

**Speech by Minister Celso Amorim at the Meeting of the
Working Party on the Social Dimension of Globalization, in the
context of the 306th Session of the Governing Body of the
International Labor Organization**

Geneva, November 16, 2009

Madam Chairperson of the Governing Body of the ILO, Ambassador
Maria Nazareth Farani Azevêdo,

Director-General of the ILO, Ambassador Juan Somavia,

Representative of the Employer`s Group, Mr. Daniel Funes de Rioja,

Representative of the Worker`s Group, Sir Roy Trotman,

Representative of the Governmental Group, Ambassador Abdul
Hannan,

Ambassadors,

Ladies and Gentlemen,

Friends that I am seeing again and others with whom I will have the
pleasure of new relationships,

It is naturally a great a pleasure to be back at the ILO. I
experienced interesting and difficult moments here. There are no
interesting moments that are not difficult and no difficult moments
that are not interesting. It was a unique diplomatic experience for me
to work not only with representatives of different countries – which is
what we are used to doing in diplomacy – but also with
representatives of workers and employers. I believe it also prepared
me somewhat for the role as Minister, which I reassumed in
President Lula's Government, a government that is dedicated to
dialogue with civil society, a government that, as the name of his
party indicates, represents workers, but that has also always been
open to dialogue with entrepreneurs, with the businesspeople of our
country. It is that spirit of dialogue and conciliation that exists at the
ILO, in the search for common solutions, that also serves as
inspiration for the Government of President Lula. For that same
reason he has been here more than once on important occasions to
convey his message.

I would like to thank the Director-General, my dear friend Juan Somavia, for the invitation - sent through our dear President of the Governing Body - to participate in this meeting of the Working Party on the Social Dimension of Globalization. I recall that the first meeting of this Working Party, in its current format, happened in November of 2000, during the period in which I had the honor to chair the Governing Body of the ILO. It is a great pleasure to come back to this forum and speak on such a fundamental issue.

2. Addressing the social dimension of globalization has never been as critical as now, and I believe this has been already touched on and will be addressed more profoundly by the Director-General. These are times of unprecedented increase in global unemployment and underemployment. While it is true that all corners of the globe have been severely affected by the recession, poor countries have borne the heaviest brunt of the crisis - which is economic and financial in its origins, but social in its consequences.

3. This crisis has unveiled the grave deficiencies of the present global economic governance. As country after country plunged into recession, as more and more people suffered untold hardships, it became increasingly evident that international institutions must be reformed or face the risk of losing legitimacy and relevance. Complacent regulatory systems failed at their task of preventing the crisis.

4. For years and decades, international financial institutions dedicated themselves to demanding that poor countries comply by strict macroeconomic rules. They did not even warn against the dangers of the casino into which the financial market had transformed itself. They were frequently critical of counter-cyclical measures while neglecting the social implications of economic policies. They revered the invisible hand of the market and underestimated the importance of the State as a regulator.

Madam Chairperson,

5. At the opening of the 64th General Assembly of the United Nations, President Lula reminded us that "more than a crisis of big banks, this is the crisis of big dogmas". It is our obligation to reform global governance and to protect the poorer from the worst effects of this crisis.

6. The ILO has a fundamental role to play in these endeavors. Indeed, since its creation over the wreckage of the aftermath of World War I, the ILO has been striving to establish a solid social foundation for the international economy. Harold Butler, the second Director-General of ILO, stated, in 1932, that both the social and economic dimensions were essential and should be examined as interdependent parts of one political approach aimed at promoting economic development, job creation and social justice.

7. The ILO has the merit of bringing together and promoting understanding among workers, employers and governments. As the mirror of the real economy, the ILO has been a cornerstone in the defense of sustainable enterprises, decent work and social protection for all, as well as in the dissemination of freedom of association and expression. The ILO's conventions and recommendations are the normative base that allows for advances towards a fairer globalization process.

8. Brazil has strongly supported the participation of the ILO in the ongoing discussions about the new global governance and in the efforts to overcome the present crisis. As stressed by President Lula at the Global Jobs Summit, last June: "In a time when so many paradigms fall, the ILO represents not only a political beacon, but also a moral and ethical reserve."

9. The adoption of the Global Jobs Pact represented a particularly important step. In placing employment, counter-cyclical policies and social protection at the heart of recovery plans, the Pact is a reference for the UN system and the Bretton Woods organizations. Along the same lines, Brazil presented a resolution in ECOSOC aiming at introducing the Global Jobs Pact into the agenda of UN Funds and Programs and international financial institutions. It is not enough to overcome the crisis; we must overcome it by creating jobs and creating worthy jobs.

10. It is our responsibility to ensure that the Pact is implemented both at the international and at the national levels. Overcoming the crisis is a challenge to all, but it requires specific solutions that are adapted to the circumstances of each. The exchange of experiences on successful policies is a useful instrument to assist Governments in designing result-oriented measures: it enables Governments to create distinct solutions for different problems. Every country has good examples to share and important lessons to learn. I always say

– in another forum, that of human rights, but I believe this applies to labor as well – that in these areas, both human rights and labor, there are no professors nor are there students. All can learn and all can teach.

