing the food crisis. Education and training, as well as access to good health

care, are key to raising productivity in both rural and urban areas. Improved food storage and efficient distribution systems count towards the alleviation of the crisis. Such steps would also have the effect of creating employment opportunities in rural areas and thus slowing down, perhaps even halting altogether, rural to urban migration. That would save urban areas, where much of the infrastructure and the provision of services is already overstretched.

The increased use of alternative, relatively more environment-friendly energy sources, such as hydro-, solar- and wind-power generation, may well ease pressure off the usage of fossil and biofuels. Land reform and meticulous land use planning, as well as faithful implementation and rigorous monitoring and evaluation are becoming ever more imperative and urgent.

This year's general and overarching theme, the promotion of rural employment for poverty reduction, is very topical indeed for most low-income developing countries. The Conference document has addressed the subject comprehensively and in depth. It is most pertinent to countries such as Lesotho, where a large majority of the population still resides in rural areas. Thus, tackling poverty in rural areas would be the quickest and most effective way of reducing overall poverty countrywide. We are set on following this path and feel reinforced by the discussion of this theme. We are keen to learn from the experiences of others, especially from best practice cases.

Lesotho has made deliberate efforts to improve the socio-economic circumstances of her rural population, using labour-intensive methods to generate employment. These include:

- environmental rehabilitation projects in the form of water harvesting, land reclamation, reforestation and construction of rural access roads, to name but a few. These projects have generated jobs in excess of 100,000;
- the use of local raw materials for developmental purposes. These include, among others in our case, sandstone mining for the local as well as the export market, and, the use of aloe for the manufacturing of aloe products, both for medicinal and other domestic uses;
- cottage industries for the manufacture of wool and mohair products, for pottery and for art and craft products.

Regarding the social sector, in education major strides have been made towards universal primary education. The introduction of free primary education in 2000 has increased enrolments tremendously, thus necessitating the construction of more schools at both primary and secondary levels. A bill has been drafted, and will shortly be tabled in Parliament, to make primary education not only free, but compulsory, beginning in January next year. Tertiary education is also being diversified and strengthened.

Formidable challenges in the health sector remain. However, free primary healthcare, including the provision of anti-retroviral treatment for those infected with HIV, has been introduced. To make primary healthcare more accessible to the rural population, the Government is in the process of building and equipping over 100 health facilities, including nine HIV clinics for children.

HIV and AIDS prevalence in Lesotho unfortunately remains quite high. Consequently, we have

launched a fierce battle against the spread of infection. The "know your status" campaign, which involves nationwide voluntary testing followed immediately by results-appropriate counselling, has been running for sometime now. Furthermore, legislation and special programmes are in place to deal with HIV and AIDS at the workplace. These special programmes involve the tripartite structures. There is reason to hope that we will see the reversal of the pandemic in due course.

Before I conclude, allow me to just share with you very briefly, what progress has been made in other areas in Lesotho. Economic growth was already getting into high gear when the oil and food crises struck. It had recovered from the shock that had been brought about by the expiry of the Multifibre Arrangement. The real rate of growth was beginning to accelerate. The economy has so far been fairly stable. It is still not yet clear to what degree and in what manner the adverse effects of volatile financial markets, skyrocketing oil prices and escalating food prices will have an impact on economic development at this stage. We are bracing ourselves for challenging times ahead. No doubt these hard times will call for a common understanding by the tripartite partners and a deliberate response shared by all stakeholders.

On the political front, we are continuing to pursue the programme of deepening democracy. It is our full understanding and appreciation that democracy amounts to much more than mere periodic free and fair elections, important though such elections are. Rather, it also encapsulates broad-based participation and inclusion in national and local affairs. The decentralization and empowerment of local authorities have already been put in place. We are now in the consolidation phase of this programme.

On good governance and human rights, Lesotho is courageously moving towards best practice. The relevant Conventions have been ratified and domesticated. The newer ones are in the process of domestication. The requisite legal framework and institutional infrastructure are in place and are being consolidated. Lesotho is, indeed, in line for a NEPAD peer review, and in this context, the establishment of an independent human rights commission is in the pipeline. We are eagerly awaiting a universal periodic review by the Human Rights Council in due course.

To conclude, this is the socio-economic profile of Lesotho in a nutshell. As we all know, Lesotho is a least developed country, aiming at improving the quality of life of its citizens, and at doing so at the earliest opportunity, as you will indeed observe. Let us not allow climate change, financial turmoil, skyrocketing oil prices, and food shortages and high prices to frustrate this effort. Strategies and programmes to lessen, if not obviate, people's suffering cannot be postponed. The ILO and all those who are truly committed to its mandate have a pivotal role to play in alleviating the suffering inflicted by the oil and food crises, as well as by climate change.

Thank you very much for inviting me to this very important Conference. May it bear the envisaged fruit.

Original Spanish: The PRESIDENT

Thank you very much, your Excellency, for your words and for your reasoning. There is no doubt that this encourages us to explore new avenues and together find innovative solutions to the pressing

problem of the food crisis and its extensive ramifications thereof.

Now, I would like to give the floor to Mr O'Reilly, the Executive Director of Business New Zealand, the Employer delegate to the Conference and the Employer Vice-Chairperson of the Committee on Rural Employment. Business New Zealand is the voice of the business community of that country.

Mr O'REILLY (*Employer, New Zealand*)

I should like, first of all, to thank the Prime Minister for his insightful and positive words. I know that my good friends from the Lesotho Employers have been very excited about his attendance at the Conference and, on their behalf, and on behalf of all employers more generally represented here, I welcome him and thank him for his insight.

This year, for the first time since the 1970s, the cost of food has dominated headlines and threatens stability in many countries around the world. Escalating food prices cause real pain and hardship, particularly to the world's most vulnerable, as the Prime Minister so eloquently explained.

The reasons for this rise in food prices are complex. Higher energy prices are impacting costs. Recurrent bad weather and environmental degradation have also played a part. There has been an increase in the use of biofuels – but perhaps more telling is the impact of a lack of investment in the agricultural sector in many countries for decades now. Rising demand from new markets, such as China and India, have also been critical factors.

Like any major event, there are, of course, those that have benefited to the good, big food exporting countries for sure, but also poor farmers in many developing countries – the largest group of rural poor in Cambodia and Viet Nam, for example.

Perhaps the most remarkable aspect of the food crisis has been that it has caught us all unawares. A quick look at how the world has changed over the last 30 years, and is changing, and will change, should have signalled to policy-makers the potential crisis much earlier.

Many governments for decades now have paid far too little attention to the opportunities of rural development. They have often under-invested in infrastructure and education and in the social services that are the bedrock of sustainable economic and social development. Far too many governments have concentrated on protecting and distorting agricultural markets with the strange idea that somehow this would increase prosperity – including the prosperity of developing countries. The shortsightedness of those policy decisions is now playing out for all to see.

Sooner or later food prices will stabilize, but no doubt higher food prices will be with us for the foreseeable future.

Ultimately, in this, as in so many other similar circumstances, everything depends on governments keeping their cool and concentrating on getting the policy responses right. These fall into short-term, and medium- to long-term responses.

In the short term, urgent measures are required to alleviate suffering. Food aid and other basic social protection measures need to be fast-tracked into place but, importantly, in a fashion that does not distort existing markets and that builds a solid foundation for future success.

In the medium to long term, our policy responses need to be more complex and in many ways they will need to be braver in order to bring them to a successful conclusion. It is in these responses that the nexus of economic development, social protection and food security occurs. If we are successful with economic development and social protection, we will have gone a long way to ensuring food security.

A number of policy responses are required. First, we need to encourage supply and get more food into production and then into markets. Second, we need to bring more land into use in a sustainable way and make sure that the land is farmed as productively as possible. Third, we need to provide farmers with more options to grow and this includes access to finance and to markets. Fourth, we need to find the means to reduce the vulnerability of households through sustainable policies; and fifth, we need to focus on productivity increases, including through new technologies.

Finally, but most importantly, we need to reaffirm our faith in trade, including for food. We must resist the temptation to turn our back on open trade and investment policies.

We often hear calls for “fair trade”. But trade policies that distort and restrict markets can cause real suffering. In response to this crisis, for example, many countries have imposed export restrictions and/or price controls in an attempt to ensure food security in domestic markets. This is, in many cases, exacerbating the situation – and certainly to me, this does not seem to be either smart or “fair”. Thankfully, leadership is being shown, and I echo the statement from the United Nations Chief Executives Board in April, calling for a rapid conclusion of the Doha Development Round.

In all of this, we need to ask ourselves what is the role of this house and its constituents. What can we do?

I was privileged to lead the Employers' group in our discussions over the last two weeks on the promotion of rural employment for poverty reduction. I put it to this forum that we can take very useful guidance from the set of conclusions that came from that Committee's work, because in many respects the current food crisis was a key factor hanging over our deliberations. To my mind it focused our attention and facilitated the excellent set of policy guidelines we achieved. And I was pleased to see that the Prime Minister referred to many of these policy guidelines and responses in his presentation. We must be on the right track.

These guidelines help us in three important ways.

First, they tell us that the ILO needs to focus on its comparative advantage which, to my mind, is its global network of workers and employers across all sectors of the economy worldwide.

Second, they remind us not to reinvent the wheel, nor replicate the work of others. The multilateral system needs to work on the principle that the whole is greater than the sum of its parts.

Third, they underline that the Organization must stay focused and be realistic about what is achievable within the confines of its mandate; its competencies and its budgetary constraints.

This last point is critical. Of course the Organization has a role to play in responding to the crisis, but that role has to be based on its mandate and on its core competencies. It must resist the temptation of

rushing in. It needs authenticity and depth to its responses, if it is going to make an impact.

To be impactful, it is likely that the ILO policy responses will concentrate on the medium to long term. And in my submission, they need to focus on two key policy areas.

The first policy area is enterprise creation and development. Agriculture is important, very important, but it is only one piece of the policy puzzle. As countries move up the development and productivity ladder, more comprehensive and integrated approaches will be required – shifting to high-value agriculture, decentralizing non-farm economic activity to rural areas, and providing pathways to help people move out of agriculture. Non-farm employment and SME and entrepreneurship development are crucial elements, and the ILO has a critical role to play here.

Farms and rural enterprises frequently serve very local, restricted, typically low-income markets. They need to reach out to richer and larger urban markets, on national or international scales. In this respect, accessing supply chains can help lead to reduced product losses, increases in sales, reduced transaction costs, better control of product quality and safety and better access to technology, capital and knowledge. If we can create this virtuous circle, then we will have gone a long way, not only towards reducing poverty, but also towards dealing a major blow to the possibility of another food crisis in the future.

The second policy area is social protection. For the most vulnerable in our societies, a sudden change in the price of food has an immediate, and often very painful, impact. Social protection can help shield those individuals from that pain. But responses need to be guided by national, fiscal practicalities – not ideology, nor utopian, ideas!

A comprehensive approach is needed, one which draws attention to the large number of risks and which proposes a variety of instruments to deal with those risks. Such instruments can be based on informal arrangements, market-based approaches or public systems. Each has relative strengths and limitations, but each needs to be considered.

The oil in the wheels of these solutions is undoubtedly good governance – free from corruption, stable, predictable and non-bureaucratic. Enterprise creation and development will be stifled without it and, in its absence, social protection will always remain an unaffordable dream.

Overall improving the security of the poor, not only reducing their vulnerability to poverty, but building pathways out of poverty now and in the future, needs to be the policy goal. And that, above all, requires a practical approach, not simplistic legal solutions.

These are the building blocks to providing sustainable solutions to the food crisis in the medium to long term.

Let me conclude by making a suggestion. The United Nations Chief Executives Board has created a task force to tackle the global food crisis, under the leadership of the Secretary-General. This is most welcome. We call here on the ILO, as an Organization, to play a leading role in this task force, bringing into that task force individuals representing both the private sector and the trade union movement.

The world is rapidly changing, sometimes in a challenging way and sometimes, as we have seen

this year, even in frightening ways. This mixture of opportunity and challenge demands that we take effective, appropriate, and occasionally rapid, action. Some of those actions might be challenging to certain groups some of the time, but they may well be warranted if we are to achieve long-term sustainable growth. That growth – long term, sustainable, enabling, empowering – based on good governance, is our pathway to success, not only to help solve this food crisis, but to put us in the best position to ensure it never happens again.

Original Spanish: The PRESIDENT

I would now like to call upon Mr Ron Oswald, Secretary-General of the International Union of Workers in the Food Industry, Agriculture, Catering, Tobacco and Allied Trades, UITA. That union represents 12 million workers across 120 countries and works to defend the trade union rights of its members.

Mr OSWALD (*representative, International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations*)

The IUF welcomes this ILO policy discussion on the link between food security production, investment and decent work because it is precisely these dimensions of the present crisis which are missing from much of the analysis and policy proposals on offer today, including, I am afraid, the conclusions of the recent FAO High-level Conference on World Food Security which we, therefore, regard as a missed opportunity at best, and a failure at worst.

One of the reasons for our disappointment is that the food crisis is seen mainly in terms of the rapid escalation in food prices over the past three years. Yet this is only one manifestation of a persistent, longer term crisis in which the right to adequate food is denied to more than 800 million people, including those who work in agriculture. Recall that in 1996 the Rome Declaration on World Food Security stated “we consider it intolerable that more than 800 million people throughout the world, and particularly in developing countries, do not have enough food to meet their basic nutritional needs”. And this was when the global prices of major agricultural commodities were collapsing, hitting their lowest levels in three decades. Whether agricultural prices are hitting record highs or record lows, hundreds of millions of people continue to be denied the right to food.

In 2001, the IUF published *The WTO and the World Food System*. We began by asking if access to safe, nutritious food is a fundamental human right, why are 820 million people then living in hunger today? Why are people in food-exporting countries living in hunger? Why are agricultural workers among the malnourished? If the value of annual global exports in agricultural products is US\$545 billion, why do waged agricultural workers and small farmers register among the highest levels of global poverty? More than half of the world's workforce is engaged in agricultural production, why then are the conditions under which food is produced so destructive to the health and well-being of these people?

Since 2002, global agricultural trade has steadily increased to over US\$700 billion, a figure that precedes the recent hyperinflation. Where are the benefits of expanding trade in agriculture promised us by

the WTO, whose Doha Round the FAO urges be concluded as the main solution to global hunger?

In 2007, the FAO estimated that 850 million people were now chronically malnourished though food production continued to outpace population growth. Now in 2008, even the IMF is speaking of an additional 100 million potential new victims of starvation.

A system which routinely condemns over 800 million people to hunger and malnutrition is self-evidently in permanent crisis. From the standpoint of international human rights law, which establishes the universal right of all human beings to adequate, affordable nutrition and the obligation of governments to ensure that that right is defended and fulfilled, the system is more than a failure, it is a crime.

Among the foremost victims of this massive violation of the right to food are the nearly 0.5 billion women and men who help produce the food we all depend on – waged agricultural workers.

What is new today, is the near simultaneous appearance of massed protests in some 30 countries, which has perhaps elevated this ongoing violation of human rights to a political crisis for governments. The new element driving these protests is hyperinflation in the price of staple foods. The prices of some of these essentials have doubled and tripled in the space of a year, some of them in the space of months. On 31 March 2008, the price of rice rose by 31 per cent in a single day. On 25 February, that of wheat by 27 per cent. It has been estimated that every percentage point increase in the price of staple foodstuffs can send an additional 16 million people into hunger.

The first question to ask, therefore, is why are so many millions already on the edge and why are so many of them employed in agriculture? While it is an urgent necessity to halt the rise in prices, let us ask why there are no official proposals to raise rural workers' incomes to compensate for the loss of purchasing power and the reduction in calories. We should be asking why millions of rural workers sunk into hunger and poverty, when agricultural commodity prices fell steadily downwards, as they did throughout the 1990s. We should ask why the retail prices of for example coffee, tea or sugar, remained essentially stable or even increased for over a decade while world market prices for these commodities were in prolonged freefall. Why, during these years, did the profits of the transnational processors and traders increase, along with their buying and marketing power, while the wages of coffee, tea and sugar workers stagnated or fell sometimes drastically?

Where is the linkage between commodity prices, retail prices, wages and purchasing power that the WTO assured us liberalized trade would achieve through "the optimal utilization of resources". Dependence on volatile global commodity prices has pushed entire populations to the brink of starvation.

The FAO Conference last week concluded with a call to quickly complete the Doha Round. How can we rush to a faster conclusion of the Doha Round when it was the WTO regime, and the Agreement on Agriculture in particular, that facilitated import surges that have devastated vital systems of local and national food production?

Between 1995 and 2000, for example, the price of maize in Mexico fell by 70 per cent, while the price of tortillas, the staple maize bread, increased by 300

per cent and quadrupled in the space of a few months last year? In these five years, an estimated 1.3 million workers and small farmers were forced to abandon the countryside in search of work. Many of these were forced to leave Mexico.

Commodity prices in themselves tell us nothing about the capacity of the world's agricultural workers to feed themselves or the urban poor. The key issues are vulnerability, volatility and the extraction of value along the food chain.

While an additional 100 million people face possible starvation as a result of rapidly rising cereal and oilseed prices, corporate profits for the traders and primary processors are at record levels. Cargill, the world's leading trader, registered an 86 per cent increase in profits from commodity trading in the first quarter of this year. In 2007, profits for ADM, the second global trader, were up 67 per cent last year. Bunge, riding the wave of demand for oilseed for biodiesel, enjoyed a 77 per cent increase in first-quarter profits this year. And Nestlé, the world's largest food corporation, posted exceptional 2007 profits and launched a US\$25 billion share-buyback programme, while telling its workers, our members, that high input prices mean they should brace themselves for layoffs and wage cuts.

You can search in vain for the word "corporation" in the FAO's 50-page briefing paper for the World Food Crisis Summit. This in a report entitled: *Facts, perspectives, impacts and action required*. You will not find it, either, in the OECD-FAO *Agriculture Outlook 2008-2017* though you will find there a message to the global poor that food will be unaffordable for the next decade or more. Critical issues and key actors in the crisis of the world food system are simply not there. The driving force behind liberalizing agricultural trade over the past decade, the enormous increase in the reach, power and market share of transnational corporations not only across borders but within local and national markets through intra-company trade and subsidiaries, is entirely absent. There are only market signals and prices. With these facts and this perspective, how can we understand the real mechanisms at work and meaningfully address the issues?

The forces generating hunger do not simply happen, they are made to happen. If world cereal stocks are low, it is because governments were systematically pressured, lobbied, blackmailed and seduced into selling them off, thereby privatizing an essential mechanism for managing supply. The corporations now manage the planet's food stocks. Publicly funded agricultural research did not simply decline, it was consciously dismantled under the watchful eye of the World Bank, ensuring that research would become the exclusive preserve of corporate R&D. With the major actors branded invisible and, in particular, the corporations and the financial speculators increasingly dictating how and what kind of food is planted, harvested, processed and marketed and at what price, we are left with an action plan which tells the poor it will essentially be business as usual.

What should have been an opportunity in Rome for governments to show their commitment to following through on their obligation to protect and enforce the rights of food concluded with humanitarian assistance and vague calls for more investment, more seed, more fertilizer, etc., without specifying what kind of investment, what investors, what seeds, an investment for whom, etc.

Whilst international agencies have suddenly discovered under-investment, investment in commodity indexes has climbed from \$US13 billion in 2003 to \$US260 billion in 2008 and according to some analysts may soon hit a trillion US dollars. Yet the FAO briefing paper for the Rome Summit devoted a dismissive two paragraphs to the phenomenon in its assessment of recent developments and nothing in its concluding policy options. Private equity and hedge fund investors focused on short-term, high-yield gains have been expanding beyond futures markets and are now pouring billions into acquiring farm lands, inputs and infrastructure.

The real world has been left behind and with it production, investment and decent work. The real issues are what kind of investment, what kind of production and who benefits? World Bank research has convincingly established that the massive diversion of cereal and oilseed crops for biofuel production is responsible for much of the pressure behind food price inflation, from one third to as much as 75 per cent when land use and the impact on food stocks are factored in. The escalating price of oil is also a critical factor, for the world food system is addicted to carbon fuels for pesticide and fertilizer inputs and for long-distance transport. Food has become a branch of the petro-chemical industry. The FAO sees speculation playing no significant role in pushing prices upwards, but, meanwhile, investment funds are betting hundreds of billions of dollars on higher prices creating a bubble that will drive prices upwards.

It was speculation alone which drove up the price of rice futures by 31 per cent in a few hours on 31 March. Retail prices will follow and the consequences can be fatal. A US wheat farmer said recently that we are turning everything into a commodity and losing sight of the fact that it is food, that it is something people need, we are trading lives.

Combating hunger requires moving away from industrialized monocultures which are strip mining the soil and depleting and contaminating water resources. Governments must restore to them the policy tools they need to ensure food security through investment in local and national food systems. Clearly, we must halt the diversion of food for human consumption to fuel tanks. Food and agriculture must be defended from the incursions of the financial market through regulation and we must ensure the basic rights of all those who work in agriculture.

These are, in fact, the conclusions of the UN's own international assessment of agricultural knowledge, science and technology for development, whose recent report has been endorsed by over 60 countries, but whose findings and conclusions played no role in the FAO summit.

As we mark the 60th anniversary of ILO Convention No. 87 on freedom of association, the rights of agricultural workers are still systematically violated and this systematic violation of rights is reflected in a food system which is neither socially nor environmentally sustainable. Agricultural work remains the domain of poverty, violence, child labour, death and injury on the job. Agricultural workers are still specifically excluded from national systems of industrial relations in some of the richest countries of the world, countries which are major producers and exporters of food. How is it possible, in 2008, that we are still fighting for recognition of agricultural

workers' rights to potable water as a universal human right.

The missing link between investment, production and decent work, the title of this panel, is social regulation. No matter how many billions or even trillions flow into agriculture, this investment fails to deliver decent work and fails to advance the rights of food. What we see instead is more volatility and therefore more vulnerability. Social regulation at national and subnational levels including implementation of ILO standards is necessary to ensure that these capital flows are channelled into decent work, poverty alleviation and sustainable food security. Governments must have and be able to exercise the right to be able to protect food and food workers. This is why the ILO must play a central role in the UN's inter-agency work on food security.

We therefore think it essential that, in the follow-up to the work of this year's International Labour Conference Committee on Rural Employment, the ILO should call for the rapid organization of a public policy forum on the global food crisis from the standpoint of production, investment and decent work – a policy forum in which the women and men who help produce the world's food and their unions can bring the real issues and the real solutions to the table.

Original Spanish: The PRESIDENT

I now give the floor to Mr Lennart Båge, President of the International Fund for Agricultural Development (IFAD). Ambassador Båge has also had a long career in international development. He was head of international cooperation for development in Sweden, and he is currently Chairperson of the High-level Committee on United Nations Programmes. He was President of the Administrative Council of IFAD before being elected to the Presidency of IFAD and subsequently re-elected.

Mr BÅGE (President, International Fund for Agricultural Development)

The focus of international attention is increasingly, and rightly so, on the wide-reaching effects of high food prices. This has been the key topic for discussions over the last month, along with rapidly rising energy prices, which together feed the common problem.

How can we ensure that these issues do not undermine the welfare of the world's poorest and most vulnerable people? This was discussed at the High-level Conference on World Food Security in Rome last week and it is at the top of the international agenda. The food crisis is also the focus, as has been mentioned here, of the Task Force on the Global Food Security Crisis, established by the United Nations Secretary-General, which brings together the UN system, the Bretton Woods institutions and the World Trade Organization (WTO). The International Fund for Agricultural Development (IFAD) is closely involved in this effort, working with our sister agencies in Rome, the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP), as well as other members of the group.

The Secretary-General's Task Force is developing a comprehensive framework to address the food crisis. The comprehensive framework for action will establish, I think, for the first time, a strategic, coordinated and comprehensive approach that deals

with both the immediate, as well as the longer term aspects of the crisis. Meeting emergency food requirements is obviously the most urgent task and very often in the past that was the sole issue of attention. However, raising agricultural productivity and output, especially by smallholder farmers, is also essential, taking a long-term view, in order to avoid further food crises.

We must collectively see that we have to invest in the longer term in order not to have a recurring food crisis. This is not the first one.

Today's High-level Panel on the Food Crisis, Production, Investment and Decent Work, I think, brings a very broad, vital element to this debate. Of course, it brings in the element of employment and decent work. I hope that, from this discussion, some tangible, concrete proposals will emerge that we can take forward. A basic starting point is that three-quarters of the world's extremely poor people live in rural areas and depend, directly or indirectly, on agriculture for their livelihoods. These groups, together with urban poor people, are the most vulnerable to today's high food prices. In low-income countries, agriculture is often the largest source of employment. In sub-Saharan Africa, as much as 70 per cent, in other low-income countries, between 50 and 70 per cent. In these countries, what happens to agriculture, especially to smallholder agriculture, is a critical factor in determining the prospects for overall employment.

Smallholder farmers are closely linked to the local economy. As suppliers of food and other agricultural products and as buyers for locally-produced services and products, thus, we know the simple truth, that only when the farm economy is vibrant is there a demand for all farm products and services and a growing farm economy is critical for sustainable off-farm employment growth and services such as agro-processing and small-scale manufacturing. Unless rural employment growth accelerates, an increasing number of unemployed, especially youth, will be driven to cities in search of work. The rural poverty problem will thus be transferred to cities and it is becoming, as we know, an urban poverty problem.

If we look back over the past 20 years, it is very clear why we have reached the critical point we are at today. Over the past two to three decades, food on the international market was affordable and available. Export subsidies and dumping practices were widespread. Many ministers in developing countries have said to me "Why should we use scarce resources to invest in agriculture when food is so abundantly and cheaply available on the world market?"

So overall complacency set in and the need for investment in agriculture lost its urgency. We can see the figures. If we look at the share of government spending on agriculture from the early 1980s to today, it has fallen by two-thirds in Asia and Latin America and by one third in Africa. If we look at development aid, it has dropped from about 18 per cent in the early 1980s, to just about 3 per cent in 2006. So, as a result of this, and indeed also of the decrease in spending on research, we have declining growth in productivity overall. In the early 1980s, 4, 5, 6 per cent annual productivity growth in agriculture, now down to 1 or 2 per cent. This is at the same time that we know that, with growing populations, there is growing demand for a more varied diet and the production that has to un-

derpin it, which is a good thing. It is the flipside of the coin called development and poverty reduction. We should not point fingers at countries that are moving up the development ladder and demanding more food and a more varied diet. That is exactly what development is all about. We have to have a food system that can cope nationally and globally with what could ultimately be about a 50 per cent increase in food production needed by 2030, and an increase of around 100 per cent in food production by 2050.

We will see these very high prices come down somewhat because there is a supply response to commercial agriculture, in Europe, North America, Latin America and other parts of the world. However, it will not be enough to respond to the growing demands on the sector and it is not using a key resource that could meet demand. We are paying the price today for this complacency and the first lesson is, of course, that we have to shift back political attention, funding priorities and research priorities to make agriculture more productive. A key factor in this are the around 50 million smallholder farmers in Asia, Africa and Latin America. They work farmlands of two hectares or less. They are home to about 2 billion people. That is a third of humanity and this is the core of the poverty challenge. These are the people living on less than US\$1 or US\$2 a day and these are the people who have to be seeing development happening in their own lives if we are to achieve the Millennium Development Goals. Smallholder farmers for some are simply part of the past. But I say the smallholder farmer has the key to the future. It is a tremendous, under-used capacity, with the right investment, and we know what is needed – secure access to land and water, fertilizer, irrigation, feeder roads, rural finance, extension services, public or privately provided. The components are not a mystery. They have been tried and tested and we have actually seen the results. We have seen the results of it with India's Green Revolution. We have seen the results in many other countries in Asia over the last 60 years, most recently in Viet Nam, which has gone to having a heavy food deficit to being one of the major food exporters, virtually all because smallholder farming has become much more productive, driving economic growth, driving exports, driving poverty reduction from a poverty level of 58 per cent 20 years ago to 15 per cent today, thus maintaining equity and we have seen that the Gini coefficient has hardly budged in Viet Nam.

There is tremendous potential in investing. The right investments could lead to the supply response at the local and national levels, and at the international level, and, at the same time, add to development, allowing hardworking people, farmers and farm workers to work themselves out of poverty.

Confronting this very specific situation, today the first priority is to feed starving people and to restore the purchasing power of the World Food Programme. The international community has supported their appeals for resources and their targets have, at least in the short run, been met. It is important to see to it that farmers have the input, seeds and fertilizers, for the next planting season. That is part of the second approach and IFAD, as well as other resources, is making US\$200 million available to finance fertilizers and seeds for smallholder farmers in the next planting season. However, we must, as was said by previous speakers, make the

commitment to the longer term, and I think two facts make that very clear: the rapid increase in demand and the very low growth in productivity.

These two facts make it impossible to avoid future food crises, which is why there has to be investment in the sector, and that has to come from governments, aid donors, the private sector and it has to come from other actors in the rural space.

Many of the important issues for us to look at have been elaborated here today, and I will try not to repeat them, but let me pick up a few issues that are key to act on: the first one is political priority and restoring financial investments in agriculture. The discussion has tried to establish figures – 10–20 billion dollars a year investment in agriculture in Africa has been mentioned – that may sound like a lot, but if we were to restore government spending and aid donor spending to the levels of the early 1980s, those are exactly the figures we would get, and that is not even taking into account the private sector. There is obviously an important role to play for the private sector. Every smallholder farm linked to a market is a small component of the market economy and of the private sector. But there has to be a level playing field, there have to be open markets, there has to be a situation in which, not as in the past, export subsidies and dumping do not prevent smallholder farmers from accessing the market. This requires regulatory, institutional and trade rule changes. Thirdly, increased productivity and production need to be linked to the market; investment such as infrastructure, roads, railways, ports, electricity, and other key infrastructure components is crucial. We very often see good production yields without a link to the market. Post-harvest losses can be as high as 50 per cent because there is no link to the market, storage or processing. When we see the potential for the re-engagement of the private sector and actors like the sovereign wealth funds coming in, and when we see the opportunities in food or biofuel production in many low-income countries, for example in many countries in Africa, it is a huge challenge. It has the potential but it is very important that we find ways to support and strengthen the capacity of governments. How do you negotiate a deal with a multi-billion dollar entity? How do you safeguard workers' rights and decent work? How do you ensure environmental protection? How do you safeguard social and economic issues? We need to assist governments so that they can negotiate deals with the major actors of the private sector, deals that are sustainable economically, socially, environmentally and in all other respects, which is a major challenge. One way of getting a development impact is to build on out-grower schemes, where the major investor can join together with governments and farmer organizations. This links to the traditional farming system so that it becomes invigorated by investment in larger schemes. There is huge potential, but also huge risks and these have to be addressed in a conscious way. It is happening quickly, overwhelmingly quickly in some countries. The key here is to support the very often weak farmer and producer organizations and organizations of the farm workers. This is the collective expression of very often the poorest, weakest and most vulnerable groups in developing societies; and they are key stakeholders in the development of the Decent Work Agenda. We have instituted a farmers' forum where we bring together all farmer organizations, global, regional

and national, to try and nurture their strength to be able to represent their members in a strong way.

Now, the long-term need for a more productive global, agricultural system, provides a great opportunity for the 450 million smallholder farmers. They can be part of the supply response, and in doing that, as we have seen in many countries, they can move out of poverty, thus this can be part of a great global poverty reduction programme.

We have seen this happen in many Asian countries, and we are also seeing it happen, we can see sparks of it coming in Africa – in Ghana, Nigeria, Malawi, Mozambique and many other countries – so the very gloomy picture, or the view sometimes expressed that agriculture is backward and something to get out of, needs to be changed. It is the foundation for life, without agriculture we all will perish. A key comparative advantage for many developing countries, is actually in agriculture. It is not just the oil and the minerals in the ground, it is the fertile land itself that holds the key to prosperity, to economic growth, to equity and to decent work in many countries. This has been lost and we have to rediscover it and see to it that we help it come to fruition. In that regard I am very grateful to Mr Juan Somavia and the ILO for bringing this issue to broader attention. I hope that this issue will not only be the flavour of the day, but something that is there for the long haul because otherwise we will see new food crises develop a few years from now. I hope the discussion here will continue to be specific, to convert this new-found focus on agriculture into concrete proposals that will make the sector vibrant and dynamic, and contribute to food security and human dignity.

Original Spanish: The PRESIDENT

I would like to thank the four panellists for their presentations and for giving us their contributions on this subject from the viewpoints of their respective sectors. I am sure that this will allow us to enrich this debate, which is of great relevance at the moment.

I give the floor to the Secretary-General of the Conference, Mr Juan Somavia, to allow him to give us his input on this matter.

The SECRETARY-GENERAL OF THE CONFERENCE

I think that what comes clearly out of the presentations so well led by Prime Minister Mosisili is that there was a crisis before the crisis, and that crisis came about because rural development has been left behind, the world forgot somehow about these issues, and an enormous amount of figures were presented to show that. As a result, there was a litany of ills that we could all hear and that the Prime Minister highlighted very strongly. There are problems in the area of rights and equity and problems in the area of production and productivity.

Some saw this coming, some sounded the alarm. Some even said it already ten years ago when prices were low, but that was not enough, and there was complacency in the face of the reality that was not so difficult to understand.

So the end result was some policies that are immediate, urgent and humanitarian. Others are more medium term, and others are longer term. I think that, in general, the panellists converged on a number of questions that could all be put together in a way of addressing the crisis we face today in that range from the urgent to the longer term.

In terms of the ILO's role, I think that it became clear that we had addressed the issue of rural employment at the right time, not because we knew that the crisis was going to happen, but because we did not want to be part of the complacency. We understood that we needed to discuss this issue; this was a decision taken more than two years ago.

As a result, the Committee's conclusions seem to reflect something that the ILO can contribute in general, but I would like to pinpoint some of the things that were said here. One is enterprise development based, of course, on the balanced objectives of the sustainable enterprise agreements that we have, which include ILO labour standards.

Second, we have a Declaration on Multinational Enterprises as a foundation for corporate social responsibility. With regard to the role of corporations, I think that this might be an important space in which to look at that issue in the context of instruments and tools that the ILO already has in relation to the functioning of multilateral and multinational enterprises.

Third, very clearly, there is the issue of social protection an urgent issue of today, but certainly also something that has to accompany the rural development space as it evolves and puts into light what we have all been discussing, which is the notion of a social floor. A social floor is not just for urban development; it also has to be there in terms of rural development.

Fourth, the issue of cooperatives and other forms of organization of small farmers. There is no doubt that the capacity of an organization of small farmers will permit them to better negotiate their interests. I think that one of the key things here is our experience in freedom of association, the importance that we give to the capacity of workers, enterprises and everybody else to work together to project their voice and defend their interests. There is certainly a role for the ILO in promoting that.

Finally, let me say that we have already had a lot of experience in employment-intensive infrastructure development. I will not go into detail, but at the moment this is again at the heart of things, and we have been developing experiences in this field for more than 20 years.

Finally, two very specific proposals. One was to say, look, why do we not organize a tripartite public policy forum on food production, food security, and rural employment issues. We have to see how to

formulate it and how we can address some of the issues on which we may not have total agreement today. We need to look at this and see how we can have an integrated approach. This could be done in cooperation with other international organizations. Another is the idea concerning the CEB task force. The CEB is the Chief Executives Board of the United Nations. It is headed by the Secretary-General, we meet as heads of agencies twice a year, and in the last meeting the Secretary-General put in front of us the issue of the food crisis and how the whole system could work together.

If you read the statement that was approved, you will see that the issues of social protection, of a rapid creation of employment, are there, and there is even a reference in relation to the things to come to the ILC and to our Committee on Rural Employment. So the ILO was fully into what the Secretary-General felt were the key organizations that had to make a contribution to this, and the idea that we can now make a tripartite contribution to the task force that was created is, I think, a very good idea. We have to see what is the best way to make that happen. In any case, we are already in the context of the decision to work together; very clearly the ILO is there.

I think that this discussion has been extremely useful. It is very clear, it is very pertinent that we, that you, have taken the trouble to have this discussion. I want to thank Prime Minister Mosisili for his leadership on this issue and the clarity of his words, Ron Oswald, Phil O'Reilly and Mr Lennart Båge. I think that your presentations are very complementary, and I think it is clear, from this and from the rural employment discussion, which has produced such a good result, that some other very specific things emerged here with a clear direction which the ILO should follow in the future. We will continue our tripartite consultations to make sure that we do this in the best possible way.

Original Spanish: The PRESIDENT

I would like to give my thanks to the Secretary-General of the Conference for his contribution.

I now declare the 12th sitting of the 97th Session of the International Labour Conference closed.

(The Conference adjourned at 1.15 p.m.)

Thirteenth sitting

Wednesday, 11 June 2008, 3 p.m.

President: Mr Salamin, Ms Diallo, Mr Tabani

REPORT OF THE COMMITTEE ON SKILLS: SUBMISSION, DISCUSSION AND APPROVAL

Original Spanish: The PRESIDENT

I declare the Thirteenth sitting of the 97th Session of the International Labour Conference open.

Now I continue with the discussion, adoption and approval of the report and the resolution of the Committee on Skills. The texts are in *Provisional Record* No. 16. I would like to invite all members of the Committee secretariat to come up to the podium. I refer to Mr Armitage, Chairperson; Mr Renique, Employer Vice-Chairperson; Ms Yacob, Worker Vice-Chairperson; and Mr Ying, Reporter. I give the floor to Ms Rojvithee, who introduces the report prepared by Mr Ying.

Ms ROJVITHEE (Government, Thailand)

I am delighted to submit to you for adoption the report of the Committee on Skills concerning skills for improved productivity, employment growth and development.

The Committee worked in a satisfactory manner thanks to Mr Armitage, Government member from New Zealand. He demonstrated great wisdom, considerable skill and an excellent sense of humour, which enabled the Committee to work in a spirit of very satisfying cooperation.

We also engaged in very interesting dialogue thanks to the two Vice-Chairpersons, Mr Renique, Employer member from the Netherlands, and Ms Yacob, Worker member from Singapore. I would also like to recognize the contribution of the secretariat team, which worked under very efficient leadership of Ms Christine Evans-Klock, and also the team of interpreters.

The Committee had 11 sittings and the overall atmosphere can be described as having been extremely cooperative. Our discussions were conducted based on real-life examples of how we, as Governments and social partners, act and react in response to the challenges related to skills in the world of work. These contributions informed and guided both the report and the conclusions. This report you have before you is an account of the concerted efforts of all those who have participated in this Committee.

First of all, let me bring to your attention that this report is not a word-for-word account of what was said. Instead, it was decided, together with the Officers of the Committee, to give a broader reflection of the issues that were debated. It was felt important to make room for the examples from many of the

delegates. So the report was built around key issues. This was done in good faith and the secretariat made use of the minutes taken during the sessions, cross-checking, as and when necessary, with statements to make sure that what was reported reflected what was discussed. We hope that you will find that we have accurately reported on the work in the Committee.

Let me now turn to the report itself, which has four sections. It starts with the record of the election of the Officers and the introductory statement of the Office. Second, are the opening statements of the Workers, Employers and Governments, followed by a summary of our subsequent discussions. Third, is the summary of the discussion of the amendments to the draft conclusions by our tripartite drafting group. The last part is the Committee's conclusions.

The discussion was built around six main discussion points, which we adopted early on to guide our debate. It is not my intention to give a full account of the report, as this would, after many days spent at the Conference, probably bore you. What I would like to do is to highlight a few points that I felt were at threat throughout, what I would call a very rich discussion, which was conducted with respect and dignity.

The Decent Work Agenda and its objectives should provide a context for our policies, measures and strategy initiatives for skills development. Such policies, measures and strategies must take into consideration the differences between developed and developing countries.

The background report prepared by the Office was a firm basis for our discussion and deliberation, and the concept of the virtuous circle was recognized by many of us in this room as a solid framework around which to build our response to skills for productivity, employment growth and development. As the Employer Vice-Chairperson said in his opening statement, the background report gave us an opportunity to focus on labour market needs, as well as to consider the most relative aspects of innovation, technological change, new markets and emerging occupations. All this, as the Worker Vice-Chairperson reminded us, had to be looked at from a perspective of ensuring that workers remained employable and responsive to change and could perform better-paying jobs to improve their living standards as promoted in the Decent Work Agenda.

Other important links were made to the Human Resources Development Recommendation, 2004 (No. 195), and the discussion on sustainable enterprises at the 2007 session of the Conference. The background report and the discussion throughout

looked at equality concerns between women and men, but we did not fall into the trap of labelling women who make up half of the world population as a vulnerable category. There is a need for policy coherence in relation to skills development and sustainable development. We agree that skills development alone is not likely to increase productivity or create jobs. We need a coherent national environment with integrated policies on education, skills, economy and other issues. To be relevant, skills development needs to keep pace with the rapid speed of change, particularly global drivers of change, such as climate change, trade and technology.

We also agree that the overall responsibility for creating an enabling framework rests with governments, but the social partners have key roles as well. We also need strong interaction between all of us, including the Office. We have examined these subjects at numerous sittings and included them in the conclusions. The kind of workplace we provide to workers is important to motivate them to take part in training. Attention to occupational safety and health and observance of core labour standards is important in this regard. Skills needs have to be looked at holistically.

Many delegates stressed how important it was to look at the whole range of skills and training provision, from education to core skills, to reskilling, skills upgrading and the need for access to learning throughout life. As our Worker Vice-Chairperson said, we need to ensure seamless pathways of life-long learning.

Developing countries face particular challenges in addressing basic and core skills issues. The high illiteracy rate still present in many countries is a grave concern. We have a serious and urgent need to act in this regard.

Many delegates spoke about ensuring that training effectively helps people in finding jobs and decent work. It is equally important for employers to find workers for the jobs they have on offer. Strong labour market information systems, which are built through active dialogue of the social partners, are key. These would avoid the high cost that comes with the mismatch of demand and supply of skills. Upgrading skills of workers is also a critical part of active labour market policies. Skills training can also help address the major problem faced in the informal economy.

We also gave consideration to the skills training needs of the various groups to promote social cohesion and equal access. This included discussion on the needs of the rural communities, the informal economy and groups with special needs.

There is a need for specific measures related to training, learning and employability, such as ensuring better access to training, recognition of skills and specific programmes. The international dimensions of skills development are also important. For example, we need to consider skills needs in relation to migration and promote international recognition of certification and quality assurance.

Key to the discussion was also the role of partnership and alliance – for instance, the alliance between business enterprises and universities, for research and development, to address the implication and challenges of major global drivers of change. The ILO, together with other United Nations agencies, should assist in areas such as information sharing and facilitation of understanding and replication

of cases of best practices related to skills development.

As I said, it is not possible to do full justice to the very inspiring discussion we had in this historic building but I feel gratified with the result before us. We have been able to reach meaningful conclusions and these can help all of us make the virtuous circle a reality.

I personally feel excited about taking this back to my own Government and I will discuss with my colleagues in the Ministry how we can make sure that skills development gets its due reflection in the broader development agenda. And it is my sincere hope that you will all return home with more inspiration and some good concrete ideas of how to make things happen in your own national environment.

Mr RENIQUE (*Employer, Netherlands; Employer Vice-Chairperson of the Committee on Skills*)

First, I would like to thank the Chairperson of our Committee, Craig Armitage, for his excellent leadership. Also, I would like to thank the Reporter, Mr Neville Ying, from Jamaica and his colleague, Ms Areeya Rojvithee, from Thailand.

I also thank the Employers' group present in the Committee for its rich contributions and the team from the International Organisation of Employers (IOE) and the Bureau for Employers' Activities (ACT/EMP) secretariat which supported me throughout the process. I also would like to thank my colleague, Hamilah Yacob, and her group, as well as the Governments. The result before you would not have been possible without the spirit of sometimes critical, but always constructive, discussions, in the end leading to consensus.

Like the Reporter, I will not address in my speech all the important issues that we discussed. For example, we discussed at length the inclusion of target groups in the mainstream of skills development, like disadvantaged youth, migrant workers, people in rural areas and workers in the informal economy. The same applies to the issue of the early identification of skills needs – I will refer only shortly to this. Also, possible new drivers of change, such as climate change and demographic change, had our attention. I just may refer you to the report of the Committee on Skills for these items.

Coming to the report, my first remark is that, as Employer spokesperson, I rather prefer the full title of the report, which is *Skills for improved productivity, employment growth and development*. That says a lot. Not skills development as such, but especially the connection between skills development, improved productivity, employment growth and development is the issue.

In leading countries, a high score on education and productivity goes hand in hand with high employment. The demand is not just for skills, but for skills that meet the demands of business in development.

In a recent IOE survey on labour market trends, two-thirds of the employers' organizations reported that the education system in their country did not meet sufficiently the needs of the labour market.

And for the alleviation of poverty, not just more jobs, but more productive jobs are a necessary condition. A low-skill, low-productivity, low-wage economy is what we called, in the Committee, a vicious circle without a decent work perspective and this is not sustainable in the long term. What we

should strive for instead is a virtuous circle in which skills development fuels the innovation, productivity increase and enterprise development, technological change, investment and competitiveness that are needed to sustain and accelerate the creation of more and better jobs.

This immediately leads to important conclusions. First, skills development should be part of a national strategy for economic development, also including other policies like labour market policy, trade policy and technological policy. Second, good labour market information on the current situation and a good analysis of trends and its consequences for education is absolutely necessary for matching demand and supply. Third, ways have to be found to link education and skills development, not only to meet current demands, but also to foster innovation and to support emerging sectors.

Skills development, to say it in other words, is not just a tool for adaptation, but is also the basis for innovation, creativity and entrepreneurship. To achieve this, governments, as well as the social partners, have to play their role, not only assuming their own responsibilities, but also by cooperation with each other and with the educational institutions.

The conclusions in the report are balanced in this respect. None of the three parties mentioned – governments, employers or workers – can, or should, bear the whole responsibility for meeting changing needs, but at the same time none of the three parties should abstain from delivering its share.

I will not go into detail on the rich catalogue of activities for each of the three partners. What I want to underline, however, is that it will not be enough when each of the partners tries to do its job as well as possible itself. What is crucial is that, especially by interaction and cooperation, the so-called virtuous circle can start working.

It starts with policy coherence to be realized by cooperation between the different ministries. This requires the involvement of ministries of education, labour, technology and trade, but we heard examples, in the Committee, of governments with ten or even more ministries involved. In developing a national strategy for skills development related to improved productivity, employment growth and development, governments should definitely also involve both social partners.

An important instrument is social dialogue between the social partners, for example, in creating incentives for skills development. A clear message in our conclusions is that, on the one hand, the employers accept responsibility for facilitating work-related training, but, on the other hand, the workers should effectively use these opportunities and should invest in terms of efforts and commitment in developing their skills.

There is not only a need for dialogue at the national level. At the regional level, cooperation is necessary between schools and companies. This also requires room for schools to manoeuvre and to be responsive to change. This can be realized within a national qualification framework that gives transparency on qualifications, but at the same time is not too rigid or too bureaucratic.

As a last example, public-private partnerships regarding skills development are to be explored further. A classic example of this is the apprenticeship system, but new forms of cooperation are emerging, such as the recognition of work experience followed by tailor-made courses for adult learners, for exam-

ple, guest teachers from companies in vocational schools, or shared investment in fundamental or applied research with universities.

To conclude, good cooperation between governments, enterprises and educational institutions is necessary to realize productivity and growth on the basis of education and skills development.

At many places in the report, we included possible actions for the ILO. One of the tasks of the ILO is to collect examples of effective cooperation between the different actors in the development of skills. In general we advise the ILO to include skills development in relation to productivity increases, employment and development as a regular item in the Decent Work Country Programmes. The ILO training centre in Turin, in cooperation with the Employment Sector of the ILO, could support this part of the programme.

What was very much a guiding principle for our contribution, as Employers, to the discussion, was the context of a world characterized by change and innovation. As Employers, we like very much that environment. It is really our habitat and, what is more, entrepreneurs do not wait for change but they initiate change and innovation. When we said during the discussion that we want to focus more on employment security than on job security, it was not because we could not understand that workers value their jobs and want to retain them, but because it is a fact of life that it is necessary to change jobs several times in one's career. This is not only true for moves between companies, but also when staying with a company for a longer period; it is most likely that a person's job will change several times during that period.

I want to highlight some important points in the conclusions relating to this perspective of change and innovation. They deal, in a certain sense, with sharing gain and sharing pain.

First, in a changing and competitive economy, a considerable share of productivity gain has to be reinvested in innovation and competitiveness. Lower prices for what – in many cases – might be improved quality, is a strategy to stay in business and remain competitive. This enables firms to retain or even enlarge their market share and to maintain, by consequence, employment levels. The benefits for workers may be less visible than, for example, a wage increase, but a share of productivity benefits is certainly not less important.

Second change often means job loss in certain sectors. We cannot deny that, but at the same time there is more employment in emerging and growing sectors. At company level there may be serious problems but the leading countries show clearly that in the labour market at large new job opportunities are there. To mitigate the pain of such shifts in employment, a combination of active labour market policy, sustainable social protection policy and effective lifelong learning policy should be implemented. It was not mentioned in the final conclusions as such, but in our discussions reference was made to the flexicurity model in European countries that contains all these elements.

Third, to meet the skill demands in a changing environment, further training is necessary. Training may be needed just to update the competencies needed to remain employable in the same job. It is clear that only when, as a result of training, a worker can accept more complex tasks and responsibilities will he or she get a wage increase and that

this is not automatic on completion of a training course. The good news, however, is that, on average, efforts in training are rewarding for workers; figures differ according to research results but for one additional year's training, the benefit is estimated to be an increase of about 10 per cent in wage level.

I come to my final section of my remarks. The report on Skills for improved productivity, employment growth and development fits very well with previous reports, which were on human resources development and training (2004), youth employment (2005) and sustainable enterprise (2007). We see this as a very positive development. It shows that over time the employment pillar and the social protection pillar of the Decent Work Agenda are receiving more balanced attention. It also shows the rich contents of the employment pillar, including skills development, productivity growth, enabling conditions for enterprise development, high productivity workplace, and employment growth.

In the Declaration on Social Justice for a Fair Globalization adopted yesterday, this balance is taken as an important basis for further work of the ILO. The description in the Declaration of the employment objective can be seen as a synthesis of last year's sustainable enterprise discussion and the discussion on skills productivity this year. I quote "promoting employment by creating a sustainable institutional and economic environment in which individuals can develop and update the necessary capacities and skills they need to enable them to be productively occupied for their personal fulfilment and the common well-being; all enterprises, public or private, are sustainable to enable growth and the generation of greater employment and income opportunities and prospects for all; and societies can achieve their goals of economic development, good living standards and progress".

We, as employers, are convinced that these gains are worth the investment of all to meet the challenges of change. The social protection objective has to guarantee, among other things, that all those who encounter difficulty as a consequence of change, for example those who have to find a new job should receive strong support, including income security as well as guidance and training to find a new place in the labour market. The strong point of the report of the Committee on Skills is that it is about meeting the challenges of change and also meeting the norm of social justice.

To conclude, we recommend that the conclusions should be adopted and invite the Governing Body to give due consideration to them in future actions.

Ms YACOB (Worker, Singapore; Worker Vice-Chairperson of the Committee on Skills)

First, let me, like the Employer Vice-Chairperson, thank Mr Armitage, Chairperson for the Committee, for his very skilful negotiation and navigation of the Committee's work. I would also like to thank the reporter, Mr Ying, and his colleague, Ms Rojvithee, for their support and its good work as well. I would like to thank the Office for their good work in preparing the background document and in supporting our work in the two and a half weeks. Also, I would like to thank the Employer spokesperson and his group for his positive participation in this discussion. I must not forget the Government representatives, who were in our Committee on Skills, many of whom took the floor and at crucial moments

made contributions in order to help the two sides find solutions. Finally, most important of all, I would like to thank my Workers' group colleagues on the Committee on Skills, for their tremendous support and strong encouragement and also ACTRAV and the ITUC for their strong support.

The Workers' group is, indeed, very pleased to support the report and the conclusions on skills for improved productivity, employment growth and development. The conclusions are divided into six clear sections, covering different aspects of skills development. The conclusions also clearly identify the key priorities for a successful skills development strategy to promote decent work, productivity, employment growth and development. The conclusions further clearly outline the responsibilities of governments and employers as well as the role of trade unions in supporting education, training and lifelong learning. The role of the ILO in supporting the efforts of governments and the social partners has also been clearly defined. We are, indeed, very happy in the Workers' group that the conclusions made reference to the Human Resources Development Recommendation, 2004 (No. 195), the Global Employment Agenda, the conclusions on the promotion of sustainable enterprises, the MNE Declaration and the Paid Educational Leave Convention, 1974 (No. 140). These are, indeed, important instruments which the conclusions made reference to.

On behalf of the Workers, I wish to highlight three points.

First, for a skills development strategy to succeed, workers need to see a clear linkage between skills development and more and better-quality jobs, leading to an improvement in their lives. This linkage is necessary and applicable to all workers whether they are in the rural, informal, and manufacturing or services sectors. It is also equally applicable to workers in the developed, developing or least developed economies. As the report noted, workers need skills to help them take advantage of new jobs created from the use of new technologies, or other drivers of change, such as climate or trade or even demographics or migration. These usually require new, or more complex and higher level skills. With such skills, and with proper support, such as timely labour market information and employment services, workers could transit from the declining sectors to the growing sectors, with less disruption.

The conclusions further observed that, for workers in the informal sector, better skills mean a better chance for them to transit to the formal economy leading to better income and job security. Workers in the rural sector, too, will benefit from better skills, as this could mean that they have the capacity to better utilize their limited resources and produce better yields from their land. In short, regardless of a country's level of economic development, and whatever the sector may be, skills development is the key to helping workers aspire to better-quality jobs, better wages and a better life. This is what the conclusions are all about and the various parts of our deliberations support this. As mentioned in paragraph 6 of the conclusions, "skills development is an essential factor for achieving the objective of decent work both by increasing the productivity and sustainability of the enterprise and for improving working conditions and the employability of workers".

Even disadvantaged groups experiencing social exclusion, such as young people, older workers,

migrants, people in atypical employment relationships, as well as people with disabilities, would benefit from a focused, concerted and inclusive skills development policy and strategy, as outlined in paragraphs 55 to 71 of the conclusions. Paragraph 48 of the conclusions captures the special situation of women, which is referred to in many parts of the conclusions, when it says that “special support mechanisms are often needed to facilitate the participation of women in all stages of skills development”, in order to achieve “gender equality and improving productive and decent work for women”, as it recognizes that for women “each step along the learning pathway has obstacles”. So, the first point which we support in the Workers’ group is the link between skills development and better jobs and better welfare, a better life, for workers.

This leads me to my second point. In order to realize the link between skills development and a better life through better quality jobs, skills development has to be pursued within the context of the Decent Work Agenda. Workers whose rights to freedom of association and collective bargaining are respected and enforced, stand a far better chance of enjoying the benefits that should accrue from skills development. As mentioned in various paragraphs of the conclusions, through collective bargaining workers are able to participate and directly influence the formulation of policies, strategies, curricula and the implementation of programmes on skills training and lifelong learning, taking into account their needs. As paragraph 8 of the conclusions observed, “skills development will not automatically lead to improved productivity or more and better jobs unless there is a conducive economic and social environment”, including respect for workers’ rights.

Collective bargaining is also a key means of ensuring that productivity gains arising from skills development are fairly shared. As paragraph 7 pointed out, “productivity gains arising from skills development should be shared between enterprises and workers – including through collective bargaining – and with society in order to sustain the virtuous circle of improved productivity, employment growth and development, and decent work”. Paragraph 30(a) of the conclusions further elaborated on the importance of social dialogue, which is also referred to in many other parts of the conclusions. It also made reference to collective agreements signed at the national, sectoral and enterprise levels, where the social partners can play an important role in promoting social dialogue along the global value chains.

The preamble to the conclusions, as well as paragraphs 20 and 31(c), refer to the responsibility of MNEs to train their workers along global value chains. As paragraph 25 stressed, “poor outsourcing practices cause workers to become trapped in low-skilled and low-productivity jobs that contribute to the deterioration of workers’ welfare and working conditions, inconsistent with the Decent Work Agenda”. It further urged enterprises to engage in “responsible outsourcing practices (which) require enterprises to work with their contractors or service providers to provide decent work and to create opportunities for training and skills upgrading”. The need for EPZs to respect workers’ rights and to invest in training to boost productivity and to achieve decent work was further elaborated in paragraph 21 of the conclusions. Just as new technologies and

trade or climate change can bring new opportunities, at the same time the report recognized that these global drivers of change can also cause disruptions and dislocations. As mentioned in paragraph 12 of the conclusions, a key element of the virtuous circle centring around skills development, is that “workers should not bear the brunt of the adjustment cost”, which arises due to the introduction of new technologies or higher productivity, and which can lead to job dislocations.

Hence, paragraph 12 also stresses the need for “effective social security provisions or unemployment insurance as well as career guidance, training and effective employment services” which, the report concluded, “are important components of the social contract to mitigate the impact”. So, the second point which we in the Workers’ group support, is the need to pursue the skills development strategy within the context of the Decent Work Agenda.

I now come to my third point, and that is providing an enabling framework of coherent policies, strategies and programmes as well as the necessary infrastructure to support skills development. Even as we are discussing skills development, millions of children continue to be denied basic education. This is important, as the lack of a basic education affects the ability of people to acquire and absorb new skills and experiences later on in life. So millions are already disadvantaged by the time they enter the labour market. As paragraph 52(a) of the conclusions clearly state, governments have prime responsibility for “ensuring quality basic education and core skills for all”. Governments also need to develop an effective skills development policy that is integrated into the national development agenda and to develop an enabling framework for skills development. But, as paragraph 9 of the conclusions points out, this has to be pursued together with other policies such as strong employment growth policies, investment in education and skills development, social support services, promoting strong and representative social partners and effective microeconomic policies, among others. As paragraph 49 of the conclusions mentions, it is also essential for governments, in consultation with the social partners, to improve coordination “at multiple levels in order to make a seamless pathway between education, training, lifelong learning and employment”, as often different ministries are in charge of different parts of lifelong learning and they do not always talk to each other. Policy coherence among ministries and different organs of governments is necessary to ensure the seamless and continuous learning pathway identified in the conclusions.

The conclusions also recognize that what can be truly frustrating for workers and kill the initiative and desire to learn, is when skills acquired at great personal sacrifice, turn out to be irrelevant as they do not contribute to better career prospects or higher wages or greater employability or even to greater job security. Hence, the conclusions describe at great length the importance of linking skills to labour market needs and boosting employability for workers and place emphasis on the need for strategies to identify future skills needs. An effective certification framework that will translate workers’ tremendous prior experience at work into portable skills, not just at the national level but also at the regional and international levels, despite the lack of paper qualifications, is essential to help workers remain employable amidst great changes. It will

also greatly assist workers' integration into the regional labour markets that are already appearing in many regions.

The conclusions recognize the key role that employers, together with the unions, play in promoting skills development. As mentioned in paragraph 30 of the conclusions, this includes "providing, supporting and promoting workplace learning" by "fostering a learning culture at the workplace which may include provision of paid time off for training". Indeed, it is in the employer's interest, if it wants to achieve higher productivity as an integral part of sustainable enterprises, to provide access to training by creating a conducive environment for people to learn and be motivated to improve themselves. Employers need to make a conscious and concerted effort to remove all barriers to learning at the workplace, particularly among the disadvantaged groups such as young people, who are often denied jobs because they have no skills or experience, something that paragraph 64 of the conclusions seeks to overcome through apprenticeships, cadetships, traineeships and internships.

Trade unions too have a critical role to play in supporting skills development efforts and many have now placed skills development high on their agenda. The conclusions also spell out at length our expectations of the ILO in support of our work to develop skills. Paragraph 54(b) talks about how the ILO could leverage more on its tripartite strength – a distinct and unique advantage that it has – "to ensure a coherent delivery of development assistance at the country level, particularly under the 'Delivering as One' framework for inter-agency coordination" on employment and skills. Paragraph 39(a) called upon the ILO to conduct "research and facilitation of dialogue at the national, regional and global levels on the employment impact of the main drivers of change and the consequent implications for skills development and employment growth". The Workers' group would like to urge the Office to undertake this particular suggestion quickly as it is indeed very timely and relevant to the constituents' needs in this period of tremendous change.

So, our third point is to stress the importance of having an effective, enabling framework for skills development which provides coherence in policies, strategies and programmes as well as the needed infrastructure to support workers in skills development.

In conclusion, the question we have to ask is what next? As paragraph 4 mentions, we do not want a vicious circle of a "low-skill, low-productivity, low-wage economy" which traps workers in poverty because of inadequate attention to education, training and lifelong learning. Instead, as paragraph 5 mentioned, we want a virtuous circle where skills development is an essential factor for achieving decent work, and can accelerate and create more and better jobs. Our challenge now is to ask ourselves this question: what now, what next? We have deliberated at length and produced a set of very good and progressive conclusions. Should these just remain conclusions adopted at this International Labour Conference or should we take ownership and each one of us, Governments, Employers and Workers, with the support of the ILO, work hard to translate these conclusions into reality for the benefit of our people. I think the answer is clear and obvious to every one of us. I commend this report to you and I do urge the ILO to pursue this report and also to see

in what manner it can be integrated into other ILO work.