11. The principle of a minimum social protection floor – consolidated by the Pact – has had a decisively positive impact on Brazil's path towards recovery. The right to universal health coverage and the guarantee of income security for the poor, the unemployed, the elderly and the disabled spared Brazil from the most serious effects of the crisis. Thanks to these policies and to programs such as *Bolsa Família* – which benefits 11 million families, that is, 50 million people – inequality in Brazil, the scourge that has afflicted and continues to afflict us, has decreased in a notable way, continually and consistently. And the decrease in inequality through programs like *Bolsa Família* not only transferred income, but also made the creation of jobs possible, therefore strengthening local economies. It is therefore a fallacy to suppose that it is necessary to grow before we can create social justice, that we must have positive economic indicators before we can create jobs.

12. South-South cooperation can and must be an effective instrument to alleviate poverty and address the effects of the crisis. Brazil is strongly engaged in South-South cooperation and has developed triangular cooperation with the ILO in the areas of social security and the elimination of child labor in countries like Haiti, Paraguay, Ecuador, Bolivia, Peru, Angola, Mozambique and East Timor. The Brazilian Government is ready to work with the ILO and with other developing countries – and perhaps with other rich countries that may be willing to share these experiences with us - to spread good practices and exchange lessons.

Madam Chairperson,

13. The impact of the global economic crisis on unemployment and poverty levels throughout the world can hardly be overstated. The ILO estimates that over 40 million jobs were lost due to the crisis. The effects will be felt for a long time. In this context, the outcome of the G-20 Summit in Pittsburgh, at which the ILO expressed itself through the ever eloquent voice of Director-General Juan Somavia, is an important achievement. Highlighting the human face of the crisis, the heads of government declared that the financial market should not be an end in itself but rather a tool for offering credit and

resources to the real economy, which is very important for businesspeople and workers. There was consensus on the need for the financial system to operate in a responsible manner and under well-regulated frameworks. The Leaders' Declaration of Pittsburgh reminds us that "major failures of regulation and supervision (...) created dangerous financial fragilities" which are the main cause of the crisis. The Presidents' and Prime-Ministers' document also rightly stresses the need to promote a "durable recovery that creates the good jobs our people need".

14. The meeting of Ministers of Labour and Employment, which will happen in the United States during the first semester of next year as a follow-up to the Pittsburgh Declaration, will be a key moment in the efforts to build an international economic and financial system that rewards the real economy, not the virtual one; workers, not gamblers; and productive enterprises, not the ones dedicated to speculation. The success of the recovery and of the new growth model that is sought after will also be measured by the quality of the jobs created. It is in this context that the concept of decent work promoted by this Organization, and especially by its Director-General, acquires special importance.

15. Summits and Ministerial meetings of the G-20 represent important opportunities to coordinate positions and examine proposals to recover from the crisis. The participation of developing countries and of organization like the ILO are the assurance that dialogue within the group will not be limited to reflecting the interests of the rich or narrow technocratic visions. I am pleased to know that among the preparatory documents of this Party there are reports that express the views of different regions. As I had the opportunity to stress at the UN Conference on the Economic and Financial Crisis and its Impact on Development, last June, it is important to have opportunities for all to defend their points of view. It was precisely the participation of poorer countries that allowed us to give the correct emphasis to the social impacts of the crisis, including on the fulfillment of the Millennium Development Goals.

16. Economic development and social inclusion in developing countries also depend on better market access for their agricultural products. Increasing rural poverty in Sub-Saharan Africa and in Southern and Southeast Asia have already targeted more than 600 million people. Yet, unfortunately, while the Doha Round is not concluded, OECD countries spend more on subsidies in favor of

inefficient farmers than the amount they devote to Official Development Assistance towards the victims of poverty, hunger and social exclusion.

17. According to FAO, US\$ 44 billion are needed to revitalize agriculture in the developing world – a very modest amount if compared to the many tens of billions of dollars spent each year in subsidies by rich countries to their farmers. The availability of resources is important to alleviate the immediate needs of poorer countries. On that matter, issues related to food security are being discussed today at FAO. I have recently visited Mali, a poor country of Africa, but a country that is engaged in trying to improve the situation. It developed a cooperation program to improve cotton cultivation. There I saw something odd, something I did not recognize: a small rod, a small piece of wood, on which insects were being bred. These are insects that feed on other insects, they devour the predator insects that affect cotton plantations. But, as I thought and told the President of Mali, who was with me, the worst predator was not there, because the worst predator for countries like Mali – that produce cotton and face international competition – are the subsidies paid by rich countries. Unfortunately, we still have not invented an insect to devour this predator. Aid to poorer countries is very important, however, it does not suffice. Cooperation, investments, technology transfer, knowledge sharing and capacity building are central to a more inclusive and fair globalization.

As I was able to see during a recent visit that included Mali, but also Togo, Guinea-Bissau and Equatorial Guinea, to cite only a few examples, the South-South cooperation efforts promoted by Brazil, but also by other countries, are headed in that direction.