Mr ARMITAGE (*Government, New Zealand; Chairperson of the Committee on Skills*)

Yesterday my colleague from Switzerland, the Chairperson of the SILC Committee, made a quote that was attributed to one of the founders of the ILO. In this quote the ILO is compared to a motor car and in this motor car the Workers were the engine, the Governments were steering and the Employers were the brake. In the name of policy coherence I am going to use this metaphor again to talk about the work of our Committee.

First of all, I want to say to the Employers, personally I would not get into a motor car that did not have a brake, so I want to thank you for your commitment to our health and safety these past 80 years.

Secondly, in 1917, motor cars probably only had engines, steering wheels and brakes. Of course today motor cars have many other gadgets, many other levers, many other things that have to be coordinated in order to operate them effectively. So there are indicators, windscreen wipers, there is the stereo – we argue about which station it should be tuned to – and of course the satellite navigation system, which is essentially the same as electronic voting.

Speaking as a Government and looking at the ILO, on occasions Governments here wonder whether we might just have our hands on the steering wheel. We feel, that we are putting the fuel in the tank of the car, although, of course, the Workers and Employers will point out that they paid for the fuel that we are putting in the tank. But I guess my point is really that policy coherence in the field of skills and productivity is akin to driving a modern motor car. It is pointless to have one person in charge of the accelerator, another in charge of the steering wheel and a third person operating the satellite navigation if these three people are not speaking to each other, and the skills and productivity discussion we had had that element to it. It is a complicated area of discussion.

So, while it was natural, I think, for the SILC Committee to be focused on the nature of the vehicle, in the Skills Committee we have spent a lot more time discussing the passengers in this vehicle because ultimately the work that we do in this Organization is not really about the vehicle, it is about the passengers. Our success or our failure is not actually something that, in the end, affects us as much as it does the passengers in this car.

The skills and productivity discussion we had was firmly rooted in the Decent Work Agenda, and it has a relevance to all countries, regardless of their level of development. So it is relevant to the shepherd in Moldova, trying to keep the wolves at bay; it is relevant to the mathematics teacher in Burkina Faso, developing skills to improve the way that person teaches; it is relevant to the Panamanian construction worker, who is learning new skills to operate the equipment safely that will expand the Panama Canal; and, if you want an example from within this house, it is relevant to the Australian Workers' delegate, who was trying to order beer but could not speak French. So, our discussions in this Committee are relevant to all of those people.

Before I close, I want to pay tribute to my two Vice-Chairpersons; they were far more experienced than I was, I relied on their skill. They vigorously

and articulately argued the point of view of their groups, but they did so in a way that maintained a relationship. They could have had a very strong disagreement on one point but did not allow that to colour their discussion on the next point. They were very skilful in the Committee, and the efficiency with which we worked owes a great deal to their skill.

I also want to thank the delegates in our Committee from all three groups. They did not just talk, they listened, and that is fundamental to the idea of social dialogue. Social dialogue is not about giving a lecture on your point of view; it is about listening to the views of others as well. The evidence of the delegates doing that was their ability to reflect what others had said and to adjust the way they expressed their views.

I also want to thank our Reporters from the Government of Thailand and the Government of Jamaica who, between them, produced our report, and finally I want to thank the Office. Everything we needed for our discussions was miraculously laid out in front of us at just the right time, and therefore I had a unique insight into all the work that was required to do that.

Finally, you have before you the document. As the Chairperson, my responsibility was for procedure in the process of the Committee, but the contents of this document are the result of consensus between the groups in the Committee. This consensus was not easy. On some points it was easier, on some points it was extremely difficult, but the fact that this document was reached by consensus makes it all the more valuable, since an agreement made by consensus will last longer than an agreement made under duress. So this is a document of consensus. The delegates produced this, and it is a reflection of the current reality around the world, but it is also a framework for thinking and acting in the future, so I recommend it to you without reservation.

Original Spanish: The PRESIDENT

My proposal now is that we start with the debate on this report of the Committee on Skills.

Mr PARKHOUSE (Employer, Namibia)

On behalf of the Namibian Employers' Federation, I wish to congratulate the Chairperson, Vice-Chairpersons and all the members of the Committee on Skills for improved productivity, employment growth and development. We believe that we have produced a good document that applies to every country, whether developed or developing, First World or Third World, industrialized or not. It will be up to each and every one of us to implement the findings when we return home, otherwise all our efforts will have been wasted.

There is one area on which I wish to comment, and that is the tripartite aspect of training and skills development. Without all the tripartite partners, no training or skills development can work. A government can erect and develop educational facilities without end, but without the cooperation of employers and business, this will all be to no avail. It is vital that business should be closely involved in the development of curricula, in order to ensure their relevance and that skills demand is matched by supply.

Employers must carry their share and ensure that employees are given every possible opportunity to

take part in appropriate training, when available. At the same time, endless facilities supplied by governments, and positive support from employers, will be wasted without the buy-in and total commitment of the employee or learner.

When I refer to commitment from the worker or learner, I refer to commitment to achieve and to qualify, and then to carry whatever he/she has learnt back to the workplace and to put it into use and, also, as far as possible, to pass what he/she has learnt on to other employees.

This commitment does not have to be financial, but can be in the accepted form of a mutually-agreed equal period of work by the employee, to balance the time and commitment of the employer. If one of the tripartite partners fails to carry his/her commitment to the final conclusion, all will be lost, to the detriment of work creation and poverty reduction.

I recommend that the Conference accept the recommendations of this Committee.

Mr MUHEUA (Worker, Namibia)

Thank you very much for the opportunity to raise a few points in support of the report of our Committee. At the outset, allow me to draw on the wise words used by the Director-General on Monday morning, in his address to this august gathering, when he emphasized the importance of delivering at home and stressed that we should be able to change the lives of unprotected workers by working together for deeper and faster reform. He went on and quoted Nelson Mandel, who, in a message to the ILO, has said that, despite the thickness of the prison walls, while he had been on Robber Island, he heard the voice of the ILO.

Thus, our voices, as Worker representatives, should pierce the walls and the hearts and minds of governments and employers in order for them to hear and heed the cries of the toiling masses of workers who find themselves trapped.

The Committee's work, which was aptly and eloquently presented by our illustrious Vice-Chairperson, Ms Yacob and her counterparts, provided a forum for the exchange of views so as to reach conclusions formed by consensus that would guide the ILO and its constituents in the future.

The issue of improved productivity, employment growth and decent work is a critical factor in responding to economic and social challenges. The important role of skills development for social and economic development and decent work is part of the strategy of the labour movement in our region. The need for such a strategy is manifested in the hordes of unemployed youth lining the streets of our capitals, from dusk to dawn, in the hope of getting just a day's, or even a few hours, work to put a loaf of bread on their table.

This is compounded, year after year, by tens of thousands of others who drop out of the formal education system to join the chorus of the already swelled ranks of the unemployed youth and adults.

Education, vocational training and lifelong learning are central pillars of employability and of the employment of workers and sustainable enterprise development within the Decent Work Agenda and, thus, contribute to achieving the Millennium Development Goals reducing poverty. The principles and values of decent work provide guidance for the design and delivery of skills development and can promote the integration of the economic, social and

environmental dimensions of sustainable development.

An international, national and regional development strategy based on improved quality and availability of education and training can engender, by contrast, a virtuous circle in which skills development fuels productivity and its fair sharing between workers and employers in the context of decent work.

Improving productivity is not an end in itself, but a means to improving workers' lives and promoting sustainability, social cohesion and economic development.

In our region, many countries, including Botswana, South Africa, Mauritius and Zambia, have set up productivity centres while others, like my own, Namibia, are in the process of establishing such centres.

Productivity gains arising from skills development should be shared between enterprises and workers through collective bargaining and collective dialogue.

Finally, education and skills development must be integrated into the broad framework of national, economic and social development, in order to achieve their potential to contribute to the virtuous circle of decent work.

I would like to end here and thank you for your kind attention and, hopefully, support born out of understanding of the situation.

Original German: Mr TOMEK (Employer, Austria)

I would also like to thank the Chairperson of the Committee, as well as the Reporter and the representatives of the Workers and Employers who have done a wonderful job.

We had before us a carefully prepared document of the Office and, after a long discussion, we came up with a text which covers the interests of Workers, Employers and the Governments.

The conclusions establish responsibilities and priorities for all participants, as well as a clear framework for the work to be done. The Governments are responsible for basic training and education, and for creating an enabling framework; and we, Employers, are happy to comply with our responsibilities.

What is important is the freedom to ensure the skills required to achieve productivity. All of this is only possible if the workers, too, are aware of their responsibilities and are prepared to make their contribution to vocational training and lifelong learning.

For the employers, it is important that these conclusions are not viewed in isolation but are followed up. Only in that way will all constituents be in a position to address the challenges facing us in a rapidly changing world.

Original French: Mr TRICOCHE (Worker, France)

The European Union is confronted by major challenges which are the result of globalization of markets and economies, the introduction of new technologies and problems associated with climate, environment and sustainable development.

These challenges have a direct impact on unemployment, particularly on the way in which new jobs are created, and on the organization of work, services and production. In this region of the world, workers are therefore extremely attentive to questions of skills, education, training, productivity and job quality.

As stated in the conclusions of the Committee on Skills, with regard to the skills for improved productivity, employment, growth and development, the answers to these questions involve fairly distributing the benefits of productivity and growth; this sharing of benefits will provide opportunities for everyone, and pave the way for the development of quality employment and efficient systems of social security, which will, in turn, promote the cohesion of our society.

In March 2000 the European Union fixed, for the next ten years, the objective of becoming the most competitive and dynamic economy in the world.

This framework, called the Lisbon Strategy, is based on the development of knowledge, sustainable economic development, more jobs, better quality jobs, and more social cohesion.

The workers of the European Trade Union Confederation (ETUC) have always supported this strategy. They nevertheless consider that it – as we stand today – has not achieved all its objectives, to a considerable degree because the social and environmental aspects are too often sacrificed to the demands of short-term economic interest.

For the unions, it is time to focus efforts on promoting innovation, strengthening social cohesion, access to knowledge and information, promoting social integration, and labour standards.

As the conclusions of the Committee on Skills state, social dialogue and collective bargaining are indispensable to achieving economic and social progress, and particularly, to promoting a culture of lifelong learning, thus contributing to the development of skills.

On the European level, the social partners have negotiated a framework of action for the lifelong development of skills and qualifications, based on the following priorities: the identification, and indeed, anticipation, of requirements in skills and qualifications; the recognition and the validation of these skills and qualifications; information, support and advice, and resources.

These four priorities are included in the draft conclusions before you. I would particularly like to emphasize the need to establish a national qualifications framework as provided in paragraphs 50(d) and 52(b) of the conclusions.

In many countries in my region this framework exists or is being built. In France it is managed by the State in cooperation with the social partners. In Europe, a Europe-wide qualifications framework is under construction and it should allow for equivalency to be established between training programmes in each country and thus promote the mobility of workers and the proper recognition of their skills.

Another matter of considerable importance is investment in workers' continuing training – an investment which should allow them to develop their skills, to acquire new skills, to deal with the requirement for mobility and to maintain their employability to make their careers more secure.

In my country, social dialogue and collective bargaining on questions of training is a vigorous process. Companies have an obligation to finance training for their staff and the social partners have a beneficial activity in this area. About 90 per cent of workers in my country are covered by collective agreements, or other frameworks, which guarantee training. I will give just one example to demonstrate the dynamism of this process in which all social

partners are involved. It is the example of a public transport company in Paris which safely transports several million travellers every day. You have possibly used the metro or a bus on a visit to Paris. This company employs more than 45,000 people and each year pays more than 100 million euros to provide for the upgrading of skills for about 1,000 workers each day. I could quote many other companies, but I simply do not have time.

The conclusions which are placed before you are a balanced compromise between the three parties of the ILO. They offer objectives to be achieved for governments, for employers and workers, and take into account the specificity of each region in the world and the varying levels of development of countries. As part of this compromise, the Committee decided not to make reference to flexicurity, a very European concept which is the subject of considerable debate in my region.

Based on previous work of the ILO, particularly that on human resources and lifelong learning, youth employment and sustainable enterprise, these conclusions are a framework which should allow for decent development throughout the world, which will promote productivity, the eradication of poverty and human development.

As I conclude, I would like to thank the Chairperson of the Committee, Mr Armitage from the New Zealand Government, the Employer Vice-Chairperson, Mr Renique, all the Governments that have promoted seeking a consensus between the parties involved, and particularly Ms Yacob, the Worker Vice-Chairperson, who contributed through her conviction, her openness of mind and her sense of dialogue to the quality and the balance of the conclusions before you.

I call on you all to adopt the report and the conclusions.

Ms ANANG (Employer, Ghana)

It is very interesting and heart-warming that, for the past three years, there have been discussions on issues pertinent to the growth and development of enterprises – sustainable enterprises. This is very significant in the light of the ability of private enterprise to create wealth and decent jobs for the alleviation of poverty, working out of poverty, an issue integral to the agenda of this house.

In most developing countries, the environment has been, to a large extent, characterized by low skills, low productivity and low wages and it is this vicious cycle that we need to break out of. It is in this light that these discussions and conclusions are of critical importance to the social partners. The report has stressed the need for skills development, improved productivity and employment creation. The critical area of urgency and consensus for the social partners is in the anticipation of skills development to help manage global drivers of change, especially in developing countries.

Technological changes and global trade have offered the potential for higher productivity, new enterprises and new jobs with new skills. Such changes have also sometimes resulted in job losses. It is in this area that it becomes imperative for ministries of labour, education and trade and industry, in consultation with social partners, to develop active labour market policies and systems that will derive benefit from the global value chain and also address the challenges that these drivers of change present. These ministries must work together more

than ever in managing the global drivers of change in the area of forecasting sectoral trends, vis-à-vis, trade agreements and future skills needs; the link between training institutions and the future skills needs, posited by the global value chain and/or new industries and support the growth of emerging and promising sectors to create new employment.

I would like to reiterate that an international, regional and national development strategy, based on improved quality and availability of education and training, can engender, by contrast, a virtuous circle in which skills development fuels the innovation, productivity increase and enterprise development, technological change, investment, profitability, diversification of the economy, and competitiveness that are needed to sustain and accelerate the creation of more and better jobs in the context of the Decent Work Agenda and improve social cohesion.

Mr TOLICH (Worker, New Zealand)

I speak in support of the passage of the report of the Committee on Skills which is the sum total of the dialogue between the social partners on the Committee. Referring to the section of the report linking education, skills development, labour market entry and lifelong learning, I would like, on behalf of the Workers' group, to make the following comments:

In the developed nations of our region, it is most important that progress be made to develop programmes for workers who have to be retrained when their jobs in manufacturing are outsourced to China, Thailand and Mexico. Also there are issues in our region relating to the ageing population, and granting people the opportunity to work past the age of 65 if they so choose, after they reach the age of entitlement for national superannuation and pensions.

Furthermore, in our region there has been substantial development of a national qualifications framework which is most important in the provision of recognized qualifications for workers. There have also been gateway programmes for school leavers to be able to transit into the workplace.

Furthermore, it is important that governments provide, through their schooling system and further education and technical institutes and universities, the generic core skills to enable workers to deal with new technology and work processes, and to have enough generic skills to be able to easily obtain the specific skills required for new situations that arise in the workplace, industries and sectors, through new technology and restructuring.

Finally, it is only through tripartite social dialogue between governments, workers' organizations and employers' organizations, that the true potential of productive forces can be unleashed so that economic progress can be advanced and decent work for all can be created.

Original Spanish: Mr RUMINADO CANCINO (Worker, Chile)

Once again, the important conclusion that this Committee has defined is that the timely identification of the current requirements for skills and competences should be incorporated into national and sectoral development strategies. Workers need to be prepared to face the various shortcomings in the current market, in particular its constant instability. For this reason, education, vocational training and lifelong learning are fundamental pillars of employability. Now undoubtedly, employment and sustain-

able development in the context of a Decent Work programme will contribute to the achievement of Millennium Development Goals concerning poverty reduction.

Something important we need to look at – the imbalance between supply and demand for skilled labour – has economic and social costs. This gives rise to structural unemployment, and for that reason, the early identification of current and future skill needs should be part of the strategies that are geared towards the future, in order to reduce this imbalance. For example, in Latin America, there is an understanding of the need to create and maintain a formal training system that can provide adequate training for workers. Nevertheless, in most countries in Latin America this does not exist or have the capacity to certify vocational training, and these objectives are not always met, although they would guarantee better opportunities for all workers and the sustainable development of our societies. Nor do we have studies in Latin America or ongoing follow-up of the needs generated by employment, which means that Latin America still does not assure its workers of having high-quality and decent work.

The qualitative requirements for various labour skills should be linked with national development plans, which are broadly defined. It is important to analyse the sectors and regions that have a growth potential so that we can identify the new employment opportunities which they could offer and see what their needs are in terms of training. We should look at the areas that are in decline and examine the skills profiles of people who lose their jobs.

To conclude, the contribution of the social partners to education and vocational training in Latin America should include at least two important elements. First of all, tripartite and bipartite agreements and local networks of enterprises and workers' organizations that can promote a constant updating of information on training needs. Secondly, we also need to have an effective dialogue between enterprises and the State at the sectoral level, so that we can exchange information on economic projections and forecasts, and see what our future training needs will be.

Finally, we also need to highlight that all the conclusions and the solutions obtained here have been the result of tripartite work. However, none of this will be realized unless we move from words to deeds. In other words, governments need to ratify and implement. Not as in Chile, which has ratified but not implemented some very important agreements. And we need a concrete and serious commitment by employers and entrepreneurs and, of course, workers need to be involved also. So, we call upon everyone, all the social partners, to use this report and resolution, and we workers will strive to implement these agreements. I call upon all the workers of the world to unite.

Original French: Mr NYAMIEN (Worker, Côte d'Ivoire)

I would like to make a comment on the instrument before us, in the context of the French-speaking countries of Africa. Skills for improved productivity, employment growth and development are a key issue for French-speaking countries of Africa, on whose behalf I support this resolution.

As a result of the changes in the world since 1990, characterized by a rampant capitalism, the Bretton Woods institutions have supported neo-liberal re-

forms of labour regulations in almost all the French-speaking countries of Africa in the guise of structural adjustment. These reforms, intended to introduce flexibility, were aimed at improving productivity and bringing about employment growth.

Fifteen years later, we note that the competitiveness of enterprises has not happened; and productivity has not increased. On the contrary, employment has become more precarious and we have moved further away from decent work. This is why you will understand why we support this resolution.

I would further like to make a comment on the question of competitiveness. Foreign direct investment in export-processing zones can create jobs, but it is necessary to strengthen the central element of decent work.

There should be a policy focussing on the guarantee of good working conditions, compliance with freedom of association and the right to collective bargaining and investment in training. All these factors are vital to harness this investment potential in order to improve the productivity of workers and decent work.

In general terms, I would like to stress the conditions under which direct private foreign investment might enhance productivity while safeguarding decent work.

What is the point of complying with freedom of association and the right to collective bargaining or demanding improved productivity based on competitiveness in our African countries?

Indeed, many countries are suffering conflicts which may be traced back to the desire of certain powers to maintain captive markets outside any economic competition, despite globalization. Unfortunately, the authors of these colonialist readjustment policies, through conflict settlement mechanisms established by the United Nations, become the arbitrators in these conflicts – thus both judge and party to them.

In the ongoing conflict in Côte d'Ivoire, only France was responsible for initiating resolutions before the Security Council, while playing a role of dubious neutrality.

You will agree that this does not auger well for the guarantee of freedom of association. Collective bargaining is intended to strengthen decent work. But, in the final analysis, we believe that a prerequisite for all these resolutions is that the world should understand, especially the developed world, that Africa no longer needs aid but an acknowledgement that it has the right to think.

Despite these comments, I would like to urge this assembly to adopt the conclusions of the instrument before you because they nevertheless represents a step forward in comparison to the current situation.

Mr CORACI (Employer, Romania)

The report of the Committee on Skills is an important document pointing out education, vocational training and lifelong learning as central pillars of employability, employment of workers and sustainable enterprise development within the Decent Work Agenda.

It is obvious that skill development is crucial in the quick-changing economies because of new technologies or as a response to global drivers of change.

For Romania, skills development is one of the decisive factors in economical and social develop-

ment, European integration and improving economical competitiveness in the global economy.

Education, vocational training and lifelong learning are essential for improving employability, decent work and social cohesion. Romania is deeply involved in implementing the revised Lisbon Agenda by adopting new policies and implementing new mechanisms to improve productivity and competitiveness by skills development.

There is no doubt that the governments have the main responsibilities in developing strategies and implementing mechanisms for education, vocational training and lifelong learning in building up institutions and elaborating national frameworks for skills, but all this will not be effective on the labour market without the involvement of the social partners. That is why, on behalf of the Romanian Employers' delegation, I want to express the satisfaction of my colleagues for the way in which the principle of consultation with the social partners in elaborating strategies and implementing mechanisms for skills development is stated in a clear and repeated way, in the report of the Committee on Skills. For this, I have to also thank members of the Committee, Employees, representatives of the governments, or my colleagues from the employers' organizations.

But the consultation of the social partners will not be enough. The system will not be alive and effective in the labour market without a real partnership between the social partners, without a real partnership between the employers and the workers.

For us, as employers, it is important to point out the principle of real and effective partnership in vocational education and lifelong learning. Partnership means, in our view, to pool together resources, even financial ones, labour and commitment. Even if we are agreed that financial investment of the workers might be a problem in some developing countries, we sustain the principle of co-participation in terms of financial resources, time, efforts and commitment. That is why we want to express our concern with the fact that the report does not reflect in an explicit way the principle of co-participation of the workers and more that the discussion of this crucial point in the Committee on Skills did not achieve a real consensus, the report being more an acceptable compromise.

There is no doubt that we are the co-participants of a globally accelerated economic and social development. These are the responses to the growth of the world population, but also a response to the global drivers of change. Mankind needs skills development more than ever, by education, vocational training and lifelong learning. This is the way to economical and social development. This is the way to improve the life of the people. This is the way to progress.

The resolution proposed by the Committee on Skills to be adopted by the plenary of the 97th Session of the International Labour Conference is a proper response to the challenges of a quick-changing world, and recalling what Neil Armstrong said when he first stepped on the moon, the resolution concerning skills for improved productivity, employment growth and development might be a small step for the ILO but can form the basis of a giant leap for mankind.

Mr ASPER (*Worker, Philippines*)

The issue of skills for improved productivity, employment growth and decent work is a central issue

in the developing countries of Asia. The national technical skills development plan in the Philippines, for example, provides for a globally competitive workforce by training young people in skills needed by the labour market, but also workers who are socially excluded.

The plan seeks to provide decent and productive work for all, through quality technical, vocational and educational training that at the same time matches the demand and supply of skills in the labour market.

The plan has a three-pronged approach: to help the whole economy become more globally competitive; to develop rural areas; and to capitalize social integration, especially of disadvantaged workers, including workers in the informal economy. In this manner, the plan is intimately connected to the goal of reducing poverty through economic growth and with equity. In particular, access to, and equity in, education in training is of paramount importance for those who are disadvantaged in society in order to support them in moving out of the vicious circle of low skills, low productivity and low-wage employment or low income and self-employment.

There exists in Asia several models for developing skills, for the social inclusion of vulnerable and disadvantaged groups. These were undertaken by the social partners themselves and in several instances, with the support of the ILO and other international agencies. One such model is the community-based training and enterprise development, where skills training triggers enterprise development, wages, employment or self-employment in a community.

Another such model is the ILO-supported training for rural economic empowerment. This has been piloted by the social partners in Pakistan, Sri Lanka and the Philippines, and adapted to the national circumstances and pressing problems of the unemployed and the underemployed in Bangladesh, Cambodia, China, Indonesia and Nepal.

Experiences such as these show the link between skills training and socially-inclusive development, not only for workers in rural areas, but in the informal economy as well. This is proof that skills development can contribute to increasing the employability of workers, improving productivity and improving the working conditions of women and men workers, the young and not so young, the unemployed and underemployed, the disabled and the victims of social conflicts and natural calamities. This is proof of what the social partners can do together to integrate the socially excluded sectors, while at the same time actually helping to address the challenges facing workers in the rural areas and the informal economy.

Strengthening the skills base of the informal economy in particular must be part of the overall development effort to improve current conditions, as well as facilitate the formalization of informal activities. But skills training alone will not result in decent work in the informal economy, or lead to the people involved entering the formal economy. Much more can and should be done in the fields of social protection and health care, respect for workers' rights and an efficient regulatory framework for business and linkages between enterprises in the formal and informal economies. This will also assist the formalization process, while also promoting decent and productive work.

In summary, the social partners should promote skills development of target groups among the disadvantaged sectors by supporting the integration into the labour market of people with special needs, by offering a variety of workplace experiences to young people and the unemployed and by considering effective funding arrangements and market access to overcome specific disadvantages encountered by the socially excluded sectors in accessing initial training and lifelong learning.

It is in this spirit and in the spirit generated by the interventions of previous speakers, that we now support the adoption of the report and conclusions of the Committee on Skills by this session of the 97th International Labour Conference.

Ms SAAB (*Government, Lebanon*)

The report of the Committee on Skills, on skills for improved productivity, employment growth and development merits high appreciation. The conclusions provided therein are very well designed and target the theme objectives harmoniously and comprehensively.

Not surprisingly, the excellent report of the International Labour Office formed the basis for the discussion in the Committee. The theme before us is genuinely timely in a globalized, competitive world. It is interesting to note how the technical items of the present Conference interact and complement one another, all focusing on capacity building, enhancing productivity, eradicating poverty and reinforcing policies at national, international and organizational levels with one sole, one recognized, logo: realizing decent work for all.

In this context, I believe we should look into the feasibility of an ILO InFocus programme encompassing the conclusions reached, for instance, on sustainable enterprises, small and medium-sized enterprises, skills promotion, rural employment and relevant issues, all addressed through an integrated approach in ILO activities, seminars, workshops, training course, round tables, etc.

We need to highlight the importance of striving constantly to renew educational and training methodologies and systems; upgrade teaching curricula to meet the needs of the complex world of work, and its new requirements; and ensure that the responses of the active population are on an equal footing and non-discriminatory. The fact that the theme comprises two elements, skills and employment, is indicative of the correlation and interlinkage between those two components. A labour market survey or information system for labour demands, supply and their dissemination, and the building of skills and lifelong learning in informal and formal economies are therefore indispensable and inevitable.

Innovative policies ought to be pursued at the national and international levels and periodic reviews of present policies should be carried out, to envisage expectations for new demands in skills. International cooperation projects and well-targeted, excellently formulated country-owned projects, are a prerequisite in an ever-growing labour force.

The conclusions of the distinguished Committee before us need to be taken up by the tripartite constituents, other relevant bodies, individually or collectively, and the ILO, in order to undertake intensive actions to make them a reality. I commend the report of the Committee on Skills for adoption in this august assembly.

Original Spanish: The PRESIDENT

As there are no further requests from the floor in this session of speakers, I would therefore suggest that we move to the approval of the report of the Committee on Skills as such. This report comprises 246 paragraphs and I would suggest that we adopt the report in groupings of paragraphs. If there are no objections, may I consider that paragraphs 1–246 are approved.

(The report – paragraphs 1–246 – is approved.)

**CONCLUSIONS ON SKILLS FOR IMPROVED
PRODUCTIVITY, EMPLOYMENT GROWTH
AND DEVELOPMENT: ADOPTION.**

Original Spanish: The PRESIDENT

We then move on to the adoption of the conclusions on skills for improved productivity, employment growth and development. If there are no objections, may I consider that these conclusions are adopted?

(The conclusions are adopted.)

**RESOLUTION CONCERNING SKILLS FOR IMPROVED
PRODUCTIVITY, EMPLOYMENT GROWTH AND
DEVELOPMENT: ADOPTION.**

Original Spanish: The PRESIDENT

These conclusions are accompanied by a resolution concerning skills for improved productivity, employment growth and development. If there are no objections, may I consider that the resolution is adopted?

(The resolution is adopted.)

May I take it that the report, as a whole, is approved?

(The report, as a whole, is approved.)

This brings to an end the examination of the report of the Committee on Skills. I would like to take this opportunity to thank the members of the group and the members of the Committee for the work they have done over the past few weeks. I would also like to thank, very warmly, the secretariat for the very effective support provided in the work of this Committee.

(Ms Diallo takes the Chair.)

**REPORTS OF THE CHAIRPERSON OF THE GOVERNING
BODY AND OF THE DIRECTOR-GENERAL:
DISCUSSION (CONT.)**

Original French: The PRESIDENT

We would now like to continue the discussion on the Report of the Director-General. I would like to ask Mr Sacconi, Minister of Labour, Health and Social Policies of Italy, to take the floor.

Mr SACCONI (*Minister of Labour, Health and Social Policies, Italy*)

Let me express my deep appreciation and broad consensus to the assessments made by the Slovenian President, Mr Türk, in the name of the European Union, regarding the ethical foundations of decent work, the function of labour law and the new balance between competition and social justice in a globalized world.

In this context, the ILO Declaration on Social Justice for a Fair Globalization is essential to place the strategy of decent work at the heart of the goals and actions of the United Nations structure. It is in our common interest that decent work should be considered a global goal and, as such, integrated in the policies and the strategies of other multilateral institutions.

The ILO should promote initiatives in order to increase the link between trade and labour, and between fair trade and core labour standards. Additionally, the World Trade Organization should lead towards an equitable globalization and an improved social justice, based on the effective consideration of the meaning of core labour standards in the current multilateral and bilateral trade negotiations.

Moving along the new frontiers of the respect of economic and social rights and, in particular, of the fundamental principles and rights at work, we should turn the rights to basic health and occupational safety into universally recognized fundamental rights to protect the lives of workers that, regrettably, are often jeopardized by competitive pressures and the difficult regulation of global markets.

An important aspect of decent work relates to the freedom of association and union organization and the forms of collective bargaining.

The Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work which was submitted to the Conference calls on all member States to commit themselves to the actual implementation of the relevant international Conventions. We share this view.

Collective bargaining and industrial relations are important tools for fair trade and they should contribute to the development of an active society where competitiveness and social promotion go hand in hand.

We welcome with interest the report on the skills needed to increase productivity and employability. The issues mentioned lay emphasis on the links and mutual implications between education, the world of work and global challenges. Director-General Somavía should take credit for this, and the Italian Government confirms its support to his re-election at the head of the Organization.

Aware of moving on such complex scenarios, Italy will pull its weight in the search of adequate political solutions, in view of the Italian presidency of the G8 and the related meeting of the ministers of labour.

At this point, I would like to refer to the positive cooperation between the ILO and Italy. We are now finalizing a partnership agreement in order to highlight the priorities to be addressed by the technical cooperation carried out with the financial support of our Government.

With the same view in mind, we are committed to promoting the activities of the ILO training centre based in Turin.

In its over 40 years of activity, this facility has proved to be an extremely valuable tool for promoting the development of human resources and fostering the social progress of member States of the Organization. We are pleased and proud to host and support the centre but, at the time, we would like to see an appropriate enhancement of its potential – so far not exploited in full – in order to catalyse the training activities of the United Nations system and develop the institutional capacities of emerging countries.

In 2009, the ILO will celebrate its 90th anniversary. This anniversary should be an occasion to give new impetus to the Organization ahead of the challenges of globalization, keeping and renewing those essential and inalienable landmarks and sources of inspiration represented by the dignity of labour, tripartism, social dialogue, social progress and social cohesion.

Ms BLINKEVICIUTE (*Minister of Social Security and Labour, Lithuania*)

We meet here to deliberate on the situation the world is facing today. And I am sure that the subjects that the ILO has put forward this year are of great importance.

The Report of the Director-General raises a lot of meaningful questions. It gives us an opportunity to reconsider the role of, and extreme need for, decent work in the context of today's turbulent world. This is the moment when we have to realize our ideas. The ILO, in preparing its Strategic Policy Framework 2010–15, has a big responsibility to find measures for reaching our ideals. We all know that decent work is a universal concept but it is not uniform. It is very important to take account of each and every national context before making any decisions.

However, I strongly believe that ratification and proper implementation of the fundamental ILO Conventions can be one of the ways forward for decent work. Unfortunately, ratification is not always a guarantee.

I want to emphasize that Lithuania is a country devoted to the promotion of all elements of decent work taking into consideration the sustainable development dimension.

It is evident that decent work creates connections with a great number of other goals, such as economic growth, competitiveness, social progress and others. That is why we have to ensure that all the elements of decent work are ensured to all the people throughout their lives.

Equal abilities to enter labour markets for young people, women, senior employees, disabled, migrants and minorities are as important as equality in income. I am glad to emphasize that in Lithuania we see positive changes in the growing employment of all social groups.

We are now at the crucial point of our rapidly changing world. I am convinced that we have to fortify our efforts in making ideas and ideals a reality.

I believe that if we continue the work started, decent work and all it brings together will become visible. I am sure that the ILO, with the strong support of its constituents, will make it possible.

Finally, I would like to express my gratitude for your support to my country in the election into the Governing Body when Lithuania became a substitute member.

Original French: Mr RYDER (representative, International Trade Union Confederation)

Allow me to offer my congratulations to the President, and also to the Director-General, who has presented an important Report at an important moment in the ILO's history. He confronts us with the strategic challenges ahead and places us, the ILO's constituents, before our shared responsibilities to realize the Decent Work Agenda. We have the opportunity to do so because the ILO has a major ren-

deztous ahead in a very short space of time – its 90th anniversary next year, which must be more than a mere celebration; the election of its Director-General; and the adoption of its Strategic Policy Framework for 2010–15, in particular.

The ITUC believes strongly that the ILO is uniquely placed by its mandate, by its achievements – recent and less recent – to move forward decisively. But it will only do so if we, its constituents, do so with a common purpose. Tripartism does not presuppose identity of interest, but making it work does require shared commitments across our different groups.

So, the first challenge we must accept is to work together to make the Strategic Policy Framework one which we can all invest in and which will put the ILO on the road to its centenary, confident, capable, relevant and influential. That work begins now.

The current conditions of crisis – financial, environmental, food, energy – have grown more acute, not less, since the Report was written. They come as the culmination of long-term trends in the global economy, which are well-documented in the Report, and which are unfavourable to working people and have generated levels of inequality and injustice that are intolerable and unsustainable.

The unanimous adoption by this Conference yesterday of the Declaration on Social Justice for a Fair Globalization is an outstanding demonstration by the ILO of its determination and ability to respond. It stands directly in the historic line of declarations adopted, in 1944 and 1998, and it is of comparable significance and gives us an invaluable tool to face the challenges ahead.

The ITUC welcomes also the proposal to launch a campaign for the universal ratification of the fundamental rights Conventions by 2015. That would be a crucial achievement alongside the United Nations Millennium Development Goals and, like them, must be seen as no more than a minimum aspiration. We need a much broader application of standards if decent work is to prevail.

Looking to the ILO itself, we applaud the Director-General's insistence on the reinforcement of the Office's analytical knowledge base as crucial to the attainment of its objectives.

It is proper too for the ITUC to express its full support for the ILO's activities within its mandate in favour of Palestinian workers. Our Confederation, the ITUC, is renewing its own efforts, this month, to promote cooperation between our own affiliates in Palestine and in Israel.

Early in his Report, the Director-General asks the key question of us all – he asks have we really, despite our achievements, bettered the working lives of people everywhere? Today, honestly, the answer is “No. Not yet. Not enough”. But if we accept the challenges before us together, let us be sure that by the ILO's 100th anniversary we can answer the same question with a decisive and unequivocal “Yes”.

Ms CRONBERG (*Minister of Labour, Finland*)

Let me congratulate, the Director-General for his Report, which outlines the challenges of the ILO in promoting fundamental principles and rights at work for sustainable development. Let me also welcome the Report dealing with efforts to reach the ILO's objectives in the context of globalization.

I very much agree that freedom of association and the right to organize and bargain collectively are rights that have a major impact on work, welfare and living conditions. This is also important for the development and progress of economic and social systems. Finland is fully committed to these principles.

However, I would like to raise some issues that we find very important in this context.

Firstly, the impact of globalization on structural change and employment. It is true that globalization creates opportunities for sustainable development. But it is also true that the functioning of international markets involves a process of cross-border mergers, takeovers and a transnationalization of business life. We feel that enterprises operating in more than one country should consult their employees.

Due to structural changes, we, in Finland, have worries about security of employment. Although the employment situation is good, the prevailing feeling among workers is insecurity. In these circumstances, the importance of the ILO increases as the social awareness of the world. In working life, there is the same need for the conformity of regularity as it is, for example, in the international financial markets.

Secondly, by creating standards, the ILO has helped to harmonize working conditions around the world. The implementation of these standards can be guaranteed only if all employees have the right to freely organize and negotiate collectively at all levels – from the enterprise to the international level. This requires the commitment of governments as well.

Thirdly, the principle of collective bargaining has also been more widely adopted over the years, depending on the countries and their respective political systems.

In Finland, changes are taking place and flexicurity is, today, a main issue. We are developing a Finnish labour market model where flexibility and security find a new balance, both from the employers' and the employees' points of view. This also necessarily involves a reform of the social security and the adult education systems. These systems cannot be further developed without a basic right to negotiate.

In a time of structural changes, we have to undertake risk assessments and develop well-functioning local economies to counterbalance vulnerability of communities to company relocations. We have to strengthen all aspects of corporate social responsibilities, not only on the national but also on the international level.

Freedom, human dignity, security and non-discrimination are essential to the ILO's efforts to strengthen its capacity.

My Government strongly supports the ILO. The ILO has taken an active role by improving understanding and efficiency inside the UN system. It is extremely important that the ILO should continue its valuable work in promoting social justice and human rights amongst various UN organizations.

Original French: Mr CORTEBEECK (*Worker, Belgium*)

It was with great interest that I read the Director-General's Report *Decent Work: Some strategic challenges ahead*. I greatly appreciated the realistic analyses and the proactive nature of the steps advo-

cated concerning the promotion of this major concept of decent work.

The Decent Work Agenda sets out the appropriate way to put the global economy back on track, focusing on employment and the reduction of poverty and inequality. While supporting the project overall, I would like to highlight certain aspects which seem to me to be important in today's context.

Firstly, the ILO should involve itself more deeply in the major ongoing economic and financial debates. This should be done for at least four reasons.

First of all, in order, to counter more rapidly and in a more preventive way the social repercussions of the financialization of the economy. The impact of the current financial crisis on the real economy illustrates the timeliness and, indeed, the need for such action.

The second reason why this is timely is that the major economic and financial institutions, which never showed much interest in social considerations, have, nevertheless, recently changed their assessments of globalization, recognizing that it produces both winners and losers and that it thus risks losing its political support base.

The ILO now has the opportunity to move further along the path of a fair globalization. Furthermore, the time seems to be right to examine how to appeal for compliance with fundamental decent work standards, not only in the case of countries but also regarding the major actors in economic and social life, in particular multinationals.

Finally, at the same time, we have the opportunity to rebalance the dominant economic discourse. Indeed, so far "globalist" doctrine has tended to favour a policy of comparison benchmarking and of quantitative factors, such as the cost of labour and fiscal and para-fiscal charges.

The moment has come to reiterate that economic development is not merely a matter of cost but is also, and perhaps even mainly, a question of innovation, infrastructure, qualifications and public health. This public expenditure should thus not be considered as a cost or overheads, but rather as an investment in the future.

This leads me to the second priority, the fact that the ILO should take on the role of the chief advocate of social security coverage for the whole population and it must devote further efforts to examining opportunities and possibilities. This seems to me to be the right moment to do so, because the major countries, whose social security was principally provided by enterprises, have become aware of the disadvantages of such a system.

It is now the turn – following the Russian Federation and China, with their large state conglomerates – of the major American private companies, such as Ford and General Motors, to feel the heavy burden represented by their pensions and health care obligations. The lesson is a hard but a clear one. It is better to have a general national system than one dependent on enterprises. Indeed, mutual insurance systems make restructuring and work mobility easier and more social.

Finally, effective security for workers increasingly appears to complement globalization as a matter of course, including henceforth in the United States. The moment has therefore come not just to debate, but also to implement, greater social justice for a fairer globalization.

Original Chinese: Mr XU (Worker, China)

The Report of the Director-General lays a solid foundation for our discussion. The Report gives a good analysis of world economic development trends, pointing out some strategic challenges facing decent work and stressing the need to advance the Decent Work Agenda in the direction of a strategic policy framework. It also further notes the serious challenges confronting the world of work, including poverty and polarization, and the daunting task of countries to attain the goal of decent work.

This year marks the 30th anniversary of China's reform and opening up. Over the last 30 years, China has always put people's interests at the top of its agenda. Trade unions in China have followed a characteristically Chinese development path. In line with the principle of "organizing for better protection", we have adopted a worker-oriented, law-based approach to protect workers' rights, thus playing a unique role in promoting harmonious labour relations and ensuring social harmony. Over the last three decades, China has gone down an extraordinary path of development and passed the test of various difficulties and challenges. One recent example is the devastating earthquake that struck Sichuan, China, causing tremendous loss of life and property. Yet, under the strong leadership of the Chinese Government, we insisted that saving lives was the first priority and the nation rose to the tragedy in unity and solidarity. The brave spirit in which the Chinese people dealt with this disaster has moved the world, which has responded with sympathy and assistance. We want to thank you for the solidarity you have displayed.

To ensure decent work in every country, we must put people first and allow people of all countries to share in the dividends of global economic growth. The world economy now faces new opportunities for development, yet the gap between North and South, rich and poor, is widening, and workers, particularly those in developing countries, are still confronted with many challenges and difficulties. In this context, trade unions in China believe that we should focus our efforts on the following aspects.

Adoption of a people-centred approach and promotion of common development. Current world economic development is seriously unbalanced. Workers, both in developed and developing countries, have all been hugely affected by economic globalization. However, most of the workers are found in developing countries and the majority of the world's poor are concentrated there. We cannot achieve balanced, inclusive and win-win economic globalization without giving full consideration to the interests of workers in developing countries. Under an inequitable political and economic order, developed countries dominate world wealth distribution and make it impossible for workers in developing countries to achieve common prosperity and development through work. Therefore, the International Labour Organization should give greater priority to workers in developing countries and help them build their capacity for action. It cannot be clearer that there will be no common development without development of developing countries.

Adherence to tripartite consultation and delivery of decent work. Decent work for everyone is a basic element of a people-oriented approach. It reflects the trend of our times and conforms to the tenets of respect and protection of human rights. Govern-

ments, employers and trade unions are important players in promoting decent work, albeit their different roles in labour relations. Only when the interests of the three parties become intrinsically linked and they work together for such shared interest can we deliver decent work in its real sense.

Engagement in dialogue and cooperation to achieve democracy and harmony. As the interests of workers around the world become increasingly intertwined, it is all the more important that we work together to protect such interests. Trade unions in all countries share the same objective of defending the legal rights of workers and regard workers' interests as their top priority. Therefore, they should all have a part in discussing international labour affairs. The decision-making body of the ILO should further strengthen the voice of developing countries and the Workers' group of the Governing Body should be broad-based, representative and fair.

Here we appeal to trade unions and the ILO to further increasing equal-footed dialogue and exchanges, seeking common ground while shelving differences and promoting a friendly, cooperative, democratic and harmonious relationship for the benefit of workers of all countries.

China cannot achieve development in isolation, nor can the world realize development without China. We are ready to work with workers and trade unions of all countries to share opportunities, meet challenges and contribute to the lofty goal of development and decent work for all.

Mr KUDATGOBILIK (*Employer, Turkey*)

Relations between my country and the ILO go back more than 70–75 years. Since 1936, when our founder, Atatürk, signed the first petition with the ILO, we have been a very active Member of the ILO.

My employers' organization was founded nearly half a century ago and we have therefore been dealing with ILO-related matters in a very active way for a long time.

As Turkish employers, we fully agree with the Director-General when he declares in this year's Report that the Decent Work Agenda can play an important part in promoting balance and equity in the midst of global financial turmoil, soaring food prices and economic slowdown. In this challenging atmosphere, we can only express our thanks and appreciation to him for focusing this year's Report on certain strategic challenges.

In our opinion, the globalization process is going through a tough test about whether it can be checked and balanced in order to be called "fair globalization".

We again totally agree with the Director-General that decent work is an agenda for our times. There is no doubt about that. The Decent Work Agenda puts various duties and obligations on us as social partners, governments and international organizations, representing them on a tripartite basis like the ILO is a big responsibility. First of all, we should consider once more social dialogue as a strong means of tackling problems faced by individual sectors, countries and the world as a whole.

Regarding social dialogue, Turkey, as a country with a rich history and tradition in industrial relations, has also gained another advantage by becoming a candidate to the European Union, where the impact of EU law, namely the *acquis communau-*

taire, has helped evolve the existing and new social dialogue mechanism in my country. Turkish legislation now provides for the establishment of various bipartite and tripartite bodies and mechanisms at the national and enterprise levels, for example the Work Assembly, the Economic and Social Council and the Tripartite Consultation Board.

In addition to social dialogue and its importance for promoting decent work activities in today's turbulent atmosphere, we believe as Turkish employers that social legislation can, and should, also play a vital role in balancing security needs with flexibility requirements. To increase flexibility, which we believe lies at the heart of creating more decent work and, at the same time, protecting the rights of workers, we have to make legal amendments when regulating working life along with ILO norms and Conventions.

Here again, I would like to mention two legislative processes in Turkey which aim at achieving these goals by striking appropriate balances between various, and sometimes apparently opposing, targets, although many articles of Turkish labour law are based on ILO Conventions and EU directives. This therefore creates an unsuitable framework for flexicurity, and thus requires an urgent rearrangement. The old notion of "job protection" needs to be replaced with the current trend of "employment protection".

The main legislation regulating collective labour relations in Turkey are the Unions Act and the Collective Agreement Act, which have been the target of ILO criticism for many years. However, two draft laws aimed at amending the above mentioned legislation have recently been negotiated intensely on a tripartite bases, with substantial contributions by the social partners. It must be noted that these drafts were approved by the Parliament's related committee and will be on the agenda of the General Assembly very soon.

The third and perhaps most important pillar of creating decent work is economic performance of individual countries and the economy as a whole. In this respect, we cannot be optimistic by looking at economic forecasts covering various major developed economies. In these economies the growth will further slow down and inflation will further speed up. These developments will certainly have a negative impact on the employment scene and, in particular, on decent work efforts. We fear that, under such circumstances, the informal sector will further expand.

Let me conclude my remarks by saying that next year, the ILO will celebrate its 90th anniversary. As the Turkish Confederation of Employers' Associations, we shall spare no effort to contribute to the celebration of this meaningful anniversary by organizing various events in our country and abroad.

Mr BROSH (*Employer, Israel*)

First of all, I am sure that most of you who were kind enough to stay in this hall will appreciate the fact that I am going to stick very shortly to two subjects. First, I want you to know that, three years ago, when the Chairperson of the General Federation of Trade Unions of Israel, Mr Ofer Eini, was elected, and I was elected as Chairperson of the Federation of Economic Organizations, we decided that we would try to bring our relationship to a new place. This means that we agreed between ourselves that, when we walk into a room to discuss a subject or a

dispute, we will not leave the room without having found a solution. I must tell you, and am proud to tell you, that we succeed, and that in the last three years we have never had a confrontation or a subject that we could not find a solution to. The main reason for the improvement in our relationship is that these two organizations have come to the mutual understanding that the growth of the economy of Israel is important to both of us. This growth has a great impact on the living standards of the citizens of the country, and, of course, it dramatically affects the profits of enterprises.

We agreed to prefer discussions and agreements rather than going before Parliament for legislation. If we have to go to Parliament, we always walk there together, after having come to some agreement beforehand, and, in that case, we make sure that Parliament will follow our agreement.

This was exactly the situation when we agreed six months ago to establish a comprehensive pension insurance for all the citizens of Israel. It took us three months, and at the end of these three months we reached this agreement. Since 1 January 2008, all the citizens of Israel benefit from this comprehensive pension insurance.

Of course, if we look at the results of this relationship, we can easily count and see the results in the figures.

In the ten years between 1994 and 2004, we had 1.5 million days of strikes in Israel, every year. In 2005, we had just 230,000, in 2006, just 130,000 and, in 2007, almost nothing. This is a direct result of this relationship between our two organizations.

Of course, if we want to achieve growth, then education is the main factor that we have to take care of. Since we understood that education, that training, that skilled human resources are a must, we have been pushing the Government very hard to enlarge the budget, to make the necessary reforms to reach a better education level for our people.

I am sure that this will result in advantages in the future, and it will serve the economy of the country. I want you all to know that Israel is investing 4.5 per cent of its GDP in research and development. If we want to reap the benefits of these investments, we have to have the right human resources to use this money.

Together, we are on the way to making these changes in the education system in Israel so as to have a better level of education. I am sure it will serve the people of Israel and their economy as well.

Ms CHARALAMBOUS (Minister of Labour and Social Insurance, Cyprus)

In a period of global transition characterized by financial instability, rapid demographic expansion, major technological advances, where the organization, structure and models of employment are constantly being subjected to change, the definition of decent work in a manner which abides by fundamental principles and rights at work in compliance with international standards, is crucial. Securing decent work for people everywhere is a challenge that requires strategic planning and a unity of purpose by all three constituents – governments, workers and employers. It is imperative to promote the Decent Work Agenda in a way that combines economic growth and competitiveness of the economy, in line with social justice, sustainable development and social cohesion.

This means securing not only the right to work but also quality at work, safeguarding fundamental rights for workers, introducing measures for social protection for vulnerable groups, implementing social dialogue and including the gender dimension in all aspects of life.

Implementing the ILO objective of decent work, an objective entirely compliant with international labour standards, presupposes above all that the globalization of the economy, at the international and national level, will be realized in a way which ensures that the global economic growth and the potential of utilizing technology will be distributed between States, but also between the basic constituents of the economy in an equal and more balanced way.

Promoting the Decent Work Agenda calls for a consistent and inclusive global strategy against poverty, against all forms of discrimination and economic inequalities. We must improve governance, reinforcing social dialogue; identify problem areas and take proactive measures in regard to decent work; establish a regulatory framework to ensure equality between men and women; establish practical systems of social fairness, education and life-long learning; minimize corruption; and institute fair rules for competition. In other words, we urgently need a strategy for fair globalization.

The Government of Cyprus is committed to the principles and objectives of the ILO's Decent Work Agenda, aiming at economic growth which leads to secure and decent work and safeguards appropriate terms and conditions of employment. There is no doubt that decent work must be a right for all, irrespective of nationality, race, religion or gender, and Cyprus is striving to ensure that this right is guarded and defended.

Since its establishment in 1960, the Republic of Cyprus has placed social dialogue and the tripartite system at the centre of its development strategies, with very satisfactory results. Collective agreements, freely agreed between employers and employees, have been the main way to determine salaries and conditions of employment. The fostering of strong employers' and workers' organizations has had a profound effect on dealing with emerging problems and crises, helping to maintain labour peace with all the benefits that this entails for the economy and for the people. However, due to the globalization of the economy, labour movement from the other EU and third countries and the alteration of the traditional models of employment, the effectiveness of this labour relations system has been affected.

This new environment requires the immediate introduction of corrective measures. Safeguarding social dialogue and the tripartite system, strengthening the inspection mechanisms in order to implement legislation and collective agreements, is linked to our ability to guarantee decent quality work for all workers living in Cyprus, irrespective of their origin, race or gender. The Government will take all appropriate measures in this direction.

We strongly believe that the way to sustain economic growth in Cyprus is to create an environment, in which competitiveness of the economy, will be in harmony with the right of people for security and quality at work, together with a high standard of social protection.

Let me conclude by underlining that, for the Republic of Cyprus, the Decent Work Agenda is inter-

linked with our main goal: the solution of the Cyprus problem. Unification of our country will create a new potential for the economy which will lead to prosperity and welfare for all Cypriots: Greek Cypriots, Turkish Cypriots, Maronites, Armenians and Latins alike.

Original Arabic: Mr DJILANI (Employer, Tunisia)

The fundamental principles and rights at work are the object of ongoing work within the ILO in order to achieve balanced economic growth throughout the world. That automatically requires the existence of workers' and employers' organizations which are representative and effective in protecting the rights of their members and share joint national development aims.

The relationship between workers' and employers' organizations must go beyond claims and disputes to create partnership and cooperation in order to survive in countries where union membership is declining.

However, the right to organize does not just mean creating trade unions. It only has meaning in the context of all forms of social dialogue, whether this involves consultations or collective bargaining.

Aware of the fact that political stability and social peace are essential to ensure the stability of enterprises and also decent means of existence for all citizens, our priority for more than 20 years has been to initiate new collective bargaining every three years in order to revise existing agreements. The aim is to improve purchasing power and working conditions and increase the productivity and competitiveness of enterprises in the context of a national policy which recognizes the importance of the social and economic dimensions and is aware of the capacity of social dialogue for overcoming difficulties. As we embark on the seventh cycle of such negotiations in a difficult international climate, we are certain of reaching our joint objectives in a spirit of cooperation and mutual respect on the basis of our past experience in this field.

Workers' and employers' organizations are a key component of the modern State and growth in employment is one of the greatest aims and challenges in Tunisia, as it is throughout the world.

Our President has made employment an absolute priority, announcing the organization of general national consultations on this matter, with the participation of all employers' and workers' organizations at all levels of dialogue, consultation and analysis. This consultation also involves all major stakeholders in the country, and all parties have the collective responsibility to succeed in this challenge. 2008 was designated as the year of dialogue with young people, since they need to be able to participate in the analysis of the problems, the examination of real conditions and the creation of future prospects in employment, education and training. The aim is also to equip them with vocational skills enabling them to be better integrated in working life. Rather than saying that young people are a problem, we believe that the young people are the solution to problems.

I commend the ILO's initiative in launching the dialogue on rural employment for poverty reduction, and I affirm our resolve to contribute to the success of this initiative.

Tomorrow we celebrate the World Day against Child Labour, and on behalf of the employers in Tunisia we reiterate our commitment to turn schools

into places where children naturally flourish. We reaffirm that child labour and the exploitation of children are a stain on the conscience of humanity.

Sixty years have gone by and our Palestinian brothers are still waiting to fulfil their right to build an independent State and to live in peace, like all the other peoples of the region. While reaffirming our support for this just cause, we exhort the international community to support the Palestinian people and help it recover its legitimate rights.

Original Lao: Mr SYMOUNE (Worker, Lao People's Democratic Republic)

It is with great pleasure that I attend the 97th Session of the International Labour Conference. First of all, I would like to express my appreciation and support to the Director-General of the ILO for his Report on the global climate for freedom of association and the effective recognition of the right to bargain collectively. The achievements in this regard are the result of your contribution to the International Labour Organization.

The Lao Federation of Trade Unions is an organization which represents and protects the rights and interests of the people and workers of the Lao People's Democratic Republic. Presently, the Lao Federation of Trade Unions plays an important role in social and economic management in Lao People's Democratic Republic.

In December 2007, the Trade Union Law was approved by the Lao National Assembly. The Trade Union Law ensures all labour units and companies must have their own organized trade union unit to represent and protect the rights and interests of their workers. The Trade Union Law defines the union's role as the representative of workers in collective bargaining and the revision or cancellation of labour contracts between employees and employers if the contracts are found to be unfair, at the request of the employee.

In the past our trade union has participated in workshops on collective bargaining, organized by the ILO Regional Office in Bangkok, with the objective to stop exploitation of workers by their employers. The new Trade Union Law emphasizes the trade union's duty to build and develop relationships and cooperation with other trade unions throughout the world and with international organizations, in implementing the Conventions of the ILO.

The Lao Federation of Trade Unions recently organized a meeting on international trade union solidarity, cooperation and coordination, which focused on building international cooperation and helping the Lao Federation of Trade Unions keep in contact with working people and labour organizations throughout the region and the world.

The Lao Government's current policy is to safeguard the rights and interests of Lao people and Lao workers. Accordingly, the Government has ratified six Conventions of the ILO. It is currently in the process of ratifying more: Conventions No. 100 and Convention No. 111, in order to continue protecting its citizens and workers. It is the Lao Government's policy to implement the Conventions of the ILO.

By implementing the Government's policy guidelines and the Lao Trade Union Law, we believe that we can continue to increase our relationships and cooperation with trade union organizations throughout the world, and with the ILO and other organizations. We believe that this will help us to

implement the ILO's Conventions and at the same time, implement the provisions resulting from the International Labour Conference.

On this special occasion, I, as a representative of the Lao Federation of Trade Unions delegation, wish the 97th Session of the International Labour Conference to be strong and successful.

Mr MDLADLANA (*Minister of Labour, South Africa*)

In his Report, *Working out of poverty*, Juan Somavia highlighted the fact that poverty is a nightmare. It is a vicious circle of poor health, reduced working capacity, low productivity and shortened life expectancy. He continued by emphasizing that, for families, poverty is a trap. It leads to inadequate schooling, low skills, insecure income, early parenthood, ill health and early death, and he concluded that, for societies, poverty is a curse.

Some 1,827 days ago, President Twombi addressed this august assembly and warned us that even those cast into the darkness, where there is weeping and gnashing of teeth, are also capable of speaking, and when they do finally speak, on all continents, including where we are meeting, they will proclaim that they are the hope of the world, free at last of the curse of poverty.

Let me acknowledge the fact that this report is written in the midst of global financial turmoil, soaring food and fuel prices, and an economic downturn. In our reflections, the consequences of this crisis are observed in the attitude of the poor. The poor are beginning to be restless. This restlessness is reflective of the concerted aspirations of people for fair opportunities. It is reflected in their cry against effective economic and social systems, inadequate political responses, bankrupt policies, marginalization and insufficient support. Indeed, we have seen how in the past decade, as globalization brought faster growth and better living conditions to some parts of the world, the majority of the poor countries have become increasingly marginalized, sinking more and more into poverty. They proclaim it an intolerable burden to live in daily fear of retrenchment. President Mbeka said that it was equally unjust that the rights of the working person should be threatened because there is another at the factory gate who is ready to take his place on the factory floor because he or she is ready to accept lower wages, intolerable working conditions, casualization of labour and non-implementation of the standards of the ILO.

In efforts to chart the way forward in dealing with these challenges, we welcome the Director-General's Report and believe that it provides some strategic perspective on the challenges lying ahead for our Decent Work Agenda. We must remember that the poor and the unemployed are capable of speaking. They are capable of revolting against the policies that sometimes we espouse. The poor are beginning not to trust and believe their leaders. I have seen their reaction in South Africa. Today they are fighting among themselves; tomorrow it will be our turn, all over the world, especially those with big tummies like myself, when they proclaim that they are tired of seminars and conferences, tired of summits, tired of speeches. This I have seen in South Africa where we have both the First and the Third World economy. The First World is rich, predominantly white, and has all the First World infrastructure one may think of. This is the First World, we call it the first economy. The Third World is

poor, living in squalor, the majority unemployed, uneducated, unskilled and predominantly black. Persons from neighbouring countries arrive in South Africa to improve their lives. Unfortunately, when they get to South Africa, they stay among the poor, they live in squalor with them. Some come with entrepreneurial skills, some are adventurous, innovative and creative, and those who come to live and stay in these black communities happen to be black, whilst those who are in the First World and those who are rich compete about their investments and profits. People in the Third World economy compete about poverty. As a result, they become jealous of each other, thinking that the newcomer is the cause and reason for their poverty. It must be noted though that there are thousands of migrant workers in South Africa and these were there for many years, since the early 1950s. They came from Mozambique, they came for Lesotho, they came from Swaziland, they came from Zimbabwe. They never stayed in refugee camps and even now we still do not believe that we must create or establish refugee camps. We believe that Africans must be integrated with other Africans. What we need is an awareness campaign, teaching our people about Africanism, Africans loving each other, about the pride of being an African, never to kill, never to maim, never to hurt another African for whatever reason. That is why, with our trade unions, together with our employers, we have agreed to campaign against this scourge of killing one another. Truly and honestly, as South Africans we are immensely embarrassed by the attacks of fellow brothers and sisters. It was and it remains a very humiliating experience to see a black man bending, bent by other black brothers and sisters, over a meatless bone, with others standing by celebrating, ululating and laughing. Indeed, the poor are beginning to be restless. This pleasure of sitting in a hall as we are doing is soon coming to an end.

Mr BOUTSIVONGSADK (*Employer, Lao People's Democratic Republic*)

I would like to express my sincere congratulations and support for this year's Report of the Director-General on freedom of association and collective bargaining to ensure the total benefit of both employers and employees.

I also fully agree with the report of our Vice-Minister of Labour and Social Welfare relating to the implementation of ILO Conventions, Lao labour law and regulations and the cooperation with the International Labour Organization in many activities in the Lao People's Democratic Republic.