Why do I emphasize South-South cooperation? Because it is not only about money, it is about sharing experiences. Countries such as Brazil, Argentina and others in South America, also South Africa, are countries that have undergone and are still undergoing situations that are very similar to those of other developing countries, that are however poorer than us. Therefore, we can share with them the experiences we have had, not 200 years ago like rich countries, but we have had and continue to have now. For that reason, South-South cooperation must be a concern for all international organizations, and I am pleased to see that it is a concern of the Director-General of the ILO, a concern of this Organization.

Madam Chairperson,

18. The Working Party on the Social Dimension of Globalization was created in a time of great uncertainties about the global economy. In November 2000, it was still possible to feel the bitter taste left by the failure of the Ministerial Meeting of the WTO held a year earlier in Seattle. It was an atmosphere of great pessimism regarding the globalization process. And I believe that, in part, the positive conspiracy, I would say, that led to my indication as President of the Governing Body, was due exactly to this bitter taste, to the doubts that existed. Because as I was also, at that time, our Ambassador to the WTO and concerned with social issues, as the Director-General knew, I could perhaps, at least, help to promote dialogue.

19. The creation of the Working Party, and its transformation to Working Party on globalization and not only on trade liberalization, represented an important relief and injected new life into the debates about the subject. I dare say that our discussions were the seed for the launching, in 2001, of the Doha development agenda. This Working Party deepened the discussion on issues that had been neglected until then and that could not have been swept under the carpet in any way. It was thought about globalization, as it is thought sometimes about the market, that problems could be solved automatically, by the mere expansion of globalization. The ILO was the pioneering organization that started discussing globalization not only regarding its more grandiose aspects, its more charming aspects, but also regarding its more dramatic aspects, its unbalances and asymmetries. By bringing the debate to the appropriate forum, on that occasion, in 2001, it shunned the ghost of protectionism that seemed to many to be the inspiration for the "social clause". In this way it allowed for the opening of trade negotiations that were important also for workers. Above all, important for developing countries, especially for those in poorer areas that depend on market access and need adequate competition conditions. It is the case of Africa, where I was recently and was able to verify that 80-85% of labor is in the rural sector.

20. For that reason, it is fundamentally important to conclude the Doha Round. I am an optimist. I still believe it is possible to conclude the Doha Round. The results of the discussion held until now contain unequivocal benefits for developing countries, most of all for poorer ones, regarding the reduction and elimination of subsidies

and market access. Their total value is even larger in the context of the international economic crisis. This has been recognized by leaders. What is lacking is the capacity to transform that political declaration into real and operational action. We have to conclude the negotiations quickly, because the opportunity will not last forever.

21. The Doha Round, which had been called the Millennium Round before being launched, is the last of the great negotiations of the 20th century. I am convinced that in the 21st century it will be increasingly difficult to separate social, environmental, trade, economic, and financial aspects. We will have to deal with issues in an integrated way. We will be presented with the double challenge of overcoming preconceived visions without allowing the complexity of subjects to serve as a pretext for protectionism. I am certain that this working party will have an important contribution to give in this important debate we have before us. And, sincerely, I would say, thinking about the discussions we had in Seattle and, later, about the progress we made in Doha, that richer countries, rather than worrying about obtaining a few extra dollars with some manufacture, should worry about this new world we will have to create, in which we will have to deal concurrently with social issues, climate change issues, financial issues and trade issues. That is the true democratic agenda – democratic in its deepest sense – that I think we should pursue.

Madam Chairperson,

22. An environment of recession and social unrest is a fertile ground for abject prejudices and practices. Such an environment is often conducive to acts of discrimination against vulnerable groups. In a time of economic crisis, policies to promote equality and against all forms of discrimination must be strengthened even further. I know that gender equality is at the heart of decent work.

23. Prejudice against migrant workers has become particularly worrisome. It is not uncommon for it to be an integral part of Governmental policies and national legislative frameworks. The High Commissioner for Human Rights has condemned these policies vehemently. In her own words, they treat migrants as "toxic waste". This is the greatest of follies with which we have to deal with nowadays. The same immigrants, that are called on to perform tasks that the more sophisticated populations do not want to perform,

when the crisis comes, are treated as if they were totally contemptible and as if they should be returned to their countries of origin. Brazil, which is a developing country, has recently passed a new law allowing for regularization and temporary residence in favor of virtually all irregular migrants in the country. It is not that Brazil is an extraordinary country, but if a developing country can do this, why can't rich countries? That is a question that must also be part of the concerns regarding the social dimensions of globalization and of the social dimensions of the crisis.

25. In the emergence of a new economic governance, the ILO has a lot to offer. President Franklin Roosevelt, still in the 1930s, said: "We always knew that heedless self-interest was bad morals; we now know it is also bad economics". In essence, Roosevelt was telling us that the promotion of work – and, I would say today, decent work – must be at the center of our recovery strategies. That is the lesson that the ILO has sought to spread over the 90 years of its existence. That is the lesson we must heed.

Thank you very much.