During the implementation of the "new economic mechanisms" stipulated by the Lao Government in the past few years, the Lao business sector has annually grown by 6.2 per cent, especially in the industry and service sectors. The most significant growing sectors are: mining, hydropower, construction, tourism, hotels, restaurants and banking. All of those growths have been helped by big investments from local and foreign employers.

These investments have contributed to the creation of jobs for thousands of Lao workers and to poverty alleviation in the Lao People's Democratic Republic. To achieve untroubled industrial relations in various labour units, the Lao National Chamber of Commerce and Industry (LNCCI) has successfully encouraged employers to have labour unions or workers' representative committees organized in

the enterprises on a voluntary basis. The LNCCI also encouraged businessmen to set up the business associations based on Prime Ministerial Decrees Nos 125PM and 98PM concerning the implementation of labour law. There are 25 business associations, and business groups are organized in the Vientiane Capital and other provinces.

With the support of the ILO, UNIDO, GTZ and UNDP, the Lao National Chamber of Commerce and Industry plays an important role in organizing a seminar about the role of the LNCCI, the role of the employer, labour law, safety and health at the workplace, social security, normal working hours, overtime, gender equality, the organization of labour unions and workers' representative committees on a voluntary basis. Up to now, many workers' representative committees and labour unions have been organized in different enterprises in Vientiane Capital. These organizations have contributed to strengthening good relations between employers and employees. Owing to limited funds and urban resources, the LNCCI certainly needs assistance from the ILO, UNIDO, GTZ and UNDP in order to expand to all provinces of the country, and to strengthen the role of the LNCCI and protect the interests of employers at the provincial level. The creation of local chambers of commerce in industry and local employer representatives can contribute to the effective implementation of the ILO Conventions in Lao labour law.

The Lao National Chamber of Commerce and Industry would like to express its gratitude to the International Labour Organization, UNIDO, UNDP and GTZ for all their support and technical assistance to many of its activities. We hope that these international organizations will continue to assist the LNCCI in its task of upgrading capacity building, to reach the level of other countries in the region in the near future.

Once again, on behalf of the LNCCI and the Lao employer organizations I would like to express our sincere appreciation for all the successful work of the International Labour Organization in the Lao People's Democratic Republic.

Original French: Mr NDONGOU (Minister of Labour, Employment and Social Welfare, Gabon)

During the discussion of his Report, the Director-General has called on us to build a system to evaluate progress made in our countries in all aspects of decent work.

The aspects of decent work are multiple and varied, but they are clearly identified in part three of the Report, under the title "Decent work at the heart of social, environmental and economic progress". Here, the Director-General sets out the objectives of decent work. They are relevant, they are realistic, and these objectives call for our support, both individually and collectively, because they are at the very heart of social justice.

The Report of the Director-General reminds us that economic progress, social protection and social dialogue, based on the exercise of freedom of association and of expression, are the pillars of the march of our peoples towards just, sustainable and durable social progress.

With this idea of the destiny of peoples in mind, the President of the Republic and Head of State, His Excellency, El Hadj Omar Bongo Ondimba, has committed the country to profound institutional reforms, such that Gabon today is a truly democratic

country with the concern to promote the prosperity of its economy and the welfare of its population.

Here is the place for me to thank the ILO for the many forms of support which the Organization is bringing to my country in the preparation and the management of these reforms.

To ensure better governance of economic progress in the country, the Government itself, under its own initiative and not under industrial pressure, has devised and adopted a growth strategy which will promote employment and combat unemployment, particularly youth unemployment, poverty, instability of jobs and marginalization. This strategy is to allow employment to play its role as a bridge between macroeconomic policies to promote growth and social policies to promote the welfare of our populations. We are convinced that the prosperity of the economy involves the prosperity of companies and therefore involves the productivity of their means of production. The Government has also undertaken a reform of the vocational training system. Ultimately, this reform should lead to an increase in labour productivity and an improvement in the employability of youth who are generally affected by unemployment.

Under social protection, I should note the implementation of obligatory health insurance for all workers providing benefits for persons who are economically disadvantaged.

At present, in the current situation of food riots, beyond the structural policies pursued for the agricultural sector and the rural world, the policy to protect the most vulnerable classes of our population has recently led the Government to undertake measures to moderate food price rises.

Constantly concerned about maintaining the prosperity of companies without sacrificing the rights of workers, the Government has also commissioned social audits of oil companies. These audits have defused potentially conflictual situations in a sector which is very strategic for the national economy and have also led to improved recruitment and conditions of work, particularly with regard to overtime in the oil fields.

In order to derive benefit from the globalization of economies, our country has decided to intensify the diversification of its own economy. To prevent this new direction from leading to a deterioration in the conditions of workers, the Government has decided to move towards a specialization of civil servants, of its labour working administration, by activity sector.

I am pleased to be able to count on the ILO to help us to prepare and implement this major programme to preserve the fundamental rights of workers.

It is also through its concern to preserve peace in companies that the Government of my country has acceded to two action programmes initiated by the ILO. I am referring to the Promotion of Social Dialogue in French Speaking Africa (PRODIAF) and the project to support the implementation of the ILO Declaration on Fundamental Principles and Rights at Work (PAMODEC).

In a society which is traditionally egalitarian between the sexes, the Government has just strengthened gender parity in ministerial cabinets.

With regard to the protection of children, although Gabon is a country that takes in children who are victims of trafficking, the Government is sparing no

effort to eradicate the trafficking of children and to eradicate child labour.

I would like only to assure the international community that the environmental dimension is taken into account by my Government, and we have decided to devote 11 per cent of our national territory to 13 national parks to preserve biodiversity.

Once again, I would like to reassure the international community that we are determined to combine the preservation of biodiversity with our socio-economic development requirements.

Mr LEVANON (*Government, Israel*)

It is with pleasure that I stand before the International Labour Conference today, to describe the advancements that Israel has been able to make towards ensuring our primary goal, which is decent work for all.

One such advancement that has taken place outside of the context of the ILO, but is still inextricably linked to this Organization, is Israel's invitation to join the OECD. As part of the candidature process, the OECD will send an investigative mission that will evaluate, among other things, Israel's implementation of the ILO Conventions. Thus, when we join the OECD, Israel will reaffirm our commitment to the tenets of the International Labour Organization.

On 1 January 2008 an historic new event came to pass, which extends pension benefits to all workers in Israel, the basis for which was an existing collective pension plan between trade unions and employers' organizations.

This significant order notably provided pensions for workers in Israel who had not previously been covered by collective pension agreements. It is estimated that 1 million workers have gained from issuance of the extension order, which was authorized by the Minister of Industry, Trade and Labour.

In addition to increased protection for workers through extended pension benefits, the Government of Israel has also committed itself to a twofold plan: reducing poverty and encouragement of economic growth. This growth will be realized through a series of policy tools, several of which are relevant to the objectives of the ILO. One such tool calls for programmes which will increase employment among previously under-served populations, such as orthodox and minority families. This tool will increase job-placement centres in towns with a large concentration of such residents.

Another tool is a negative income tax scheme to provide effective relief to poor families. Additionally, the Government is executing agreements with international organizations to regulate the safe, legal and affordable migration of foreign workers for those jobs in which their skills are needed.

As for the Director-General's Report: *The situation of workers of the occupied Arab territories*, we have received the ILO delegation in Israel. We opened our hearts and minds to them and fully cooperated with this delegation. To my deepest regret, I note that the final report can only be described as one-sided and unbalanced.

Israel is working towards realizing its goals through the stricter enforcement of labour laws. In the past, several factors have contributed to, at times, lax enforcement of laws regarding minimum wage, overtime and other regulations which exist to protect Israel's labour force. Together with the social partners, the Government established a steering

committee to examine the situation of labour law enforcement, with the specific goal of lifting thousands of Israeli citizens out of the ranks of the working poor.

The outcome of the steering committee was the drafting of a bill currently before the Knesset to strengthen enforcement in this area. If implemented, this bill would increase the staff of the labour law enforcement unit and impose fines on non-complaint employers and manpower agencies which violate labour laws.

In closing, Israel firmly believes that continued cooperation between the three pillars of the ILO – government, employers and trade unions – is the most effective route to ensuring decent work and a decent standard of living for all. For the past few years, Israel has been working in full harmony with the ILO to achieve these important goals.

Original Spanish: Mr LASCURAIN (*Employer, Argentina*)

It is an honour for me to speak once again before this Conference on behalf of the Argentinean business world. I would like to begin my statement pointing out that the Argentinean business world is convinced of the need to have social dialogue, as championed by this house, and to combine the values of decent, dignified and productive work with competitive and sustainable enterprise in the framework of a State which is effective in its management and guarantees economic growth with social inclusion.

I am convinced that these contents are present in all the debates we are having at this Conference during this time, and they are in accordance with the spirit of the ILO, which my organization has supported since its early days.

I reaffirm these contents to the extent that my country is seeking substantive consensus that will enable all the productive sectors of our society to participate in the economic transformation that has been occurring in our country in the last few years and project it towards a future which we see as concrete, tangible and with shared goals.

Now there are undoubtedly difficulties along our way, different interests clash and different perspectives need to be reconciled. But let me also add that the will of the business sector in Argentina, which I am representing here, is to come up with a harmonization of interests, overcome differences, remove divergences and ensure that we avoid setbacks that always signify inadequate strengthening of the various sections of society.

Referring now to the Report of the Director-General, I would like to emphasize that for all of us decent work and sustainable development requires viable enterprises, high levels of formal economy, and a strong development of SMEs and a strong linkage of the value chains.

It is true that we are going through difficult times as the Director-General was pointing out in relation to the international financial situation, and it is very likely that we still do not know the consequences in detail.

It is also true that the soaring prices of fuel, energy and food, are aspects which must be taken into account in our assessment. However, at this stage, we cannot describe the situation as being a global crisis and we are convinced that the ILO should continue its efforts to help, especially in developing countries and with regard to the SMEs, so as to generate the appropriate conditions for creating

jobs, adapting labour systems to the new technological priorities, and training of workers for their employability and the design of social security schemes that will protect the workers.

In addition to this, and we have alluded to this already, the developing countries are experiencing the reality of the prevalence of the informal sector. This is often because there are often regulations, red tape and excessive taxation which prevent entrepreneurs from moving into the formal sector. But it is only with decent enterprises that can fulfil the law because the law is feasible that we can produce decent work. And it is only through the creation of more enterprises that our societies, especially our young people, can have their rightful place in the productive world, in society and in the family.

The Report of the Director-General is a follow-on from the Report presented in 2007 at the 96th Session of the ILC called *Decent work for sustainable development*.

Now the real test facing the Organization is that of demonstrating its ability to provide quality knowledge and information at national level. I would like to point out that we, first and foremost, want to promote an environment that leads to the creation and development of companies and employment, with a vision that enables us to reduce poverty and to produce economic growth and social welfare. And to achieve this, we need to safeguard the business environment in our country and protect property rights. And this is key for the creation and development of enterprises.

Another question that needs further consideration is the issue of flexicurity, the right to work in a labour framework of security and flexibility at the same time, without forgetting the necessary need to finance social security, reconciling social protection with competitiveness. The ILO needs to modernize its approach to this issue and to the right to work, measuring the economic and social consequences of the initiatives it proposes.

It is also very important to develop and implement the mechanisms that promote employability together with further training, specialized training for new jobs, new technologies and productivity.

We reaffirm, as the Report says, that we need to promote tripartism as a key element to promote entrepreneurship and enterprise creation. We firmly believe in social dialogue for finding solutions that will enable enterprises to be more efficient and workers to be more productive and more employable through better education and the development of skills, training and retraining programmes.

In conclusion, the fundamental aspects are: the promotion of social dialogue, especially for developing countries; the construction with effective consultation of initiatives that make it possible to generate employment and increase productivity, formality and competitiveness ensuring sustainability for companies: creation of the general policy conditions that remove barriers and make the future sustainable.

Mr HETTES (*Government, Slovakia*)

Mr President, ladies and gentlemen, allow me, to congratulate you on the occasion of your election to the office of President of the 97th Session of the International Labour Conference and at the same time to wish you and the elected officers a successful Conference.

Debate at the Conference plenary session usually focuses on presenting important aspects of social policy by individual constituents of the ILO member States and thus contributes to finding solutions to strengthen social justice.

The ILO's Decent Work Agenda is based in social policy, which is transformed into the decent work programme of individual member States.

In his Report *Decent work – Some strategic challenges ahead*, the Director-General of the ILO points out that social, environmental and economic progress, are central to decent work.

Economic development constitutes the basis for social development and creates the conditions necessary to improve the living standards of the population.

The achievement of decent work depends primarily on the improvement of the population's living standards and the promotion of social progress.

The establishment of decent work must take urban and rural development into consideration, in order to overcome the differences in living standards in urban and rural areas.

The Director-General pays special attention in his Report to implementing rights at work; he commemorates the 60th anniversary of the Universal Declaration of Human Rights, the 60th anniversary of the adoption of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the tenth anniversary of the adoption of the ILO Declaration on Fundamental Principles and Rights at Work.

The fundamental objective of the Slovakian Government social policy is to provide a social programme for the population, which guarantees the maintenance and development of human, economic, social and cultural rights, leading to decent living standards for all.

The Government's policy statement is based on social democratic values; the Government has adopted and continues to adopt a number of measures for the protection of the rights of workers at work.

The Government respects the rights and interests of employers, especially in business, and strives for a rational and balanced policy in relations between employers and employees, with the goal of increasing labour productivity and the competitiveness of employers' enterprises on one hand, and fair and decent remuneration of employees for work performed on the other. The social acceptability of reform and the application of common principles and components of flexicurity, reported in 2007 by the European Union, are among the Governments priorities, along with starting up the knowledge-oriented economy.

Changes in the Labour Code, which were made last year, contributed to the improvement of conditions for work, the working conditions of employees and the flexibility of the labour market.

Changes in the Act on Employment Services contribute to new alternative measures on the labour market, promoting the enhancement of the employability of jobseekers. These new active labour market measures provide various allowances, including for training disadvantaged jobseekers in new jobs and retaining employees with low wages in employment.

The Act on Employment Services creates the legal framework for establishing social enterprises, which leads to the creation and retention of jobs for

disadvantaged jobseekers, and for the provision of allowances for the creation and retention of jobs at social enterprises.

Changes to the Act on Collective Bargaining improve and promote the process of collective bargaining, inter alia, through detailed legal regulation of the binding effect of the extension of collective agreements of a higher degree, pursuant to the Collective Agreements Recommendation, 1951 (No. 91).

In the interest of implementing rights at work and in compliance with the plan of legislative tasks for 2008, the Government of Slovakia will submit a proposal to Parliament for the ratification of some new Conventions: Nos 135, 154, 81, 1 and 29.

The Government would like to express its thanks to the Subregional Office of the ILO for Central and Eastern Europe in Budapest, and the social security department here in Geneva.

Mr AUNG (*Deputy Minister, Ministry of Labour, Myanmar*)

My delegation is of the view that the report: *Promotion of rural employment for poverty reduction* and the report: *Skills for improved productivity, employment growth and development* to be submitted to this Conference will be highly useful for developing countries in fulfilling the needs for their development.

Myanmar places high priority on the creation of job opportunities in rural areas as part of its poverty alleviation strategy. To this end, development projects, including those to improve the economy, education, and health conditions in rural areas, are being adopted and implemented. Development projects on new roads and access to water are also part of these efforts. Additionally, a board to standardize the labour skills was formed to raise the level of labour skills. Training courses on labour skills, in the government and private sectors, are conducted for general labourers before they join their workplaces. Skills in the workplace are also improved by training courses. Measures are being taken to issue skill certificates in line with international and Association of Southeast Asian Nations (ASEAN) standards.

As migrant labour is increasing in the world today, adopting policies to protect and promote the rights of those migrant workers and implementing them are important tasks for all of us. In this regard, I would like to highlight that it is necessary and important to protect vulnerable migrant workers from abuse and exploitation.

May I now briefly inform the meeting of the cooperation between Myanmar and the ILO. In the context of Myanmar's implementation of the Forced Labour Convention, 1930 (No. 29), Myanmar and the ILO reached an agreement on a Supplementary Understanding (SU), creating a mechanism to receive complaints related to forced labour in February 2007. One year after its implementation, the SU was extended for another year in February 2008. The extension, and implementing it in good faith, demonstrates Myanmar's constructive cooperation with the ILO. The public has been widely informed of the existence and implementation of the SU.

Additionally, in the process of implementing the Recommendation made by the 301st Session of the ILO Governing Body, the text of the SU was translated into the Myanmar language and posted on the web site of the Ministry of Labour for public information. This action also demonstrates Myanmar's

political will to eliminate forced labour in the country.

Myanmar is a party to the core Conventions of the ILO. As delegates may be aware, the referendum held recently in Myanmar approved the draft Constitution by an overwhelming majority. The draft Constitution has provisions that allow freedom of association and provisions that prohibit forced labour. Domestic law and regulations will be the next step to follow in due course. I wish to underline here that these provisions are in line with some of the core Conventions that we have adhered to.

In conclusion, I wish to appeal to the member States that measures taken against Myanmar should be reviewed in light of the political will demonstrated and cooperation extended by Myanmar to the ILO.

Mr DUMAS (*Minister of Labour and Small and Micro Enterprise Development, Trinidad and Tobago*)

As we forge ahead in the decade of decent work, the Report of the Director-General – *Decent Work: Some strategic challenges ahead* – is indeed timely. The issues elaborated emphasize our interdependence and underscore the need for policy coherence, collaboration and consolidated action at both national and international levels. We recommit ourselves to the tripartite process, certain that our discussions have sent a strong signal to the global community that ministries of labour and their social partners remain dedicated to the implementation of the Decent Work Agenda, through which many of the current global challenges could be improved.

I am pleased to report that the central plank of the labour agenda for Trinidad and Tobago is the promotion of decent, productive and sustainable work. At present, the unemployment rate of Trinidad and Tobago stands at 5 per cent and work is apace to ensure that there are opportunities for all to engage in sustainable productive work. This represents one dimension of the vision of the Government for Trinidad and Tobago for a productive and innovative society, as work advances on our development plan to make Trinidad and Tobago a developed country by 2020. Poverty-reduction and employment-generation measures such as small and micro-enterprise development, skills training and targeted education, and the promotion of employment opportunities, for women and youth in particular, are also being pursued by Trinidad and Tobago. In addition, we are currently restructuring the agriculture sector with a view to achieving food security for all our citizens. In this regard, we have already begun to implement many of the recommendations of the Committee on Skills and Rural Employment.

In the last year, our commitment to decent work was demonstrated on several fronts. In September 2007, Trinidad and Tobago hosted the XVth Inter-American Conference of Ministers of Labor (IACML) and, on that occasion, assumed chairmanship of the Conference for the period 2007–09. We were indeed honoured to receive the Director-General of the ILO in Port of Spain at the XVth IACML and place on record our appreciation for his participation in the meeting. In keeping with the mandate for decent work of the Fourth Summit of the Heads of State and Governments of the Americas, the Conference brought together ministers of labour of the Organization of American States to hold discussions on making decent work central to social and economic development. Since that time,

Trinidad and Tobago, in its capacity as chair of the XVth IACML, has been at the forefront of hemispheric discussions on decent work.

In keeping with the commitment of Trinidad and Tobago to promote equal opportunities for employment and non-discrimination in the workplace, a National HIV/AIDS Workplace Policy was launched in April of this year. The building of an advocacy programme and implementation of an appropriate sustainable programme are being undertaken.

Our recently promulgated occupational safety and health legislation is up to date and being implemented by an increasingly robust administrative structure. The Director-General, in his Report, called for an efficient and effective labour administration system. You may wish to note that the Government of Trinidad and Tobago has already embarked on a process to strengthen and further decentralize its labour administration services.

I am pleased to report that tripartite discussions in Trinidad and Tobago are vibrant and constructive. The review and ratification of labour standards is an ongoing process through our ILO 144 Committee, which is chaired by our social partners on a rotating basis and meets on a regular basis. There is continuous dialogue on key labour issues at these meetings, as we collaborate to promote sound labour market principles, standards and decent work.

I wish to take this opportunity to commend the ILO Subregional Office for the Caribbean, led by Dr Ana Teresa Romero, for the unswerving support it has rendered to Trinidad and Tobago and the region.

Permit me to inform this esteemed gathering that, in 2009, Trinidad and Tobago will host both the Commonwealth Heads of Government and the Fifth Summit of Heads of State and Government of the Americas. Central to the deliberations at the Summit will be strategies for improving the welfare of our citizens by focusing on several core elements, including the promotion of economic growth and global competitiveness; ensuring quality education and training as well as decent employment; and reducing poverty, inequality and discrimination. We look forward therefore to welcoming all your countries to our shores in 2009.

In closing, let me assure you of the commitment of the Government of Trinidad and Tobago to the promotion of decent work and people-centred development. As we seek to enhance policy coherence and to fulfil commitments made within the national planning framework, we are ever-cognizant of the fact that effective dialogue between the tripartite partners is key to the sustainable development of our country.

Original Russian: Ms MASLAROVA (Minister of Labour and Social Policy, Bulgaria)

I would like to take this opportunity to present our position on the Report of the Director-General of the ILO. We welcome the topic of this Report, because it is a continuation of last year's Report on the topic of decent work for sustainable development. We share the profound concern which permeates the whole Report and which is connected with the present processes taking place in the world economic and financial system and their impact on the sphere of employment and the labour market. In the framework of the ILO, it has often been emphasized that only harmonized activities in the sphere of eco-

nomic, financial and social policy will make it possible to bring about sustainable development and social prosperity for mankind.

Bulgaria, as a country of the European Union, has a priority goal and that is to bring national standards in the social sphere into line with European and major international standards and also to create a social model which will be in accordance with the principles of social partnership and a social market economy.

One of the priorities of the Agreement on economic and social development in Bulgaria up to the year 2009, which was signed between the Government and the social partners of our country, is fully in line with the basic thrust of the Report.

We are all convinced that employment is the best way to overcome poverty and that decent work is vitally important to overcoming poverty. In the national strategy on employment up to the year 2015, we have created the necessary conditions to increase investment in human resources in order to increase employment, labour productivity and social inclusion.

In order to bring about comparability of standards in the European countries, our country has modernized the system of social security, and Bulgaria is ratifying the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102). I can assure you that our social policy and all its measures are aimed at bringing about the conditions to implement European social models, social conciliation and sustainable development for our society.

It would be remiss of me not to note the positive role played by the assistance of the ILO in achieving positive results in all areas in Bulgaria. At the end of May this year in Bulgaria, we had the regional high-level meeting on human resources development with the participation of the countries of South-East Europe. Ministers and social partners of participating countries and also ILO representatives discussed questions of regional cooperation and unanimously adopted and endorsed the Policy Declaration. We formalized a stepping up of regional cooperation by means of a joint strategy aimed at human resources development in the region. At the end of May, we had another extremely important event in the framework of the European Union, namely "Social Policy Week". This included presentations on experiences and best practices in Europe which represented a reliable basis for further developments of cooperation, not only in the framework of the European Union but also at the global level.

Regarding the future development of the ILO, I should like to express the hope that on the eve of the 90th anniversary of our Organization a further step will be taken to achieving our common goal – a healthy environment, social progress and decent work.

Original Spanish: Mr ECHAVARRIA SILDARRIAGA (Employer, Colombia)

I would like to refer to the economic issues which are affecting the world markets and thus undermining the sustainability of enterprises it generates.

It would seem that the ILO is more concerned with creating alarm amongst economic stakeholders than with proposing solutions to the sub-prime crisis in the United States, the substantial increase in the price of oil and the world food crisis.

In spite of the mortgage crisis, market confidence is improving, as can be seen from the increase in share prices around the world. This shows that, contrary to what is said in the Report, the democratic demands of society are being met and the State and economic stakeholders are able to take the right decisions to avert crises.

As regards the increase in the price of oil and the recent move from food crops to biofuels, there again, contrary to what is said in the Report, for those of us who come from developing countries find this economic situation offers an excellent opportunity to adjust public policies at both the national and international levels so as to concentrate on cereals or biofuels according to what the land is best for.

Rather than limiting demand, the best way of lowering oil and food prices is to step up supply. We have to ensure not just that existing posts are maintained but that new jobs are created.

The ILO has to take a more constructive approach to agricultural investment and to job creation. For example, it should be appropriate to coordinate its activities with other United Nations agencies and multilateral credit institutions so as to support governments rather than encourage international debates that do not translate into efficient and practical assistance on the ground.

In Colombia, we entrepreneurs feel that it is possible to cultivate vast sways of land so as to permit large-scale agriculture investment and provide decent rural employment, on the one hand, and encourage rural workers to stay on the land and cultivate crops which offer good market prices rather than growing illegal crops associated with drug trafficking, on the other. In other words, this crisis is a great opportunity to generate economic development and social well-being in the fields of Colombia.

The Report refers again with alarm to the informal economy and to the fact that employment in the informal economy is growing faster than in the formal economy, instead of saying that this is what is supposed to happen. Colombian employers propose that the ILO help the Colombian Government and social partners to devise policies that guarantee private property and free enterprise for sustainable businesses, trade-friendly regulations, better and more efficient labour and tax inspection, monetary credit and exchange policies that boost production, lower taxes on the formal economy, less reliance on protectionist measures which encourage people to look to the State rather than use their own initiative, transparency in public affairs and an end to corruption. Avoiding protectionist trends which lead the population to look for state support rather than developing their own initiatives.

Because I spoke at length in the Conference Committee on Conventions and Recommendations about the situation in Colombia, I will not go into more detail. But I would like to mention that Colombia as a country, is taking a different line from the rest of Latin America and is attracting national and foreign investments in international business ventures offering wide scope for employment creation. This means that we have to be sufficiently well trained to meet the challenges of a new dimension. It is here that the ILO could play an important role, as it has done through the technical cooperation it has provided the country under the tripartite agreement signed in June 2006. The presence of the per-

manent representative in Colombia has been extremely useful and should be maintained.

Finally, the Colombian employers would like to express before this august assembly their respect for the fundamental principles of work and their indefatigable determination to continue their efforts, with the workers' organizations to reach agreements which ensure better labour relations and mutual trust.

(Mr Tabani takes the Chair.)

Original Arabic: Mr HAMADEH (Government, Lebanon)

First of all, before I speak about the Report of the Director-General entitled *Decent Work: Some strategic challenges ahead*, I would like to thank the countries and the people who have supported Lebanon in its trials and in its political troubles and other people who have wished prosperity to our people, and I would like to especially thank Iraq, Palestine, Golan and South Lebanon.

In the introduction to his Report, the Director-General said, and I quote: "in this turbulent world, the Decent Work Agenda can play an important part in promoting balance and equity". We entirely agree with that quote. Whatever the priorities of the member States, economic and social priorities remain a necessity. We need to discuss them, and we need to create an appropriate environment for workers – men and women – this is a complementary process that we need to devise and, here, I would like to make a few proposals to you.

First of all, the ILO must set priorities, and they need to do so taking into account the needs of developing countries. The ILO is also called to develop programmes that are tailor-made to the member States, the countries, and this according to the ability of those countries to implement them.

Second, we must encourage investment in the areas of education according to market needs, in order to strengthen and develop human resources.

Third, we need to encourage free enterprise and innovation among the youth, but also we need to adopt pioneer projects for the establishment of enterprises for job creation.

Fourth, we need to develop policies for the development of enterprises that apply programmes designed to encourage innovation and productivity in order to ensure sustainable employment and competitiveness on the globalized market.

These proposals should result in good governance, increased productivity, improved working means and methods, and greater well-being of workers. There are a large number of institutions and enterprises that have innovative programmes, which increase the chance of us developing decent work.

The Appendix of the Report on *The situation of workers of the occupied Arab territories*, describes a sad reality. We thank you for your efforts to establish a technical cooperation programme.

With regard to the Global Report on the ILO Declaration on Fundamental Principles and Rights at Work entitled *Freedom of association in practice: Lessons learned*, I would like to reaffirm our support for that Declaration, which is ten years old this year, and coincides with the 60th anniversary of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), which has been ratified by 148 States out of 181 member States. There have been complaints about the non-

application of this Convention and we know that this Convention is not applied out of fear of the use of article 2 for political reasons. These complaints and the reasons involved for the non-application of the Convention should be addressed calmly and wisely. Paragraph 61 of the Report, which talks about going beyond formal mechanisms, and associates trade union rights with collective bargaining, is the hallmark of our Organization. Freedom of association is therefore a fundamental human right.

Lebanon is eager to respect fundamental principles and rights at work and to cooperate with all out social partners, and our objective remains prosperity and social progress. This is why the social partners should change their approach fundamentally, along with their efforts and even their ideas, in order to meet the objectives of decent work and sustainable development.

Finally, I would like to conclude by quoting His Excellency, General Michel Sleimane, the President of the Republic of Lebanon, who, in his opening speech, said that it is our duty to encourage young people to be involved in the civil service in order to prevent its ageing and to enable better governance.

My association is ready to cooperate with all international organizations, including the ILO, to build a modern economy based on justice and equal opportunities and guaranteeing human rights, in order to enable citizens to live in dignity and security.

Mr VAYESHNOI (*Minister for Labour, Industrial Relations, Employment, Local Government, Urban Development and Housing, Fiji*)

The excellent Report of the Director-General, *Decent Work: Some strategic challenges ahead*, is thought-provoking. It has challenged all of us to have strong moral convictions and to reshape our political and economic policies, in order to ensure that the fruits of globalization are fairly distributed within and between nations. This is our common quest, to alleviate poverty everywhere and to improve security and quality of life for all of us.

The Fijian Government is fully committed to playing its part in making decent work a reality within its borders. Our Government has fully ratified all eight of the core ILO Conventions on fundamental principles and rights at work, in addition to 14 other ILO Conventions. We welcome the findings in the Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, *Freedom of association in practice: Lessons learned*, and our Government will continue to honour its obligations to our tripartite partners in this regard.

In its desire to strengthen our national Decent Work Agenda, the current Government recently ratified a further six ILO Conventions relating to labour inspections, occupational safety and health, nursing, agriculture, seafarers, and working conditions in hotels and restaurants. To date, the Fiji Government has ratified a total of 28 ILO Conventions and our reporting obligations under the ILO Constitution have been brought up to date.

The Fiji Government believes that, for sustainability in our national development, the Decent Work Agenda should also have a very strong emphasis on improving productivity. Therefore, we have integrated in our labour reform policy framework both the promotion of decent work and productivity improvement consistent with our National

Decent Work Action Plan for 2008-12 and National Productivity Charter for 2005-09. We consider this integration as a vital ingredient to ensure sustainable socio-economic development. In this regard, we welcome the report of the Committee on Skills, on skills for improved productivity, employment growth and development and the report of the Committee on Rural Employment, on *Promotion of rural employment for poverty reduction*, as decent work cannot divorce itself from the equally-strong need to generate employment and improve productivity in both the formal and informal sectors.

These outcomes will also alleviate poverty and child labour amongst the vulnerable sectors of our communities.

Consistent with this policy vision, our enabling new labour law, Employment Relations Promulgation No. 36 of 2007, repeals and replaces six outdated pieces of labour legislation and replaces them with modern legislation which promotes good faith, social dialogue and productivity improvement through decent work principles.

For the first time in our history, this new labour law complies with the relevant ILO Conventions and also fulfils the guiding principles of our National Productivity Charter.

This new law, which is the basis of Fiji's labour reform, was the result of very extensive and intensive social dialogue amongst the tripartite social partners, including the ILO, NGOs, various national and international agencies and the general public over the last ten years.

On this note, I wish to commend both the Fiji Trade Union Congress (FTUC) and the Fiji Employers' Federation (FEF) for their valuable contributions and commitment in the successful enactment of Fiji's historic labour reform legislation, a copy of which was presented to the ILO Director-General in our meeting with him yesterday.

This overarching new policy framework will be Fiji's main platform to relaunch and implement its national Decent Work Action Plan with our social partners.

We are also reforming our wages councils under the new labour law, with a view to introducing decent minimum wages in the various sectors and then to establishing a national minimum wage to alleviate poverty amongst workers.

To strengthen social dialogue between our tripartite partners at the national level, we intend to establish a peak National Tripartite Forum to address issues of major national concerns relating to any labour matters.

Complementing this, we are also strengthening social dialogue at the enterprise level through the establishment of Labour-Management Consultation and Cooperation Committees (LMC Committees).

The vibrant synergy created at the tripartite forum and LMC Committees is designed to boost social dialogue and innovation in workplaces.

Together with existing tripartite bodies, the tripartite forum and LMC Committees will be pivotal in shifting our conflict resolution mentality away from the adversarial approach towards the good faith partnership culture between our employers and workers.

To facilitate this culture change, we have also introduced a Code of Good Faith in Collective Bargaining.

Our Government has implemented its first ever National Youth Service Scheme this year and is

reforming our workers' compensation system. We welcome the ILO/IPEC project on child labour.

The Fiji Government is fully committed to meeting the decent work challenges head on in our sincere desire to ensure quality of life for all our people.

In this journey, we are fully conscious of the urgent need to proceed along the path of sustainable development that is friendly to both our people and our vulnerable environment.

Mr ZARB (*Worker, Malta*)

Over the years, industrial relations have undergone significant changes in their institutions, even on our island of Malta. In particular, the reduced coverage of collective bargaining and the development by some employers of more direct means of communication with their employees often bypassing the traditional union channels.

In reality, the development in managerial authority and the increase in the management ability to act on its own, for instance in introducing what is called "something for something" bargaining frequently means a reduction in the coverage and scope of collective bargaining.

Over the years, some management is trying to shift the emphasis away from collective bargaining towards joint consultation. A clear consequence of this would be the diminishing willingness of management to codify matters in written agreements within the collective bargaining process.

With reference to this state of affairs, in 2005, the General Workers' Union was faced with an unacceptable situation when our Government arbitrarily passed a law which removed from practice a condition of employment expressed in the local employment legislation, and in almost all collective agreements negotiated and agreed with companies from various sectors at enterprise level.

The message behind this decision taken by Government, which should ideally act as a model employer, was that negotiations must become less meaningful or necessary.

In this case, my union raised the issue as a complaint with the ILO's Committee on Freedom of Association. The ILO accused the Government of a breach of the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), but unfortunately the law was still not revoked.

My union is still very much concerned since this legal provision is continuing to impinge on the right of free collective bargaining.

In the meantime, globalization, which can be described as the process in which the world appears to be converging economically, politically and culturally, has brought about new challenges to the world's collective bargaining system.

Hence, the call for cooperation between workers and employers for economic prosperity and job security should be a top item on the trade unions' agenda. This means that, at present, the solidarity and the strength of collectiveness between employees from all walks of life is essential for trade unions to continue striving for the best employment rights and conditions.

Globalization does have its dark story, but stronger industrial democracy, freedom of association and collective bargaining rights within our countries will hopefully result in greater economic and social stability that enhances global competitiveness and economic performance.

One other important concept which is important to mention is industrial democracy. In its narrow sense, it establishes the workers' right to fully and actively participate in all decisions that affect their future at their place of work. Not only that, however, as the meaning of industrial democracy is wider than that. Locally, the General Workers' Union maintains that this concept must be valued since it leads to a stable economic and industrial scenario which benefits both the employers and the employees.

Finally, we maintain that collective bargaining must remain, for trade unions, the primary means of improving the conditions of workers, and along with representation of individual members, the primary function of trade unionism.

However, as trade unionists, we must all the time be aware of the need to develop new policies, such as flexicurity and family-friendly policies, as well as new types of relationships with employers as we are to continue facing increased pressure within the tough world of work. Therefore, the trade unions should strive to become or remain, as the case may be, active stakeholders within the competitive labour market.

Mr KAPUYA (*Minister of Labour, Employment and Youth Development, United Republic of Tanzania*)

I would like to express my appreciation to the Director-General of the ILO for his trendsetter Report entitled *Freedom of Association in Practice: Lessons learned* which is not only valuable for the world of work, but also useful in reminding us all about upholding freedom of association, as well as effectively recognizing the right to collective bargaining as enshrined in the fundamental Conventions.

We recognize the ILO's major contribution in adopting the Declaration on Fundamental Principles and Rights at Work and the related Conventions which have promoted industrial peace, equality and social justice in the world of work and have increased productivity at shop floor level, hence boosting the economies of our countries. My Government has actively offered the necessary cooperation to the ILO in this area, which has resulted in significant achievements.

The United Republic of Tanzania has ratified all eight core Conventions and continues to respect and promote freedom of association and collective bargaining as well as the Decent Work Agenda by including these principles in national policies and legislation.

Four labour laws, namely the Employment and Labour Relations Act No. 6, the Labour Institutions Act No. 7 of 2004 for Tanzania Mainland, Employment Act No. 11 and the Employment Labour Relations Act No. 1 of 2005 for Zanzibar, have extensively provided mechanisms for the protection of employees and employers related to their rights and obligations.

The laws provide for strikes and lockouts. However, the Essential Services Committee under the Labour Institutions Act of 2004 has the role of ensuring that all categorized essential services institutions abide by the specified regulations that provide for minimum services during strikes and lockouts due to their nature and sensitivity to the public.

Trade unions and employers' associations have the right to draw up their own constitutions, elect their representatives and run their own administra-

tions. They are at liberty to establish and join federations and to participate in the affairs of any international workers' or employers' organizations.

One important challenge, which is worth noting in the application of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) in the United Republic of Tanzania, is the criterion for a trade union or employers' organization to be registered by the Registrar of Trade Unions and Employers' Organizations. This requires a minimum number of 20 members only. This is beginning to create a number of weak trade unions, including the breaking-up of the once-strong trade unions. They have weaker bargaining powers and we are yet to find a solution to this phenomenon. The United Republic of Tanzania is seeking the support of the ILO in building the capacity of trade unions.

One positive aspect worth noting is the establishment of the Commission for Mediation and Arbitration. Since its inception a year ago, it has been able to solve labour disputes within three weeks compared to the old legal system, which took more than a year. This system promotes industrial peace and harmony in workplaces and enhances productivity.

I would also like to commend the Director-General for bringing forth for discussion two important subjects on the agenda, namely the *Promotion of rural employment for poverty reduction* and *Skills for improved productivity, employment growth and development*. Both have great relevance to our National Employment Creation Agenda, which is guided by the National Strategy for Economic Growth and Reduction of Poverty, popularly known as MKUKUTA.

Agriculture is the backbone of Tanzania's economy, accounting for half of the nation's gross domestic product (GDP). It provides 85 per cent of total exports and employs over 80 per cent of the workforce. With the majority of people living in rural areas where agriculture accounts for such a high level of employment, the potential for increasing agricultural productivity exists. Agriculture therefore has big potential role to play in poverty reduction and the provision of decent work for young persons. The majority of young persons who complete primary education live in rural areas where agriculture is still largely subsistent. We have realized that skills for employability are an important aspect particularly now that our youths are exposed to the challenges of competition in this globalized world. In order to meet this challenge, the government is implementing a number of programmes aimed at enabling young persons to compete in the labour market.

Productivity in agriculture is low due to a number of factors, which include the low level of mechanization, poor rural infrastructure hampering the marketing of produce, inadequate extension services and inadequate rural financial services, as well as poor skills. Hence the agenda of skills development for improved productivity is of special relevance to the United Republic of Tanzania.

Equally, I would like to commend the Director-General for underlining the importance of social protection. Indeed, insecurity anywhere is insecurity everywhere. On this point, I would like to inform the Conference that in April this year, Tanzania enacted new legislation on social security which, among other things, aims at extending the coverage of social security to its people.

In conclusion, I wish to reiterate the United Republic of Tanzania's support for the ILO and the principles embodied in the Declaration on Fundamental Principles and Rights at Work. We believe that the fundamental labour rights are also fundamental human rights. Tanzania is ready and willing to cooperate with the international community in order to attain the goals and objectives of the 97th Session of the International Labour Conference.

Ms PATRASCU (*Secretary of State, Department of Social Dialogue, Labour Legislation and Relations with the Parliament, Romania*)

Allow me, Director-General to congratulate you on your Reports: *ILO programme implementation 2006–07* and *Decent Work: Some strategic challenges ahead* with the Appendix: *The situation of workers of the occupied Arab territories*.

The first Report provides a clear and comprehensive analysis of ILO's strategic objectives and their outcomes. This is a part of an ongoing process aimed at defining and revising indicators for 2008–09 for the Strategic Policy Framework 2010–15.

The Romanian Government agrees with the idea that recovery from the global recession requires a decent work perspective. Decent work provides pathways to help reduce poverty and inequality. It must be part of the global agenda for environmental and social sustainability. One important strength of the ILO is its tripartite constituency.

The Romanian Government considers the ILO programmes of cooperation on decent work between the Office and different countries, which are based on international development agendas, but tailored to the priorities of national constituents of ILO, since tripartism has been reconfigured on the basis of the values of freedom of association to be a very useful tool.

We also consider that decent work is increasingly involved in the green agenda, meaning green jobs, in a world conscious of the need to protect the environment.

In implementing the Decent Work Country Programme in Romania we have focused on improving labour inspection services and promoting health and safety at work. This includes awareness raising and capacity building of the Government and of the employers' and workers' organizations, for the improvement of occupational safety and health at the national and workplace levels.

One important objective of the Decent Work Country Programme has been the elimination of child labour. In this respect, it is worth mentioning that the implementation of a monitoring system for child labour and an institutional system of identifying children at risk of exploitation, have become operational in Romania.

A new Memorandum of Understanding between the Romanian Government and the ILO to implement the International Programme on the Elimination of Child Labour (IPEC) in Romania has been signed this year.

Another priority of the Decent Work Country Programme has been strengthening the capacity of constituents to increase the employment of vulnerable categories: long term unemployed and young graduates are target groups who, by means of a microcredit and credit system, may start their own business, thus becoming economically active.

The strategic objective to enhance the coverage and effectiveness of social protection for all has

been a national priority in Romania. The benefits of an equal age of retirement for women and men have been submitted to public debate, by means of awareness-raising campaigns and seminars on various experiences and lessons learned on this particular topic.

Regarding the improvement of national safety and health systems, the Promotional Framework for Occupational Safety and Health Convention and its Recommendation, adopted in 2006, have promoted the development of a national profile in Romania.

The representatives of trade union organizations have worked out training programmes for their members concerning safety and health at work, aiming to improve the activity of committees on safety and health at work.

Representatives of employers' organizations have participated in training courses in Berlin, Hanover and Turin, with a view to sharing their expertise with representatives of social partners in the governing body of social security institutions, to contribute to a better governance of these institutions.

For the next Decent Work Country Programme, the social partners have agreed on improving the legal framework for labour and social dialogue and requesting specialized technical assistance from the ILO. This assistance will encompass the right to free union and employer board association, collective work agreements, and settlement of collective work conflicts.

The Romanian Government has always supported the ILO's strategies for fair globalization, poverty alleviation, gender equality, a greater impact of international labour standards in development, and of course, even more constructive social dialogue.

Mr SIMON (*Senior State Secretary for Social Affairs and Labour, Hungary*)

The Report of the Director General: *ILO programme implementation 2006–07* has described important results, but its consolidation is only possible if we have a comprehensive strategy. Does the ILO have such a strategy? Indeed it does. During the last decade, at the heart of the ILO debate, were our concerns about balanced economic and social development?

In response, the ILO worked out the Decent Work Agenda; created the World Commission on the Social Dimension of Globalization – which concluded that the cause of the problems was not globalization, but the lack of appropriate institutions; and made the Decent Work Agenda the focus of international policies, according to the declarations of the different global and regional organizations.

As a result of this, we have the basis for potential future action. The Report of the Director-General: *Decent Work: Some strategic challenges ahead* analyses the most important challenges and provides options which may lead to solutions. For its implementation, the ILO needs a mandate. Therefore I welcome the adoption of the ILO Declaration on Social Justice for a Fair Globalization, and the revaluation of trade as a factor strengthening the ILO's capacity.

Now I would like to turn to Hungary and speak about the most important developments in the area of employment and social policy. Hungary wishes to build a society based on work and the security of families – a country where it is possible and worthwhile to work, where the advantaged are given the possibility of catching up. Although our unem-

ployment rate at 7.3 per cent is close to the EU average, our employment rate at 57.3 per cent is far below the similar figure of the EU. The most important reasons for the low level of employment are: regional differences; the extremely low employment rate of people with low-level qualifications; an excess of inactive people with reduced working capacity; a mass of undeclared workers; and, generally speaking, the high taxation of labour, which can only be reduced gradually and in a targeted way. The most important elements of our strategy for expanding employment during the period 2008–10 are as follows: promoting jobseeking and employment by establishing an integrated employment and social system; creating a concerted new system of health, employment and social rehabilitation for people with reduced working capacity, so that the inactive members of this group can return in high numbers to the labour market due to the complex rehabilitation of their remaining working capacities; promoting the demand for the labour force in depressed regions and among disadvantaged groups, by targeted incentives in contributions; and promoting the shift from undeclared work to declared work by the joint application of sanctions and incentives.

Effective social dialogue is a precondition for achieving our goals. In Hungary it is standard practice for the Government to consult with the social partners in all issues related to the world of work.

Finally, I would like to inform you that, in order to facilitate the activities of the ILO Subregional Office in Budapest and to improve its working conditions, my Government is fully refurbishing the office building. This work is due to end soon. Therefore, the Office can resume its work in a renewed environment, and we shall continue to provide it with all the necessary assistance.

Original Arabic: Mr MAATOUG (*Secretary of the General People's Committee for Workforce, Training and Employment, Libyan Arab Jamahiriya*)

I would like to thank the ILO and the Secretary-General for the technical assistance granted to my country through the mission, led by Ms Doumbia-Henry, Director of International Labour Standards Department. We have had meeting with experts, which have very much helped us in drafting our new Labour Code, which has been revised by the International Labour Standards Department. We would like to thank Ms Doumbia-Henry for her efforts and we would like to see the strengthening of technical cooperation, which has been lacking for many years.

The agenda of our Conference touches on many very important points: Point IV – *Promotion of rural employment for poverty reduction*; Point V – *Skills for improved productivity, employment growth and development*; and Point VI – *Strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization*. These are subjects that are closely linked and have a single objective of achieving decent work to reduce poverty and preserve human dignity.

The current situation of economic instability in the face of unfair globalization, the communications resolutions, technological development and trade liberalization, has forced states, and developing countries in structural and administrative economic reforms, as well as reducing their workforces and increasing unemployment. Although the international community has done everything possible to

find solutions, greater efforts are needed to realize the economic development objectives that we agreed in Copenhagen in 1995.

The Libyan Arab Jamahiriya has made considerable efforts to ensure decent work for all. In 2007, there were 22,206 qualified people and 45,265 unqualified people seeking work. We found employment for 18,475 people, 60 per cent of the qualified people, and the unskilled people received professional training according to the needs of the labour market, and we have therefore been able to find employment for them in their area of competence. We have also been trying to do all that we can to give a good reception to those foreigners who come to our country in search of work, and have established regulations on entry into Libya with a signed contract of employment, thus enabling them to enjoy the protection of the law, pursuant to international Conventions and labour standards.

We have also decided to set up an employment fund with loans at beneficial rates, which are tax-free for five years. The rural development bank plays a very important part in development in rural areas and contributes to employment creation, which allows the local population to stay in those areas. In 2008, the bank has granted over 19,500 loans to a total value of 86,457 million dinar. Libya has paid particular attention to professional training and has a number of training centres under the management of the Ministry for Employment.

The Report on the Implementation of the Declaration of Fundamental Rights and Principles at Work, the tenth anniversary which will be marked this year is dedicated to one of the four fundamental principles, freedom of association; it was one of the documents on which we based our measures to ensure freedom to join trade unions and the right to collective bargaining.

We would like to condemn the lack of union freedom in the occupied Palestinian territories, where the Palestinian people are suffering from the military occupation, and collective punishment and unemployment. The appendix to the Director-General's Report on the situation of workers in the occupied Palestinian territories shows the deterioration of the situation in Palestine, in violation of laws and international instruments, while the international community appears to condone these deplorable practices in a world that advocates freedom and human dignity.

The Organization should therefore concern itself with guaranteeing the rights of the workers in the occupied territories of Palestine, and establish a special committee for the occupied territories, following the model of the committee that addressed apartheid, and to keep that in place until this unjust occupation comes to an end. The Palestinian people, like all other peoples around the world, have the right to defend their rights, lands and lives by all means possible until the achievement of liberation and independence.

Original Arabic: Mr KARA (Worker, Israel)

Sociologists nowadays, such as Johan Strasse, Ulrich, Beck and Sigmund Bauuman have adopted a liberal neo-Marxist vision stating that opportunities for work continue to decline and therefore societies of developed countries will have to meet this challenge, especially as they are based on the concept of work itself. Whereas the structure of the work and the work market continues to decline, and this chal-

lenge before States is something that we have to get to grips with. This is something we have had to resign ourselves to. They ask what the future of work is in those societies that have based themselves on the value of work and employment and those societies have had to deal with the problem of their opportunities ever narrowing. We would like to assure all those here present that work will not come to an end, and for years and years there will still be a great need for trade unions or organizations of employers in a legislative framework that will be able to protect the rights of workers and improve their level of standard of living.

The international community has seen the need to invest in this human capital. The Report of the Director-General has highlighted the importance of the ethical foundation of the concept of work and employment, which is reflected in the idea of decent work. This is essential in fighting against poverty. I would call on the ILO to establish such programmes as necessary in order to implement the idea of decent work.

I would like to tell you of some of the things we have been able to achieve in our trade unions, in spite of the adverse effects of globalization.

We were able to set up a collective agreement with the employers, with the support of the governments, in order to set up a system of a mandatory retirement for all. Second, we have been able to establish dialogue with employers in both the public and private sector in order to settle conflict, taking into account interests of one and all, in order not to disrupt the economy of the country.

Third, we are setting up an economic and social council covered by legislation with the aim of mitigating the adverse effects of globalization. We were able to convince governments and employers to increase the minimum wage level.

Aware of its role as a trade union, Histadrut tries to be active and dynamic in our society and we have not limited our activities to Israel alone. In the last few months we have undertaken initiatives to preserve the conditions of life and work of the Palestinian workers. We have tried to revive Conventions between trade unions in Israel and trade unions in Palestine in order to improve cooperation and dialogue with Palestinians.

In 2007, we appealed to the Supreme Court for a ruling to establish equality of salaries and wages. The Director-General of the ILO refers to this in paragraph 126 of his Report. Histadrut has historically preferred to employ Palestinian workers in our country, rather than foreign nationals, and we were able to convince the Government that 5,000 Palestinian workers should be able to work in Israel in the building sector. There are also moves to allow other Palestinian workers to be reunited in other sectors.

With the help of the ILO, we have established a manual in Arabic which explains the rights of workers and we have distributed those manuals to Palestinian workers.

Historically speaking, Histadrut has always been in the vanguard of trying to establish peaceful dialogues and reconciliation, and we have always tried to encourage peaceful solutions of conflicts. We would like to call on all trade unions to strive for peace and reconciliation amongst all people.

We are very happy to see what has been done and we are prepared to strengthen cooperation to achieve a peaceful settlement, so that the countries

of our region can benefit from this peace. I am convinced that the opening up of countries of our region will undoubtedly strengthen peace. And we, as trade unions and trade unionists, we have to play our role, since the opening up of our borders will lead to some challenges we shall have to meet. Peaceful relations are always better than the threat of war.

Mr DALLI (*Minister for Social Policy, Malta*)

I would like to congratulate the Director General, Mr. Juan Somavia, for the presentation of the comprehensive and timely Global Report entitled *Freedom of association in practice: Lessons learned*.

The Report addresses the benefits of freedom of association and collective bargaining in today's globalized economy. Throughout the twentieth century this annual International Labour Conference has adopted a number of Conventions through which minimum labour standards were established.

Of particular importance are the eight core ILO Conventions. These highlight the respect for the dignity of work through the rights of freedom of association and collective bargaining and the elimination of discrimination, forced labour and child labour. Yet, according to this Report, out of 181 member States, 33 States have not ratified the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and 23 have not ratified the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). It is worrying and disheartening to continue to hear that in our global village there continue to be serious violations of these rights, including "large-scale dismissals, harassment, imprisonment and violence, including killings of trade unionists". These repugnant acts deserve our unreserved condemnation.

The plight of our less-fortunate brethren should spur us on in our efforts to try to realize the ILO's universal aspirations. They also strengthen our resolve to persuade those among us who remain as yet unconvinced, of the fundamental need to fully respect these rights and to encourage them to create the right environment where freedom of association and collective bargaining can flourish.

Globalization is a phenomenon that cannot be stopped. It has had the effect of accelerating change, both the good and the bad. The size and complexity of the issues facing us are enormous. These include the creation of more and better jobs, integrating disadvantaged groups into the labour market, improving productivity and income, ensuring sustainable social and economic systems, having level playing fields in access to markets, protection of migrant workers, implementing programmes related to HIV/AIDS, reducing the digital divide, economic restructuring and the growth of multinationals. All this should not shift our attention from the key issue – the fundamental right of all the planet's workers to be protected by the safety net of basic rights provided by the eight core ILO Conventions. Ratification of these eight core Conventions is a very important first step. Honest work under decent working conditions should serve to give a greater appreciation and meaning to our lives.

I am happy to say that Malta has ratified all eight fundamental Conventions, four of which were ratified within a few months of Malta's independence in 1964. In fact the right to assemble freely and to associate with other persons to form or belong to a

trade union is a right enshrined in the Maltese Constitution.

Governments must continually be encouraged to see the importance of the role of the social partners. The social partners' input should not be limited solely to concluding collective agreements but should be involved in a broader meaningful cooperative social dialogue and partnership at national level. In line with this reasoning, Malta has set up the Malta Council for Economic and Social Development, as the primary national tripartite institution where matters of a certain impact are discussed at a national level.

At the enterprise level, cooperation between social partners in implementing effective strategies to improve enterprise competitiveness and the quality of work remains essential if enterprises are to survive. Adapting to change, both in mentality and in role, is no longer an option – there is simply no alternative.

The dichotomy between the haves and have-nots seems to be growing. International institutions such as the ILO can play, and are playing, an effective leading role. The different outlooks and perspectives of interested parties collaborating in this international tripartite partnership have served us well. A lot has been achieved. We recognize, and are indebted to, the ILO's continuing guidance and hard work to make globalization a fairer process, to promote decent work and to reduce poverty. We are thankful for the ongoing efforts and vision of the ILO which have served as a beacon of inspiration for all of us.

Finally if I may, I suggest we should remember those who, through their personal sacrifice, have tried or are still trying to contribute to a better world through their struggle for equality and justice at the workplace. Some have paid the ultimate price. Their example should encourage us not only to persevere but to redouble our efforts, together with the ILO, to try to increase levels of social justice and democracy in the world. That must be our choice – if not for ourselves, for our children.

Mr MAMMADOV (*Employer, Azerbaijan*)

I would like to express my deep gratitude to the Director-General for his Report on the freedom of association and the effective recognition of the right to collective bargaining. The important issues highlighted in the Report are of great interest and significance for Azerbaijan employers.

Following independence, Azerbaijan intensified its integration process into different regional and international organizations which laid the basis for the establishment of new economic and social relations. In many spheres, including determination and application of international standards, international rules and principles became the norm.

The close cooperation of our Republic with the ILO is of great importance. Due to this cooperation Azerbaijan has already officially ratified 57 ILO Conventions. A number of ILO Conventions and Recommendations play a major role in the regulation of socio-economic and other relations in the Republic.

The ILO Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Collective Bargaining Convention, 1981 (No. 154), and Consultation (Industrial and National Levels) Rec-

ommendation, 1960 (No. 113) were adopted, as was the relevant resolution concerning approval of proposals on establishment of tripartite mechanism and tripartite consultations.

These international rules create a basis for efficient consultation and cooperation between government, employers and trade unions at branch and national levels, satisfying the relevant national conditions. From this point of view, the same principle was strengthened in the labour legislation of Azerbaijan Republic, in which theoretical and practical aspects for the drafting and signing of tripartite collective agreements and contracts at the branch and national levels are based on international labour standards highlighted in the ILO Conventions ratified by the Azerbaijan Republic.

The first General Collective Agreement was signed on 2 June 2001 and laid the basis for tripartite social partnership in the regulation of socio-economic and labour relations. At the present time, issues such as social-economic policy, wage payments, population incomes and welfare, development of the labour market and provision of population employment, strengthening of social protection, protection of labour rights, labour defence, technical and ecological security, social partnership and coordination of parties' activities are the subject of the General Collective Agreement concluded on a tripartite base for 2008–09.

The Azerbaijan Employers' Confederation, as the Republic's employers' organization, with ILO cooperation, participates effectively in joint activities with the other social partners concerning the implementation of measures under the Decent Work Country Programmes for 2006–09, successfully carrying out activities regarding the development of female entrepreneurship, the elimination of child labour, the impact of HIV/AIDS in the workplace, solving the problem of the informal economy as a tool for strengthening tripartite social cooperation.

Currently, cancellation of a labour contract by the employer, negotiation with trade unions organizations, determination of additional terms, procedures for regulation of individual and collective labour disputes and other problems of a similar nature are not actual subjects of social dialogue and not provided for in the collective agreements and collective bargaining in the Republic.

There is a serious need to establish special authorized organs for the settlement of labour disputes in the country, as under the present judicial system, there are no separate courts specializing in the field of labour relations and labour disputes.

Therefore, it is necessary to monitor the system for settlement of labour disputes in the Azerbaijan Republic, to evaluate its compliance with the relevant ILO Recommendations and requirements and other international and national legislation. The purpose is to carry out serious studies, general conclusions and analyses.

Ms ROMCHATTHONG (Employer, Thailand)

It is once again a privilege to be addressing you on this occasion, at a time when globalization is well understood and seems to be reaching its highest levels.

This meeting is quite timely as we have recently experienced a number of crises affecting countries around the globe, including accelerating oil and food prices, global warming, climate change and more recently the Cyclone Nargis disaster in

Myanmar and the earthquake in China. It is inevitable that we may face similar disasters more frequently in the near future. This is a growing concern for all countries.

As an employer, how could our business survive the situation? How could we prepare ourselves for economic recession and climate change? The ILO often says that poverty anywhere constitutes a danger to prosperity everywhere. Economic activities are so interdependent. How could we work together and collaboratively to address the current economic issues?

It is very timely for the ILO to be discussing the importance of enhancing skills and reducing poverty in rural areas. It not only concerns Thailand, but many of the ILO Members. The agenda of the Conference and the links between issues for discussion clearly demonstrates the vision and the realization by the ILO that there is a systematic problem.

The business sector in Thailand is also struggling with globalization, after raising minimum wages last year, and again this year, hoping that it will somehow assist workers in their daily life. However, we have been facing the fact that inflation is rising sharply, resulting in an increase in minimum wages without an increase in productivity. This is sparking calls for a rethinking of economic policy and the question that the raising of the minimum wage might not be the right answer.

The employment pattern has been changing due to rapid change in management and investment in the globalized world. Thailand is a middle-income country where cheap labour is no longer competitive, and where there is room for improvement on high-technology manufacture. Hence, to solve economic problems, the Government should devise a comprehensive policy that aims to develop the workforce and upgrade Thai industries to a skills-oriented manufacture in order to maintain competitiveness in the global market by creating a knowledge infrastructure and improving efficiency in manufacturing and service sectors. In the meantime, the tripartite consultations should be enhanced and strengthened.

It should also be emphasized that the Government should provide skills training that is relevant to labour market needs for all workers, both in formal and informal economies, to promote growth in employment and rural development. Urban and rural poverty can be reduced in the long run.

In addition, the Government should assist employers in preparing a competitive but enabling environment and infrastructure in rural areas, while ensuring that the local skilled workers are sufficient for doing business. If a comprehensive policy can be devised and implemented effectively, more jobs will be created in rural areas, resulting in fewer workers migrating to urban areas. It will also improve the quality of life of workers in general, and indirectly increase productivity.

Difficulties offer opportunities. I am honoured to inform you that the Employers' Confederation of Thailand has been leading the process of strengthening the bipartite system in Thailand. We have been working in a harmonized manner with workers' organizations on the issue related to the present economic crisis and I am confident that the positive atmosphere of our collaboration will continue and remain unchanged.

Lastly, I would like to assure you that we will continue to support and collaborate with the ILO in

all of its endeavours to promote the Decent Work Agenda in Thailand. We would like to emphasize that development and collaborations will be achieved when differences in each locality are taken into account. Assistance from the ILO is different from country to country. That is the strength of the partnership for development which we value.

We sincerely hope that much of the discussions and outcomes of this Conference will further lead to the achievement of decent work for all.

Thank you for this opportunity and I wish the Conference every success.

Mr WOJCIK (*Worker, Poland*)

The present session of the International Labour Conference is of particular significance because we are celebrating the tenth anniversary of the adoption of the ILO Declaration on Fundamental Principles and Rights at Work. The Declaration points rightly towards the ILO's fundamental Conventions, without which other Conventions cannot be fully implemented, and urges the ILO Members to ratify and observe them. The wide recognition of these eight Conventions as the fundamental Conventions converges with the global action for decent work. The fundamental Conventions constitute a condition sine qua non for the creation of decent jobs and for providing decent working conditions and decent wages.

One should keep in mind that the common people are the real actors of economic and social life and that, among them, workers play a crucial role. There is a need to put forward the question: How many employees have the opportunity to enjoy benefits resulting from the provisions of the ILO's fundamental Conventions?

The globalization processes, especially economic globalization, are inseparably linked to breaking down barriers to international trade, investments and capital flows. The barriers to choosing living places as well as workplaces are still not easy to overcome for the majority of the world population. If some do succeed, they face discrimination in their new workplaces.

A real picture of the proliferation of the ILO fundamental Conventions can be seen by expressing the scope of their ratification in terms of the percentage of the working population who live in countries that have ratified these particular Conventions. The first figure shows the percentage of countries that have ratified the Convention; the second, the percentage of the world population covered by the Convention. The figures are as follows: for Convention No. 87, 81.8 per cent and 45.5 per cent, for Convention No. 98, 87.3 per cent and 49.1 per cent, for Convention No. 105, 93.9 per cent and 73.6 per cent. The fact that the major part of the world population does not enjoy the provisions of Conventions Nos 87 and 98 has a destructive impact on their observation in countries that have ratified them. For example, in Poland Convention No. 87 is very often broken and court proceedings initiated by victims are ineffective and lengthy. Recently the trade union Solidarność submitted such a claim to the Governing Body of the ILO against a multinational company called Cussons in Poland, because of the serious repression of a union leader in that company.

The Polish Government officially declares its support for the development of social dialogue and for the settlement of difficult socio-economic issues standing in the way of tripartite negotiations. How-

ever, such declarations are not credible since everyday practice stands in strong opposition to them. Quite recently the Government made essential changes to pensions regulations without holding any consultations with the social partners. This is not surprising because it is in line with the political credo of the main political force in Poland.

This credo is as follows, and I quote, "Poland is engulfed by stagnation and disbelief in the future. The main reason of this is the paralysis of the developing of entrepreneurial spirit and civil initiative by bureaucracy, bad law and group interests of trade unions."

Therefore, the broad acceptance and full observance of the Conventions on freedom of association and collective bargaining should be the priorities of the ILO and all member countries. According to certain calculations, the ratification of these Conventions by such countries as China, India and the United States would raise by some 2.7 billion the number of people benefiting from their provisions. This would certainly change radically labour relations all over the world and would create opportunities for decent work for hundreds of millions of workers and thus a chance for a decent life for their families. I am convinced that, without these ratifications, all ILO efforts will not bear fruits as expected.

Finally, I would like to remind you of an idea presented some years ago to the International Labour Conference by my eminent colleague, Kiyoshi Sasamori, a Japanese Workers' delegate, and by myself, to establish an international educational foundation. This foundation would offer the world's poorest children not only regular basic education, but regular meals as well. I am certain that the education of children is the best way to provide them with a chance of a better life and to eliminate child labour. In the spirit of solidarity with these poor children, the Polish workers urge the ILO Members to undertake this not so difficult task.

(*Ms Diallo takes the Chair.*)

**SECOND REPORT OF THE FINANCE COMMITTEE OF
GOVERNMENT REPRESENTATIVES: SUBMISSION,
DISCUSSION AND APPROVAL**

Original French: The PRESIDENT

We will now have the presentation, discussion and approval of the second report from the Finance Committee of Government Representatives.

You can find this report in *Provisional Record* No. 11-2 of the current session.

I will now invite the Chairperson and Reporter of the Committee, Mr Kristinsson, to present the report to us.

Mr KRISTINSSON (*Government, Iceland; Chairperson and Reporter of the Finance Committee of Government Representatives*)

I have the honour to submit to the Conference the second report of the Finance Committee of Government Representatives.

This report is published in *Provisional Record* No. 11-2 and contains the recommendations of the Committee on the matters it considered. The five resolutions proposed by the Committee for adoption by the Conference appear at the end of the report.

The main item of business for the Finance Committee was the Financial Report and the Audited Financial Statements for the 70th financial period

(2006–07). The Committee noted that the External Auditor had given an unqualified audited opinion and made a number of valuable recommendations concerning financial management by senior managers, project management, the Integrated Resource Information System (IRIS) and financial governance of the ILO.

The Office will be submitting a comprehensive report to the March 2009 session of the Governing Body on the follow-up action taken.

The Committee had no hesitation in proposing that the Financial Report and Audited Financial Statements for 2006–07 should be adopted in accordance with article 29 of the Financial Regulations.

The Committee then looked at the proposal concerning the treatment of net premium earned during the 2006–07 biennium, amounting to 32,270,415 Swiss francs. The Committee supported the proposal in derogation of article 11.5 of the Financial Regulations to transfer the full amount to the Building and Accommodation Fund. Several members emphasized that this derogation had to be viewed as an exceptional measure that should not be repeated. The Committee then considered the proposal concerning the scale of assessment of contributions to the ILO regular budget for the Marshall Islands for 2007 and the 2008–09 biennium, and recommended that an annual assessment rate of 0.001 per cent be adopted by the Conference.

The Committee considered a paper concerning the Statute of the Administrative Tribunal of the ILO. Paragraph 41 of the second report refers to the draft resolution concerning the amendment of the Statute of the Administrative Tribunal and not appointments. The Committee unanimously accepted the recommendation from the Governing Body that the Conference adopt a resolution to amend article V of the Statute.

The Committee considered a paper concerning the composition of the ILO Administrative Tribunal. The Committee unanimously accepted a recommendation from the Governing Body that the Conference renew the term of Ms Mary G. Gaudron for three years.

In concluding, I would like to express my thanks to my Vice-Chairperson, Dr P. Klekner of Hungary, to the members of the Committee and also to the members of the secretariat, all of whom helped me greatly in my task as Chairperson.

May I commend our report to you for adoption?

Original French: The PRESIDENT

The general discussion of the Finance Committee of Government Representatives is now open.

As there are no requests for the floor, we are going to move to approve the report, that is the summary of discussions of the Committee appearing in paragraphs 1–44 of the document. If there are no objections may I consider that the Conference approves the report?

(The report is approved.)

**RESOLUTION CONCERNING THE FINANCIAL REPORT
AND AUDITED FINANCIAL STATEMENTS
FOR 2006–07: ADOPTION**

Original French: The PRESIDENT

We are now going to proceed to the resolution concerning the Financial Report and Audited Finan-

cial Statements for 2006–07. If there are no objections, may I consider that the Conference adopts this resolution?

(The resolution is adopted.)

**RESOLUTION CONCERNING TREATMENT OF NET
PREMIUM EARNED: ADOPTION**

Original French: The PRESIDENT

We now move on to the resolution concerning treatment of the net premium earned. If there are no objections, may I consider that the Conference adopts this resolution?

(The resolution is adopted.)

**RESOLUTION CONCERNING THE SCALE OF
ASSESSMENTS OF CONTRIBUTIONS TO THE
BUDGET FOR 2007: ADOPTION**

Original French: The PRESIDENT

The next resolution is the resolution concerning the scale of assessments of contributions to the budget for 2007. If there are no objections, may I consider that the Conference adopts this resolution?

(The resolution is adopted.)

**RESOLUTION CONCERNING THE STATUTE OF THE
ADMINISTRATIVE TRIBUNAL OF THE INTERNATIONAL
LABOUR ORGANIZATION: ADOPTION**

Original French: The PRESIDENT

We shall now move onto the resolution concerning the Statute of the Administrative Tribunal of the International Labour Organization. If there are no objections, then may I consider that the Conference adopts this resolution?

(The resolution is adopted.)

**RESOLUTION CONCERNING THE COMPOSITION OF THE
ADMINISTRATIVE TRIBUNAL OF THE INTERNATIONAL
LABOUR ORGANIZATION: ADOPTION**

Original French: The PRESIDENT

The last resolution submitted is the resolution concerning the composition of the Administrative Tribunal of the International Labour Organization. If there are no objections, may I consider that the Conference adopts this resolution?

(The resolution is adopted.)

(The report, as a whole, is approved.)

**REPORTS OF THE CHAIRPERSON OF THE GOVERNING
BODY AND OF THE DIRECTOR-GENERAL:
DISCUSSION (CONT.)**

Original French: The PRESIDENT

I thank you for your patience and indulgence and I call on the following speakers, Mr Rachman, Employers' delegate, Indonesia is asked to take the floor followed by Mr Lucas, Workers' delegate, Guatemala may come to the podium.

Mr RACHMAN (*Employer, Indonesia*)

Freedom of association, the chosen theme for this year's session of the Conference, is always of prime concern to an employers' organization such as ours. Consequently, APINDO, the Indonesian employers' organization, pays much attention to the four basic

rights in the workplace, namely freedom of association, the right to mutually unite, prohibition of discrimination and prohibition of child labour. In every activity that we undertake, these four most relevant basic rights must always be at the forefront of our considerations.

APINDO realizes the important meaning of partnerships with the trade unions in our common purpose of enhancing employers' rights and welfare and guaranteeing company sustainability. As far as the latter is concerned, the trade union must assume responsibility for the company's day-to-day operability while the company has the responsibility of ensuring that the employers can enjoy freedom of association in such a way as to support dignified humanity.

Employers understand and respect the law on trade unions, therefore, freedom of association is implemented everywhere in Indonesia. As a result, today more than 90 trade unions are officially registered with the Ministry of Manpower and Transmigration. This reflects the desire of the Government, employers and employees to fight for employees' rights in order to achieve company stability and productivity in business and industry.

Freedom of association is stipulated in the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), which was ratified by Indonesia in 1998, and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), which Indonesia ratified as early as 1957. These Conventions are implemented through the Bipartite Cooperation Institution at the company level and the National Bipartite Forum (FBN) at the national level, supported by the three trade union confederations, along with their federations. The FBN was officially established on 21 February 2008, and directly assigned the setting up of an industrial relations dispute permanent committee as well as the harmonization and synchronization of the law and regulations as its work programme. The purpose of this measure was to create harmonious, dynamic and fair industrial relations. Moreover, the role and priority of the FBN is to solve all disputes through the bipartite mechanism.

APINDO strongly and consistently calls on employers and its members to allow room for collective bargaining and to respect the freedom of association of their employees. These principles are emphasized as the realization of employees' basic rights to unite in their respective enterprises. Through the bipartite national forum, APINDO deals with the trade unions as partners in solving all disputes and issues with employees as well as in discussing any productivity steps that may raise company performance.

APINDO encourages the Government to improve leadership and management development for employers in order to enhance the quality of industrial relations. The object is to promote harmonious and fair cooperation through structured, effective and informative programmes in the form of training seminars and workshops designed to develop a good understanding of the notion of freedom of association as well as of leadership in the trade unions.

It is therefore our hope, and I shall conclude on that note, that the 97th Session of the International Labour Conference will provide lessons and opportunities, as well as support in enhancing the productivity of employees through freedom of association

that is implemented harmoniously, fairly and in a dignified manner. Such a goal would encourage investment in Indonesia, bringing prosperity not only to its own people but also to the wider trading community.

APINDO and the Government will continue to collaborate in creating harmonious industrial relations in order to stimulate productivity and create a favourable investment climate. In this regard, APINDO will continue to play an active role in Indonesia's development in order to achieve a brighter future.

Original Spanish: Mr LUCAS (Worker, Guatemala)

We congratulate the Director-General on the analysis carried out in his Report on the ILO Programme implementation in 2006–07, where he underlines the importance of promoting decent work, combating poverty and strengthening democratic governance in our region.

As a Guatemalan, I denounce the difficulties that we workers are confronted with every day in our efforts to promote decent work.

It is difficult to describe in just a few words the dreadful reality that workers face in Central American countries such as Guatemala.

We are surrounded by corruption that makes a mockery of the legal system as far as labour is concerned, from the general labour inspectorate right up to the highest courts. The laws are flouted by the authorities themselves; for example, however well you might prepare a dossier, the Ministry for Labour could not care less.

Far from being decent, our work is degrading and invariably runs counter to the core Conventions. The ILO therefore has to do a lot more to promote its standards, which are supposed to bring about decent working conditions and full compliance by government programmes. The strategic objectives and InFocus initiatives referred to in the Report have to be designed in such a way that workers are no longer denied a decent wage so that we can end the famine facing several parts of the country.

It is essential for workers in Guatemala that labour relations be transparent and not be disguised as civil or commercial contracts when in fact they are simply for unskilled labour. Disguising a contract in this way means that the worker has no access whatsoever to social protection and no guaranteed right to a basic wage or to full medical coverage. Those who suffer most from this are women and children.

Violence against women, a high rate of child labour, famine and natural disasters all testify to the absence of any form of social protection and the indifference of the elite.

We agree with the Governments of Denmark and Norway that Convention No. 94 and its accompanying Recommendation are still relevant, applicable and necessary, and our supposedly social-democrat Government should therefore be the first to comply with it by banning companies that do not meet the Convention's standards from bidding for Government contracts.

People are always talking about social dialogue, but in practice, and whenever necessary to settle a dispute, the Government tends to rely on the police rather than engage the parties in frank and serious dialogue.

It is a scandal that in the twenty-first century people should still have to work in conditions that are inhuman, with kidnapping, murder, dismissal for

setting up a trade union, the withholding of wages already earned, contracts disguised as civil or commercial contracts, impunity, threats, etc. etc.

In spite of everything, though, we still have the firm hope and conviction that solidarity among the workers of developing countries, together with the cooperation and promotional programmes of the ILO, does contribute to the struggle against all this injustice and thus paves the way for decent work.

As we have seen time and time again, there is no freedom of association or collective bargaining in our country. For ten years now the Conference Committee on Standards has singled Guatemala out for serious violations of fundamental rights. In its conclusions this year, the Committee deeply regretted the recent death of trade unionists and the use of threats against them and invited the Government to accept the visit of a tripartite committee of Employer and Worker spokespersons from the Committee on Standards to seek comprehensive solutions to these perennial problems.

The workers of Guatemala are clamouring for an end to all this violence. No more murders! No more impunity! No more exploitation! And long live Guatemala!

Original Cambodian: Mr VONG (Minister of Labour and Vocational Training, Cambodia)

I have the honour to present to the Conference the progress and achievement in the labour field of the Kingdom of Cambodia, especially the implementation of the Decent Work Country Programme, which plays a crucial role in the socio-economic development of the country, namely employment promotion and skills development, improvement of labour conditions, strengthening of the right to organize and freedom of association, enhancement of the role of the tripartite mechanism and improvement of the social protection mechanism.

For employment promotion and skills development, the Royal Government of Cambodia has striven to promote the skills development to match the local labour market needs, changing in accordance with the actual socio-economic development, and creating job opportunity for new labour force entrants.

In parallel with the efforts to create local job opportunities, the Royal Government of Cambodia also allows Cambodian workers to work abroad such as in Malaysia, Thailand and Korea.

The improvement of labour conditions has been achieved through labour inspection and the implementation of the Better Factory Project and, as a result, the good labour conditions have been recognized by the international community.

The Royal Government of Cambodia has strengthened the right to organize and freedom of association, through the establishment and the registration of trade unions.

So far, 1,300 unions at the enterprise level, 30 union federations and four union confederations have been officially registered. With the purpose of efficiently settling labour disputes on time, three types of labour dispute resolution mechanisms have been established, namely labour dispute resolution at the enterprise level, labour dispute resolution by the Ministry, and labour dispute resolution by the arbitration council, while the establishment of a labour court is still under consideration.

Moreover, the National Social Security Fund has been established to implement the social security

policy in accordance with the Social Security Act, which was promoted in 2002. This law aims to provide employment injury, health care and pension benefits for all workers as defined in the labour law.

In particular, I would like to emphasize that all of the above achievements in the labour field of the Kingdom of Cambodia are relatively the outcomes of the cooperation and assistance of countries and organizations, especially the International Labour Organization.

Original French: Mr DIALLO (Minister of Employment, the Civil Service and Administrative Reform, Guinea)

Our Conference has included on its agenda matters the relevance and scope of which reflect the will of the ILO to respond effectively to the numerous challenges with which the international community is evermore frequently faced as a result of globalization, which does not give the same opportunities for social and economic progress to all the peoples of the world.

An examination of the Reports of the Chairperson of the Governing Body and the Director-General of the ILO reveals the progress made by our Organization and the need to continue with ongoing efforts, especially in the field of promoting and protecting fundamental liberties, as an element of peace and stability in our States.

The ratification of the fundamental Conventions and their effective promotion in a dynamic partnership is, as we see it, indispensable to progress and the effective realization of the objectives of decent work. For this reason, my country subscribes to the recommendations formulated in these reports, and is committed to putting them into effect.

As to the promotion of rural employment to reduce poverty, my delegation approves of the vision set out in the Report of the Director-General. In fact, the issue of employment is one of the main causes of poverty. The resolution, thanks to the implementation of ambitious policies adapted to the needs and realities of our States, is the best way to stamp out that poverty.

In my country, agriculture is the main source of income in rural areas, and is basically subsistence agriculture, which makes it very difficult to generate substantial income for farmers. Its extensive character and low productivity, given the potential and opportunities for development of the country explain, to a great extent, its precarity and structural inability in terms of meeting the needs of the rural world.

The world is sick – sick with poverty, sick with exclusion, sick with socio-economic inequalities, elements that have led to the grave food crisis which we are suffering from today.

We should not forget that over 850 million people throughout the world, in particular in developing countries, suffer from hunger and malnutrition.

For my delegation, the scourge of hunger and poverty is a challenge which the International Labour Organization, along with the other development actors and partners, has to take up at a priority level on its agenda for, if these issues are not taken into account, the consequences for peace and stability in the world could be dire.

There is, therefore, a vital need for the international community to make development of the agricultural sector a genuine priority, taking appropriate and urgent measures to implement development

policies which favour agriculture and protect the environment.

The improvement of professional skills, in order to stimulate productivity and growth of employment and development are also among the challenges facing our Conference.

On this subject, the impact of productivity as a determining factor for growth, demonstrates the need to develop a partnership framework between employers and workers. A partnership based on social dialogue and on a policy for strengthening human resources capacities as a way of promoting enterprise growth and development factors in our countries.

As to strengthening the capacity of the ILO, and given the efforts made by its Members in order to achieve their objectives within the framework of globalization, my country feels that, as a result of the complexity of the problems engendered by globalization, particularly in developing countries, special attention should be granted to the role of the ILO in realizing the objectives defined by our Organization, and the implementation of the Decent Work Agenda.

My country remains very much concerned by the grave political and humanitarian crisis which affects populations, in particular the workers in the occupied Arab territories. This dramatic situation, which contrasts with the ideals of peace of the ILO, is a spur to our consciences, a call for joint action by the international community for a just and lasting settlement of this conflict.

The present Session takes place at an important stage in the life of the ILO, to the extent that it marks the renewal of the mandate of the Director-General of the ILO.

In conclusion, we wish to strengthen our cooperation with the ILO and reiterate our gratitude for the technical assistance we have continually received. As you know, along the long and difficult road in achieving democracy and prosperity, my country has undergone social unrest. Nevertheless, the Government and all its social partners are determined to privilege dialogue and consultation in order to restore a climate of good understanding equal to the expectations of peace, progress and stability.

Original Spanish: Mr OSORIO (Minister of Justice and Labour, Paraguay)

I would like to thank and commend all of the participants of this great Conference, which is a fundamental step forward in the continuing struggle to overcome poverty which continues to affect millions of people in our countries.

On behalf of the Government of the Republic of Paraguay, I would also like to express my thanks to the ILO for its continuing support of the strengthening of tripartism in our country. This has brought about gradual yet substantial cultural changes which are undoubtedly necessary to achieve the long hoped for social justice.

Paraguay is at a crucial juncture in its political history. For the first time in 60 years there will be a handover of power following free and transparent democratic elections. For the first time in our country there will be a change of the party in power without violence or bloodshed. On 15 August, the President of Paraguay, Dr Nicanor Duarte Frutos, will hand the presidential sash to the President-elect, Fernando Lugo by the will of the people.

Much has yet to be done in the country, but the current Government which is completing its five-year term, has laid the groundwork for the economic and social development we all want. The country has stabilized politically and socially following the upheavals that were so common. Today we live in peace, public finances are robust and the macro economic variables are better than ever. Today we must put an end to social inequality, to uneven distribution of wealth, and create more decent work for all Paraguayans.

The Government, through the Ministry of Justice and Labour, jointly with the workers represented by the unions and with the employers, has taken steps in the world of labour with the strong support of the ILO.

To mention a few initiatives: in October last year, Paraguay ratified the Workers with Family Responsibilities Convention, 1981 (No. 156). There was institutional strengthening with the opening of a new regional labour office in the country. We have settled a large number of labour disputes, both individual and collective ones. We have seen a large increase in the number of companies on the institution's employers register. We made progress with the support of the ILO on the Programme on the Elimination of Child Labour and the Protection of the Work of Adolescents. We have held workshops on the registration of adolescent workers.

We had a tripartite seminar on fundamental rights at work and the prevention of forced labour. A committee was set up comprising representatives of the Government workers and employers which will draft and implement an action plan to tackle the challenges in this area.

To conclude, on behalf of the Government, I ask the ILO to continue supporting us in all our actions, which will help us to do away with all forms of inequality, discrimination, social exclusion and lack of opportunity. We are committed to further developing collecting bargaining in our institutions social dialogue and freedom of association, which is a fundamental right of the workers, and the ILO principles that will help us achieve the Millennium Development Goals and a country with more social justice.

Original Arabic: Mr JERAD (representative, Union of Workers of the Arab Maghreb)

Allow me first and foremost, on behalf of the workers' organizations of the Union of Workers of the Arab Maghreb, to express my gratitude to the Director-General for his efforts in achieving the ILO's strategic objective of decent work for all.

This is the context of the Director-General's Report on freedom of association and collective bargaining, in the face of the challenges of globalization, rising unemployment, social exclusion and intensified global competition.

We greatly appreciate the role of the Organization in bringing about an international consensus on the building of a world of social equity and decent work.

However, we wonder whether we are on the right path to achieve such a goal. The employment crisis today is the measure of development and stability in the world. The gap between North and South is widening, the debt burden is getting heavier, and skyrocketing food and energy prices all contribute to the marginalization of many developing countries' economies.

Freedom of association is a necessity for the improvement of economic performance. All indicators show that development policies are far more effective when they are based on genuine social dialogue. The role of governments is of the utmost importance here. They have to provide a legal framework and mechanisms that facilitate collective bargaining, in addition to extending social security to workers in difficulty and addressing the discrepancies in the labour market, particularly the growth of the informal sector.

The Director-General stressed in the Report the importance of all multilateral trade agreements, free trade zones and regional economic integration programmes including social provisions relating to freedom of association, collective bargaining and the protection of migrant workers' rights.

It is indeed ILO's duty to encourage the social partners in developing countries, especially the countries of the Arab Maghreb, to work towards economic integration and the creation of regional groupings that have access to better investment opportunities and to the development of their human resources in the context of social dialogue.

Wars are the main obstacle to the prosperity of workers and the implementation of the ILO's programmes. Swift action is therefore needed to support development and stability in Arab countries that are facing regional and international tension and conflicts, including military occupation and an economic embargo.

I should like to commend the efforts of the ILO to provide technical assistance to the social partners in these countries, but it is important to continue backing the struggle of the Palestinian people to establish an independent State with Al-Quds as its capital, to end Israeli occupation of land that belongs to Syria and Lebanon and the occupation of Iraq, to protect the unity of Sudan, and to get rid of all hot spots that are impeding development and threatening international peace.

We truly hope that the Maghreb and Arab countries will receive more attention within the framework of the Organization's decent work programmes. The social partners in this region need more technical assistance in order to consolidate their trade union rights and freedoms and ensure greater compliance with labour standards. This means allocating more financial resources to this region and issuing all documents published by the Organization in Arabic.

We look forward to a stronger ILO that can implement the Decent Work Agenda. We therefore support the action programme aimed at strengthening the capacity of the ILO because we believe that the ILO can play a very special role in spreading a culture of justice and solidarity among nations.

Mr JENNINGS (*representative, Union Network International*)

It is very good to see a woman in the chair at the International Labour Conference and it is a pleasure for me to speak and to have a powerful African woman presiding over this evening's session.

I can see that there are a lot of football fans in the room. I would just like to say that Portugal beat the Czech Republic, 3-1, as I can see many of you are very anxious to find out the result.

I speak on behalf of UNI Global Union to express our anger at the escalating repression of trade unionists around the world.

Assassinations are on the rise again in Columbia, where we mourn the loss of our friend and trade union colleague, Leonidas Gomez Rozo, who was assassinated recently. The response of the Colombian Government has been woeful. If only they would put as much effort into protecting trade unionists and promoting democracy as they do into bogus trade deals, Columbia would be a better place. Assassinations are on the rise in the Philippines, where the Government looks the other way. To Zimbabwe, where the Mugabe regime commits acts of violence to silence its people, what can we say, apart from let the people be free, free to vote and to choose their destiny.

We are angered by governments that lie and deceive even the ILO, like Zambia, which claims tripartite discussions on labour reform, yet presents a new law which no one has seen before. We call upon the Zambian Government to withdraw those proposals. We call upon the Government to go back to the negotiating table with the trade unions, and I am honoured that they are in this room to witness what I am saying.

We also face a different kind of violence from companies that do not give workers a free and fair choice to join a union. Our members fight for democracy, yet find the doors closed at the workplace from Walmart to G4S, who pretend that freedom of association does not apply to them. Well, it does.

Today, we have a services economy and at last the ILO is turning its attention to this fast-growing area of employment. We want to put private services firmly on the ILO map, and I am pleased to say that UNI and the International Confederation of Private Employment Agencies (CIETT), together with the ILO, will organize a conference next year to build decent work in this growing sector, which employs more than 8 million people today. Our goal is for services, organizing rights and bargaining rights for all, without exception. With no bargaining rights, how can workers climb the economic ladder? Productivity is up. Profits are up. CEO pay is up. Yet for workers, incomes are stagnating while prices are rocketing. This is not sustainable. This puts pressure on families and pressure on democracy, and this pressure cooker will explode unless a way is found for families to make ends meet.

We call upon the ILO to call an emergency summit on the impact of increasing food and energy prices on working people. We are living in an age of stressed globalization. Financialization has been another disaster for our economies. The speculators are now working their questionable magic in food and energy markets. Short-term speculation to the long-term detriment of our economies. Regulators blind, bank bosses gorging on financial projects they do not understand, yet boosting their own incomes. Customers lured into contracts that they could not afford. The results are job losses, home losses, regulators, a dead loss. The banks are happy to keep the profits, yet squeal for help to socialize the losses. How can you build decent work on these rotten foundations? It is time to drain the swamp.

We have a new powerful set of global employers, yet they do not want to admit responsibility. Private equity now owns companies which employ millions around the world – the developed and the developing world. There is no ducking their social responsibilities, and I ask Mr Somavia to invite private equities, pension funds and all this gang, to a discussion here, with him, to talk about labour stan-

dards, social dialogue and decent work. From private equity to publicly-owned companies, the way forward is global framework agreements, which recognize the rights of workers.

We have now signed, at UNI Global Union, over 20 such agreements last week with ISS, which employs 500,000 people. The ISS agreement breaks new ground with the creation of an inspection and monitoring fund. We call upon the ILO to be more vigorous in the promotion of global framework agreements. A company is not serious about corporate social responsibility (CSR) if it refuses global dialogue.

I want to thank you for this opportunity to speak. We wish the ILO every success in continuing to make its presence felt and in building its capacity to promote the interests of working people everywhere.

Finally, let me remember at this moment a very dear friend of my organization, UNI, of trade unions everywhere and also the ILO. In November last year, Mr Heribert Maier, former Deputy Director-General of the ILO passed away. I was very pleased that the ILO was represented by our colleague, Mr Kari Tapiola. I also recognized Mr David Cockroft who also attended the funeral, and I would just like to say, for the record, that we have the fondest of memories of Mr Heribert Maier. He was a great champion of trade union rights, he was a great champion for the ILO, and I would like to dedicate the words that I have conveyed to you in his memory.

Ms PONCINI (representative, International Federation of University Women)

The Report of the Director-General is commendable in its format and delivery content, which has improved over the years, thanks to the high quality and competence of the technical and administrative staff. We congratulate the Governing Body and the Director-General, particularly, for their leadership and vision. We want to express our congratulations and heartfelt thanks to the Gender Bureau for our collaboration to integrate the gender equality perspective in the ILO's constitutional mandate, strategic objectives and programme of work.

We also congratulate the Workers' group in electing Anna Biondi, as Secretary, the first women ever to be elected to this position. We have high expectations that the ILO global campaign just launched on gender equality at the heart of decent work will enhance the success of the gender item on gender equality as a core of decent work at next year's session. On behalf of the International Federation of University Women, and the International Federation of Business and Professional Women, respectively convener and co-convener of the working group on women's employment and economic development of the Geneva NGO Committee on the Status of Women, we stand ready to mobilize our working group in this campaign and in the work leading to the 98th Session.

We are also addressing this session with great satisfaction and gratitude because, after a decade of advocacy, a decision has been taken to change the language of the Standing Orders to make it gender equal. In this regard, permit us to recall, inter alia, Constitution article 3, paragraph 2, which should ensure gender-equality participation in the decision-making organ, and in all agenda items and to revise

article 9, paragraph 3, to ensure gender equality in the staff of the ILO.

IFUW followed the session on the Committee on Skills and we appreciate the attention this Committee gave to gender equality. We indicated that women are often differently treated in law, policy and practice, and that much of the work done by women, paid or unpaid, is undervalued and not recognized. We hope that the social and cultural barriers faced by women in accessing education and training will be given particular attention by the ILO, especially as women have proven in economic crises their great creativity and innovation in developing strategies to secure livelihood for themselves and their families. Often unpaid work of women in the informal economy has contributed models of best practice for non-traditional lifelong learning and training strategies. We propose that such skills acquired through informal means be recognized and used for skills development mechanisms.

IFUW commends the important work carried out by the Committee on Rural Employment on promoting rural employment for poverty reduction. We are gratified with the high level of sensitivity to gender issues which underpin much of these discussions, and we are especially pleased that the key point agreed upon is the recognition that women should not be listed as one of several groups meriting special attention but make up over half the population, and that their unequal treatment requires targeted attention. We hope that such emphasis on rural employment opportunities for women will continue into the work to be undertaken by the ILO, governments and social partners to promote rural employment for poverty reduction with a human rights approach.

We are pleased that the agreed conclusions have underscored that public policies should strengthen secondary education and vocational training in rural areas and ensure equal access for all women and men, and that women be the focus of training and entrepreneurship.

IFUW particularly welcomes the recommendation to governments to promote gender equality, the empowerment of women, equal access to education and vocational training and better possibilities for all to reconcile work, private and family life, and that workers' organizations should strengthen the participation of women and youth in workers' organizations in rural areas.

Finally, on the proposed Declaration of the Committee on Strengthening the ILO's Capacity, we fully agree that the four strategic objectives are inseparable, interrelated and mutually supportive and, to optimize their impact, efforts to promote them should be part of the ILO's global and integrated strategy for decent work, with gender equality and non-discrimination as cross-cutting issues. However, it should not forget the two-pronged approach of women's human rights and right to development, which should be specially targeted in the Decent Work Agenda.

Original French: Mr BOUGOUMA (Minister of Labour and Social Security, Burkina Faso)

I would like to restate the attachment of Burkina Faso, my country, to the ideals of the International Labour Organization.

This session takes place in an international context characterized by rocketing fuel prices and alarmingly increasing food prices, and in the cost of

living. These are all things which affect the social policies of our states, which are already struggling to combat poverty and to promote decent work.

The agenda of this session of our Conference relates to seven points which are of great relevance to my country, because they cover employment in relation to poverty and social and economic development, and also issues of strengthening the capacity of the Organization, to enable it to support member States in pursuing their development objectives in the face of globalization.

The aims of Burkina Faso in social terms, which are linked to one of the topics developed at this Conference, are in step with the concerns of the social partners in my country, and we have an opportunity to refer to the efforts made by the Government of Burkina Faso in the last two years to respect the commitments made as a constituent of the Organization.

These efforts can be seen in terms of restructuring, of reorientation of our development activities, which have borne fruit in several areas, and they relate to international labour standards legislation and national regulations as a part of social dialogue, health and safety at work, and social security.

Under the heading of international standards, I am pleased to tell you that Burkina Faso has complied with its obligations arising from article 22 of the ILO Constitution. In terms of labour legislation, my country is proud of its socio-economic development and has decided to streamline its legislation to make business attractive, at the same time as promoting decent work.

The year 2007 saw a revision of the Labour Code and a redrafting of the implementing regulations. This was carried out on a tripartite basis involving the Government, employers and workers, who looked at the proposals and observations from the social partners and from legal and international institutions including the ILO.

The new Labour Code was approved by the Government and adopted by Parliament on 13 May this year. In terms of social dialogue, annual meetings between the Government and unions, Government and the private sector and Government and agricultural producers are the sign of a dynamic national social dialogue which makes a useful contribution to reining in the growing cost of living.

The Government supports a permanent tripartite body involving the major unions and the employers to regulate the world of work in their mutual interest.

In terms of health and safety at work, apart from innovations in the new Labour Code, national policy relating to this area is being finalized so as better to direct our actions and define the responsibilities of the different players in the world of work so as to ensure healthy and safe working conditions which help promote national development. The institutionalization of medical inspections and health and safety at work and the creation of a department to fight against the worst forms of child labour are all part of that objective.

In terms of social protection, the adoption of new legislation and regulations in 2006 should allow us to extend coverage of the population, particularly of workers in the informal and independent sectors. Restructuring in 2007 of the national reintegration programme for workers who have lost their jobs or who have retired in extended social cover in terms

of funding for employment and vocational training to jobless or retired workers.

In light of the results, we have achieved and are aware that there is a still long way to go to ensure the well-being of every worker in all sectors of the population, Burkina Faso relies on international solidarity. For that reason, we appeal to the generosity of wealthier states to strengthen the ability of our Organization so that it, in turn, may provide technical and other assistance, particularly in terms of enhancing skills.

We fully subscribe to the ideals of the ILO and to its ability to make a better contribution to the social security of all workers. Without that social security, there is no doubt that we could not achieve social justice at work or genuine social peace in a world where work and production must serve the well-being of our people.

Mr GIUSEPPE (*Worker, Trinidad and Tobago*)

The Report of the Director-General to this 97th Session of the International Labour Conference, tells us that the global environment is in "financial turmoil". This phrase accurately defines the situation in which we find ourselves. As part of this ILO, the National Trade Union Centre (NATUC) shares the concerns raised in the Report. Every trade union has to examine this Report and define our role, strategies and plan for implementation. We have to ensure that workers and their families have the capacity to minimize, if not eradicate, the insecurities and uncertainties that are the natural side-effects of such economic conditions.

I recognize that, when the Director-General talks about "insecurities and uncertainties", he is stopping just short of saying that the workers of this world are facing, head on, the threat of joblessness, hunger and poverty. This world must find that collective bargaining, in its broadest meaning, is a major tool in advancing workers' interests and their protection in this globalized labour market, characterized by flexibility but uncertainty. We agree that the wide spectrum of collective bargaining has to be reoriented, to realise the goals and objectives of today's decent work and fair globalization agendas. Reoriented maybe, but never abandoned.

Workers agree that our various ministries have many difficulties in translating policies into action. Many of them lack real authority, resources and, quite simply, the commitment needed to advance their policies. Governments must take note: unless a modern structure for collective bargaining is given priority, the State, wherever in the world it is, will find it difficult to deliver to the workers.

Many governments will pay the price when these workers become voters. The changes that continue to take place in the world of work have resulted in the need for all the social partners to become much more efficient and competitive, especially in the public service and the trade unions.

In countries like ours, the State must play a leading role. Our Government is the biggest employer and the one with the most resources. The Government has the responsibility to set standards that are the platform of today's decent work and fair globalization agendas and every time the Government falls behind, the country falls behind.

On a global scale, the benefits of decent work and fair globalization would be distributed to all in general but, in particular, to those hundreds of millions of humans who have been disadvantaged; hundreds

of millions, imprisoned in poverty, by a system practised by those who believed that the way to "fix the economy" was through structural adjustment and trusting in the supernatural power of the free market.

In every structural adjustment the workers of this world were sent home first. If collective bargaining falls within these two main pillars of decent work and fair globalization, governments will focus on their role in labour market flexibility, labour management cooperation labour administration, legislation and industrial relations, and macroeconomic policies.

In the context of social dialogue at all levels, trade union interventions and meaningful participation in these discussions and negotiations would concentrate on, (but not be limited to) essentials such as: job and income security; productivity; skill development; training; work organization; employment contracts and other issues that are designed to create higher levels of industrial democracy, that should narrow the gap in terms of the social divide.

In Trinidad and Tobago, the industrial relations climate could be described as relatively stable. NATUC believes that we should use these conditions to revisit our policy approach, as the gravity of the present world financial crisis continues to unfold. Investment in a robust collective bargaining infrastructure and the human resources to support it, is vital if we are to avoid or minimize any negative effects that might occur if the global downsizing continues.

The Government has given its commitment to the Decent Work Agenda, but positive results have been slow in coming. There may be several reasons but one which is obvious is its inability to establish priorities. Labour has to influence and assist the Government in finding the right combination to balance its priorities.

Workers have an essential role to play both in our nation's and global, efforts to sustain broad economic growth, social progress and environmental protection. What we need is for employers, wherever they are to be found, to respect our rights, including our right to collective bargaining and social dialogue.

In conclusion, these are our priorities towards progress. Government and employers must respond to this solidarity-type social dialogue approach, if the poor of this world are ever to see a better day.

Mr COCKROFT (*representative, International Transport Workers' Federation*)

On behalf of the International Transport Workers' Federation (ITF), the global voice of transport workers, I congratulate the Director-General on his Report. Decent work and fair globalization are becoming central to the agenda of all governments, employers and workers. Today's credit crisis, the massive rise in oil and food prices and the growing threats to our planet posed by climate change show that market forces alone cannot deliver decent jobs, decent living conditions or sustainable growth.

This year sees the 60th anniversary of the adoption of Convention No. 87 and also the adoption of a Declaration on Social Justice for a Fair Globalization which will bring the language of the Declaration of Philadelphia up to date to match the challenges of today's global world. Today, more than ever, we need a strong ILO, and the transport sector as ever continues to lead the way.

Two years ago, the seafarers and shipowners and governments led by China made a major step forward in raising the profile of the ILO with the adoption of the consolidated Maritime Labour Convention (MLC), 2006. Shipping, which was the world's first global industry, now has the world's first enforceable international labour standard. The MLC will take its place alongside the three fundamental maritime Conventions of the International Maritime Organization (IMO) as the fourth pillar of global maritime regulation. Any ship which does not carry and comply with a maritime labour certificate laying down ILO standards will be excluded from global trade.

The importance of continuing joint work between the ILO and the IMO is a message which I will take to the IMO's council when I address it next week in London, to mark that Organization's own 60th birthday. In the future, the ILO must continue to build similar relationships with the entire United Nations system.

Last year, this Conference also adopted a new consolidated fisheries Convention which will make a real difference to the daily lives of fishers, in what is probably the most dangerous occupation on earth, and I would like to pay tribute to the role played by the International Organisation of Employers in bringing that Convention to a successful conclusion.

There are very few seafarers, fishers, shipowners or fishing boat owners anywhere who are not aware of the ILO. We now need to achieve the same level of understanding throughout the global economy. The new Declaration will allow us to do so and that underlines why the recent reform of ILO sectoral activities and multinational work led by the Director-General are so vital.

Sectoral, social dialogue means that the work of the ILO will have a direct impact on workers and on employers, and that is why there will be a series of key sector advisory group meetings later this year which will bring together employers, workers and interested governments in each sector to advise the Governing Body on its future policy. And in transport we have already started. Together with the International Road Transport Union (IRU), our road transport employer counterpart, and the ILO, we have produced a tool kit designed to help train, truck and bus drivers and employers in understanding how to stop the transmission of HIV/AIDS throughout the world.

The ITF and the ILO are also working closely together with the World Bank, which last month published its new five-year business strategy for transport, because social dialogue is vital also to achieve safe, clean and affordable transport.

Gender equality must be taken seriously in every aspect of the ILO's work. There needs to be a higher participation in all ITF activities, not as tokenism, but in order to ensure that women take their rightful place in the leadership of trade unions, of business and of governments.

But let me give you two recent examples of international worker solidarity in transport in action.

Firstly, a Chinese cargo ship, the An Yue Jiang, was recently discovered planning to unload 3 million rounds of AK47 ammunition in the port of Durban. The cargo was destined for the soldiers of Robert Mugabe's regime in Zimbabwe at a time when political tensions are at their highest. The ITF dockers' union refused to unload the ship and when the ITF received reports that it would try to escape

the action by unloading in Mozambique, Angola or Namibia, ITF unions made it clear that they were ready to stop them too. The ship will shortly dock in Shanghai and those weapons will be back in China.

The second example is a remarkable development in the occupied territories of the West Bank, where our Palestinian and Israeli unions have been working together to stop the problems faced at barriers.

But let me finally say a few words about freedom of association. When I addressed this Conference last year, Mr Mansour Osanlou, President of the Tehran bus workers' union had just stepped off a plane in London to participate in an ITF road transport meeting. A week later he travelled to Brussels where he addressed the International Trade Union Confederation (ITUC) General Council. He is still in jail. It is time that the Iranian Government understood that it must follow the conclusions of the Committee on Freedom of Association Report No.350 and release Mansour Osanlou and others who are trying to create free democratic trade unions in the Islamic Republic of Iran. That is fundamental to making this trade union movement, this International Labour Organization and workers everywhere follow the rights guaranteed by the ILO. Thank you.

Original Russian: Mr SHCHERBAKOV (representative, General Confederation of Trade Unions)

The General Confederation of Trade Unions (GCTU), which counts 50 million people in its ranks from the CIS countries, views favourably the fact that the ILO has focused on the problem of decent work for all.

We support the comprehensive approach to this complex multifaceted problem which is reflected in the Director-General's Report. Among the many matters touched on there, many are of concern to the trade unions in our region. Here are just a few facts. Some 11 per cent of the population of Belarus and 57 per cent in Tajikistan live below the officially defined poverty line. At the beginning of this year the amount of unpaid wages in the Ukraine represented US\$132 million and in Russia US\$109 million. The average wage of women ranges from 42 per cent of men's wages in Armenia to 61 per cent in Russia. There is also significant unemployment, although this last year the level has been falling. All this is taking place in the context of economic growth in CIS countries, that is to say, better opportunities for resolving the most pressing social problems.

The General Confederation of Trade Unions in 2004 talked about the need to raise the minimum wages of CIS countries above the minimum subsistence level. We regard this campaign as a contribution to the ILO's Decent Work Agenda in our region. We can talk about a certain level of success. The minimum wage in Moldova has risen fourfold, in Russia 3.8 times, and in Belarus and Kazakhstan it has risen above the minimum subsistence level.

We also endorse the idea in the Report that the ILO's work to realize the Decent Work Agenda globally and in individual countries serves to consolidate the Organization's authority. The GCTU views this as an invaluable contribution of the ILO to international efforts to give globalization a social dimension.

No wonder the provisions have become an intrinsic part of the policies of the United Nations and its specialized agencies.

We agree with the Director-General that we all need the ILO. We need to fight to preserve and consolidate it. The documents of the sixth GCTU Congress last year stated that the GCTU will seek to preserve the historic mandate of the ILO, expand its capacities and potential to promote social equity in the context of a global economy, and fight to keep the ILO's tripartite nature and standard-setting activities and its supervisory machinery.

In 2005, our Confederation was carrying out monitoring of the ratification of major ILO Conventions in the CIS countries. A number of cases of violations of trade union rights and blatant interference of authorities in trade union matters have been noted. We are carrying out an analysis of labour legislations of CIS countries, in line with ILO Conventions, with regard to on 20 different points and, where necessary, we state the trade union position.

A few words on labour migration. If we do not solve that problem, we do not hope to see a widespread introduction of decent work. The significance of this issue in the context of globalization and in the CIS is continuing to rise, and the relevant ILO Convention is being ratified unenthusiastically, above all by countries of destination of migrant workers. We feel that the ILO needs to focus governments' attention on this issue.

With its permanent consultative status at the Interparliamentary Assembly of the CIS, the GCTU is taking an active part in the development of a convention on the rights of migrant workers and members of their families in our region. We would like such a convention to ensure migrant workers decent conditions of work and standards of living, and call on our sister organizations to try more actively to attract migrant workers to join their ranks to promote their interest with employers and authorities of destination.

Original Portuguese: Mr SILVA (Worker, Cape Verde)

This year, Cape Verde stopped being a member of the Group of Least Developed Countries (LDCs) and moved into the list of Medium Income Countries (MICs). Cape Verde's recognition as a Medium Developed Country (MDC), as we have said before and are repeating now, is, without doubt, a cause of great national pride. However, we do have to be cautious, given that our country is still very vulnerable and depends on the outside world to a great extent. Poverty is still at very high levels – 37 per cent of the population, of whom 20 per cent are considered to be living in extreme poverty. As far as unemployment is concerned, that is high as well, at 18.3 per cent.

We have looked carefully at the Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work. The focus of that Report this year was freedom of association and effective recognition of the right to collective bargaining. On this point, we would like to say that, despite the complaint presented to the ILO in 2006 by our trade union central, case No. 2534, the Government of Cape Verde continues to make systematic use of civil requisition as a way of avoiding and impeding the full realization of a fundamental right, the right to strike. The ILO Committee on Freedom of Association, in Report No. 349, dated March 2008, for the second time, recommended to the Government of my country that it amend the existing legislation in force on strikes to ensure that minimum services are determined, not just by the

Government, but also by the unions and employers. It also recommends that any difference of opinion in this respect be settled by an independent body and not the Government itself as has happened in our country.

The legislation has been revised but, in fact, the situation remains unchanged. In fact, a new Labour Code has just been approved in our country and has entered into force.

The Government did not take up the Recommendation made by the ILO. It did not make the amendment the ILO has suggested and it is still the Government itself that defines what constitutes minimum services if there is disagreement.

The new Labour Code was in fact, to start with, the object of a broad consensus obtained over various months of continual dialogue and negotiation between the Government and the social partners. But in the final straight, it ended up being very much called into question by the unions and by the employers of Cape Verde. This opposition was due to the fact that, despite the consensus reached and the fact that the corresponding Memorandum of Understanding was signed, the Government unilaterally introduced amendments at the last minute without listening, let alone talking, to the social partners. In some cases, those amendments have quite a serious impact on workers. Although we do recognize that the new Labour Code does involve significant advances for workers, for example, there is a limit in the length of temporary contracts to five years, something we had been fighting for many years, the Code must be reviewed as a matter of urgency. In fact, since 1993, there had been no time limit on temporary contracts. It was possible to take on a worker on a temporary contract for two weeks or a month or even for five, 10, 20 or 30 years. The problem lies with different and discriminatory treatment of those workers who had already been on short-term contracts for five, 10, 15 or more years when the new Labour Code entered into force. As you will recall, the new time limit is five years and that is not applied to those workers. These workers have to start again from zero and that is very unfair.

The new Labour Code also has a very serious effect on seafarers. The period of holidays and rest for seafarers was ten days a month and this has been drastically reduced to two and a half days a month.

As far as collective bargaining agreements are concerned, we can also see some restrictions. The expense of publication of these agreements in the Official Journal, which was previously met by the Ministry of Labour, is now to be paid by the social partners, in particular the unions.

In the past, because of a lack of awareness and because of a lack of effort on the part of State bodies, collective bargaining was not widespread in our country and with this change the situation will get even worse. As we see things what is at issue here is in fact nothing less than Convention No. 98 of the ILO on freedom of association and collective bargaining.

Another negative point is the refusal of the Government to set a minimum national wage in the new Labour Code, despite the consensus that was reached between the social partners and the interest they expressed.

I would like to wind up by saying that the National Union of Workers of Cape Verde – Trade Union Confederation (UNTC-CS), in December of last year, presented a proposal for amendments to

this Labour Code and the Government has said it was ready to enter into dialogue with the social partners. So we are looking forward to that and we very much hope that the spirit that was behind the signing of the Agreement on Strategic Coordination, and which led to the original signature of the Memorandum of Understanding on the new Labour Code will in the end prevail and will lead to results that satisfy all the parties concerned.

Original Spanish: Mr ESPARZA FLORES (representative, Trade Unions International of Workers in Energy)

We warmly welcome all the workers affiliated to Trade Unions International of Workers in Energy and particularly the Mexican Union of Electricians, which I have the honour to represent.

A note of warning to humanity has been sounded but the call to safeguard men and women is being ignored year on year. The central objective of this Conference for some eight years has been decent work, but that has not been achieved. The world of work is precarious; we continue to see exploitation in different forms in the inexorable pursuit of wealth. This has led to social polarization with majority impoverishment at the cost of minority wealth. There are three horsemen of the apocalypse which are trampling on human dignity, decency, justice and equality. The first horseman is hunger, malnutrition and high food prices. Big business speculates on equality and social justice. There are shortages of basic products, such as corn, wheat and rice – the essential cereals. Rich countries subsidize their producers and companies and distort markets through speculation. They protect their markets and trample on the poor countries. Only last week these policies were criticized at a meeting of the Food and Agricultural Organization in Rome. The spread of hunger must be stopped.

The second horseman is the increase in the price of oil. Much of this has been caused by the production of bio fuels, using corn and cane for energy instead of food. The sinister conversion of grain and cereals into fuels damages humanity through famine and global warming. This is the policy of imperialism which changes production into exploitation.

Unemployment, informal labour and migration are proof of the precarious conditions of employment and humanity. This is doubtless the third horseman of the apocalypse. Employment markets have primacy over legal and legitimate working conditions. Faced with the agricultural crisis, attacks of the free market, and rampant privatization, industry is breaking down, in the countryside, city and the State. Hundreds of thousands of lay-offs are overwhelming humanity, employment is becoming more precarious, the world of work is cracking. Social security and fair contracts are under pressure as never before.

They want to see flexibility in the markets, in employment, and flexible borders. Traditional social conditions are destroyed as national sovereignty gives way to international convenience. Free trade agreements destroy the fabric of society and there is a price on everything. Laws are not applied to big business. This social disaster can be stopped by ending food speculation, halting bio fuel production and opening borders to workers.

The themes of this Session, freedom of association and collective bargaining, offer a clear solution. There must be no restriction on their application in any country because only then will we be able to

promote equality and strengthen employment. These rights would open the doors of the ILO itself to other organizations which speak out against exploitation at national level instead of the official organizations that are loyal to their governments. There are independent, autonomous unions which criticize traditional approaches and set out the need to transform them. At least a third of these organizations are absent from this meeting, or similar ones in their own countries. We must review and revise 60 years of practice and introduce more proportionality. Other voices are crying to be heard and we must share our proposals and solutions.

These freedoms are not applied in Mexico, bureaucracy is being used as a weapon; miners are being attacked politically. First there was an industrial accident in Pasta de Conches, then there were proceedings which breached their trade union rights and rights to social justice. An observer mission would notice non-application of agreements in Querétaro, San Luis Potosí, Aguascalientes, and the case of the workers fired from the National Institute of Statistics, Geography and Data Processing (INEGI).

Agreements are signed, promises are made to fulfil the recommendations made by the ILO but these are replaced by injustices, attacks to ensure subjugation, deny rights and restrict freedoms. The main topics of this Conference have been ignored in Mexico despite the proclamations of the new Government and democratic transition. There are constant violations of commitments given on food supply. National energy security is threatened by the proposed creation of a market in oil and electricity. Food and energy should be on the global human rights agenda. It has been suggested to countries with oil that they open up to the market and hand their energy resources over to global corporations for rapid growth. On a daily basis, by handing over their energy resources to the capitalists, they are converting the wealth of the country into social exploitation. Oil rich countries are sinking into debt more for the petrol than the natural gas they import. The contradiction is striking and the message is clear: the people in oil-rich countries are poor. To conclude, let us heed the message for the good of humanity and ensure that there is national security in food, water, energy and work. These are second generation human rights for the 21st century. The essence of humanity, life and work, must come before the market. We call for no more than that but we will not settle for less. We support the drivers in Spain who are on strike over the high cost of fuel.

Mr SHANTO, (*Worker, Mauritius*)

Allow me to start my intervention by thanking the Director-General, Mr Somavia, for the ILO's continuous support and assistance to the working class of Mauritius.

Aggressive government statements in both national and international forums, regarding social dialogue, good governance, compliance with ILO Conventions, poverty alleviation, tripartism and decent work is one side of the coin. Continuously dragging the working class to a state of poverty is the other.

The economic reform of Mauritius is regularly quoted as a model. As in other African countries, our economic reform is based on neo-liberal policies. The policy practices and procedures set down by the Government are violating our rights en-

shrined in the welfare state. The tripartite committee for payment of the annual cost of living allowance was suddenly abolished and replaced. The payment of the cost of living allowance is now not just subject to the inflation rate but also to other conditions such as the capacity to pay for unemployment and productivity imposed by the Government thus leaving the destiny of the working class in the bosses' hands to generate more profits.

In addition, there has been abolition of the subsidy on basic resources such as rice and flour, deregulation of the labour market, thus strengthening the power of the bosses to hire and fire and the closing down or revitalizing of public enterprises such as the State Bank of Mauritius, Mauritius Telecom and Mauritius Post Office.

Water and health are in the same process of liberalization of foreign labour, thus giving bosses easy access to workers from countries such as China, Bangladesh, India and Sri Lanka. Regularly, those considered as ringleaders are repressed and forced to leave their country – in many cases, they have been accompanied by the police to the airport and declared persona non grata. Price liberalization has made access to basic needs, food, shelter and clothing difficult. Two brothers, trade unionists, are actually being prosecuted by police in a criminal court because they were claiming job security.

On the other hand, the bosses are rejoicing in such measures, whereas the workers have been driven into a state of dire poverty. With a galloping rate of inflation, increasing rate of casual labour, rise in the rate of crime and insecurity of movement, the present situation has resulted from the continuous policies imposed by the International Monetary Fund, World Bank and World Trade Organization, and extended by the Government. All successive governments have one common appeal – sacrifice for the future – but at no time have they brought in legislation to call for sacrifice from the bosses.

Therefore, the achievement of progress for the liberation of the working class will remain a dream while the Government continues to follow blindly the IMF, World Bank and World Trade Organization policies.

Original Portuguese: Mr MORATO MILACO (Government, Guinea-Bissau)

The Government of Guinea-Bissau has set as its goal the strengthening of the institutional capacity of the Standing Council for Social Consultation. This is an effective social dialogue mechanism between the Government and representatives of the workers and the employers, and has been meeting regularly to garner broad consensus on the main issues affecting the nation, namely ongoing structural reforms, aimed at creating the conditions for sustainable economic development.

I wish to address the issue of “promoting of rural employment”. This is extremely important in creating and strengthening public and private employment-creation support structures and eliminating poverty and social exclusion in the rural community.

Agricultural, fisheries, livestock farming and crafts are the main subsistence activities in the rural community. Agriculture today is the job mostly of the elderly, because most young people have migrated to urban centres, where they suffer from unemployment. The rural exodus has become a flood,

leading to heightened juvenile delinquency in big cities.

To remedy the situation, the Government is promoting literacy and local training, retention of young people in the countryside and strengthening of the capacities at rural populations, as well as technology transfer to improve productivity and production.

Among the strategies, policies and development instruments proposed, serious consideration must be given to microfinance as a factor for sustainable development in general, and especially in rural areas. Microfinance is a cornerstone of local initiatives to create and strengthen sustainable productive activities in rural areas, especially in terms of the implementation of pilot projects and the creation of self-employment, thus contributing to the fight against poverty, which is the main concern of our Government. In this respect, we need to promote and facilitate rural populations' access to credit, which will allow for the creation of wealth and more jobs in rural areas.

The Government is also supporting actions to intensify and diversify agricultural activities in order to maximize the employment potential of programmes to relaunch agriculture sector activities such as the production of foodstuffs as a strategy to meet rising food costs. Rural worker and producer training is vital in this regard. It is provided through training programmes promoting rural dwellers and the development of the community.

Guinea-Bissau has been hard hit by the food crisis and has been identified as one of the most vulnerable countries in Africa in that respect. The Government, in order to address the crisis, has devised a strategy and drafted an Emergency Agricultural Plan with well-defined short-, medium- and long-term goals to mitigate the impact of the crisis on the people of Guinea-Bissau.

Within a framework of participation and social dialogue, the Government submitted the Emergency Plan to the social partners in the Standing Council for Social Consultation on for consideration by this tripartite body. The Plan was adopted and will subsequently be submitted to the Council of Ministers for deliberation.

On the subject of the food crisis, the Government is planning to present the Emergency Agricultural Plan to the development partners at a round table this year.

In Guinea-Bissau, most people subsist on family farms, which constitute the most important productive sector, generating 50 per cent of the GDP, 90 per cent of foreign exchange and involving 80 per cent of the workforce. Eighty per cent of the population live in rural zones.

In 2008, the Government, with the support of the Libyan Arab Jamahiriya, has taken major steps to promote rural employment and combat poverty. In particular, we are creating small industrial units to process cashew nuts, a strategic national product in three regions of the country. Each unit has the capacity to employ between 250 and 300 people. We are also carrying out a project to rehabilitate the farming sector, especially integrating young people into the workforce.

With these initiatives, promotion of rural employment has certainly become a top priority for the Government. We can provide more jobs for young people with the PROJOVEM programme which

aims to improve the living standards of young people who make up the majority of the population.

The Government is aware that agricultural development is the key to promoting rural employment and sustainable development for the country. We are working to strengthen human and institutional capacity among farmers in partnership with those private institutions working in the sector in order to attain full employment and thus fight poverty and social exclusion. We all agree that the international community must provide the country with the economic and financial resources needed to fund self-employment and independent employment initiatives in the sector.

To conclude, the strategies to promote economic initiatives and employment and reduce poverty should go hand in hand. The Government is therefore mobilizing the efforts of the international community to secure funds for seeds, to be distributed to the rural community to help the agricultural sector diversify away from the short-term cashew nut solution.

The Government is currently revising the general Labour Law, which dates back to 1986, and will bring it in line with current economic and social conditions and we are drafting a law on basic social security, and we are going to implement the ILO standards.

Original Spanish: Mr CELI VEGAS (representative, Exchange and Cooperation Centre for Latin America)

It is a great honour to address this supreme assembly and I thank the President for the brilliant conduct of this 97th Session of the International Labour Conference.

The Director-General's Report entitled *Freedom of association in practice: Lessons learned*, shows how far we have come in the different countries in giving effect to the fundamental freedoms of workers.

Ratification of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), expresses the Governments' commitment to comply with these principles and rights.

Although it is true that there has been an increase in the number of ratifications of these instruments, nonetheless, we must still strive to achieve universal ratification. As of 31 December 2007, of a total of 181 member States of the ILO, Conventions Nos 87 and 98 had been ratified by 148 and 158 member States respectively.

In Latin America, we have examples of how these principles have been put into practice in the agreements in MERCOSUR between Argentina, Brazil, Paraguay, Uruguay and Venezuela, a recent member, and also in the bilateral agreements signed by Chile and other Central American countries with the United States.

As is the case in any integration process involving factors of production, carried out in recent years in the context of globalization, the social variables form part of the various agreements. Nonetheless, the outcome of these agreements varies depending on the degree of development of countries, the composition of the workforce, the skills and remuneration attributed in each country according to production structures.

In Latin America the labour structure is largely unskilled. Traditional exports are increasingly af-

affected by international factors that affect the prices and are beyond the control of the Government. Currently the increase in the price of oil is increasing the disparities between, and within, countries.

Industries with comparative advantages are setting up shop in countries and regions where there is abundant unskilled labour at negligible cost.

Partnership agreements negotiated by government representatives only provide for immigration controls. It is important to understand that migratory flows toward developed countries pose growing challenges given the new demands of the globalized economy.

What can we do to advance the principles of freedom of association which can facilitate equitable integration as provided for by the international instruments approved by regional or international bodies? The task could be a difficult one if it is left to governments alone to conduct the international negotiations.

In international negotiations in recent years, growing participation by civil society bodies has served to highlight problems and concerns of marginalized sectors which had hitherto been forgotten by central governments.

Economic and political globalization have given new impetus to the roles of civil society organizations.

Several decades ago it was very hard to find other bodies except for unions in collective committee negotiations.

The internationalization of civil society relations can provide support for authorities in decision making and can provide advisory services with regard to the efforts of government measures. This is all thanks to the acceptance by international organizations of civil society representatives. Implementation of Conventions Nos 87 and 98 will take place under the watchful eye of civil society.

The years of monopoly in certain economic sectors appear to have reached an end thanks to the internalization of common standards aimed at establishing equity and social balance.

In Latin America, social balance can take place in the context of democracy and economic liberalism. However, the disparities within countries will persist, but we hope to see multiplying effects in the economy thanks to international standards, and under the aegis of the international organizations.

(The Conference adjourned at 10.05 p.m.)

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