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## Address to the 10th ETUC Congress

Kari Tapiola  
Executive Director  
International Labour Office

I trust you allow me to start on a very personal note. It is a rare pleasure to address you today here in Prague. I am, of course, addressing you on behalf of the ILO but also as one of the delegates at the founding Congress of the ETUC in Brussels, 1973, where I was representing the Finnish SAK. And, 35 years ago, as a young journalist, I was here in Prague - both during intensive days of the Prague Spring which were so full of promise of democratization and freedom - and then I experienced how the enthusiasm was crushed by tanks.

But, as Bertolt Brecht wrote in his song about Moldau, times change, tyrants fade, the night has twelve hours but in the end, the day breaks out.

As we meet today in Prague, in Central Europe, it is important to remember that the current state of globalization was decisively ushered in by the end of the Cold War. In the early 1990s, following a longish period of structural change and internationalization of economic activity, the disappearance of walls and blocks led into an opening to a truly global market economy. We do debate what kind of a market economy we have and how it is managed, but its basic premises are not questioned. In other words, the debate is no longer between economic systems, but within them.

In the early 90s, a good part of the debate was in fact led astray, I would even say hijacked, by the simplistic and ideological belief that all that was needed was democratization and a universal market economy. We were told that all good things would automatically happen. A rising tide would lift all boats.

In a globalizing and increasingly transparent world, we soon began to see that the market economy plus democracy recipe was definitely not enough. The old problems - of poverty, child labour and violations of fundamental rights - did not disappear. Instead, without the old walls and boundaries, they had now become even more tangible. Children weaving carpets, stitching footballs and making firecrackers for export markets were clearly visible on television screens, and the products showed up in the neighbourhood shopping centres.

Hence the search for a minimum level of decent standards. At significant turning points, like after the First and Second World Wars, and after the Cold War, the world needs to reaffirm its

social growth agenda. If not, it encounters the warning of the original 1919 Constitution of the ILO - the failure of any country to treat its workers in a humane way constitutes an impediment to all other countries which strive to do so.

The destinies of the ILO and the European Union are closely intertwined. A key common denominator is social dialogue. It is one of the ILO's strategic objectives, it is one of the basic methods in Europe. If social dialogue won't work in Europe, it is very difficult to make it work at a global level. And if we cannot succeed in promoting it at a global level, it will be so much more difficult to make it work in Europe.

I wish to comment especially on the chapter on Europe and globalization of your action programme. I know that the points covered in paragraphs 18 to 20 are complicated and sensitive, and we need to be clear about what we want, and what we can do, in order to move ahead.

How the European Union uses its GSP system is, of course, a matter to the relevant EU institutions. It is important for the cohesion of the international system that the fundamental workers' and trade union rights referred to in the system are the same as those covered by our fundamental international labour conventions. Information on the Conventions and how our supervisory systems have, in specific situations, interpreted them is, of course, in the public domain. And we continue to be available for consultations and exchange of information on the content of our standards.

The ILO does not have the mandate to make conclusions outside the tripartite framework of its supervisory mechanisms. However, there are many practical ways in which we can work together. For instance, if there is a feeling that a given country (Country X or Country Y), has a serious problem with one of the categories of the fundamental rights, you might suggest to them that they would work more closely with the ILO, in order to define and start solving the problem.

Particularly since the adoption of the 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up, the ILO has developed new and significant technical cooperation activities and programmes in all four categories of fundamental rights: freedom of association and collective bargaining, the abolition of forced labour, the elimination of child labour, and non discrimination in respect of employment and occupation. Around half of the technical cooperation of the ILO is now in the area of fundamental principles and rights at work. This is a completely new situation from 10 years ago, and it demonstrates that in this global market economy, there also is a growing market for core labour standards.

In your draft action programme, you refer to a new formal structure of the WTO, with full ILO participation. Again, what the WTO decides is not for the ILO to say. We take our own tripartite decisions on how to cooperate with the WTO, and with all other relevant institutions, depending on their decisions. As in many other cases, we are dealing with another asymmetry of the multilateral system. The same governments do not necessarily pursue the same aims in different bodies. This is, in fact, less of a question between the international organizations than between the different ministries which represent an in principle largely convergent membership. In this context it is interesting to note the statements that the WTO's Director-General, Dr Supachai, has made on the need for more coherence in the functioning of the multilateral system.

Before the Monterrey Summit last year, the Secretary General of the UN stated that it should be evident that when economies improve and countries benefit from investment and market expansion, there should be a parallel improvement in the living and working conditions of all people. Although it is politically difficult to achieve agreement on formal linkages, there seems to be a growing feeling that market access and improved fundamental workers' rights have to, in one way or another, proceed together. Maybe this could usefully be elaborated later this year by our World Commission on the Social Dimensions of Globalization.

I shall today comment on the ILO-WTO relationship and potential models of cooperation only from one aspect. Irrespective of whatever might be desired and achieved, it is important to retain the ILO standards system as the benchmark for the multilateral system. The alternative - having international standards departments in all international bodies, all developing their own interpretations and jurisprudence - would be a prescription for chaos in the system.

This leads me to some considerations which cover both the international labour standards systems and voluntary instruments, including codes of conduct and initiatives for corporate social responsibility. I approach this from a somewhat different angle than is often done, as we still need to retain the main objective of the strengthening of national systems, institutions and their capacity.

What we at the ILO are trying to construct is a balance between our classical control and supervisory functions and the search for solutions. Of course there can be no question of weakening the supervisory mechanism. This is the mechanism which guarantees, among others, trade unions direct participation when rights are violated.

But we should not have an excessively one-dimensional view of violations or shortcomings. There are serious problems of political will, and we need to continue to single them out, analyze them, exercise pressure and convince and negotiate. This can work even in the most complicated and obstinate situations. For instance, we have been working on a tentative agreement with the Government of Myanmar (or Burma) for a pilot project which, in effect, could start creating a forced-labour-free zone, with an independent system for helping potential victims of forced labour to confidentially seek remedy. And we have started work with China on the ratification of the ILO's forced labour Conventions.

But not all shortcomings are due to a lack of political will. In many countries, problems with child labour, forced labour, discrimination and even freedom of association, are due to a serious lack of capacity. For instance, in one of the countries where we have monitored child labour in the textile and garment industries, relying on the existing labour inspectorate would mean that each factory could be inspected maybe once in ten to fifteen years.

We are engaged in monitoring exercises, and sometimes real rescue operations, concerning children who shouldn't work, and adults who shouldn't work in conditions they do today. We do this in countries like Bangladesh, Cambodia and Pakistan. In Brazil, we have a project that supports mobile inspection units from the Ministry of Labour - who mount unannounced inspections of logging camps and cattle ranches to root out forced labour. Sometimes the teams find workers who have been held in bonded labour for more than a decade, paid no wages, and unable to leave.

We can do targeted and stop-gap measures, also engaging employers and trade unions. But we cannot be satisfied that this is the road to full success. In the end we need to make national

enforcement, monitoring and development processes sustainable. This has been the aim of the ILO's child labour programme since 1992. It has grown into our largest single technical cooperation programme. Since 2000, we have also been working in some 35 to 40 countries to promote freedom of association and the right to collective bargaining, mainly through strengthening the capacity of trades unions, employers' organizations and institutions responsible for industrial relations.

In 2001 we launched an action programme on forced labour. In a short time we have started activities on all continents, including Europe. One of the worst abuses we focus on is trafficking, as trafficking eventually leads to situations of forced labour. And in two weeks' time the International Labour Conference will discuss a global report on discrimination - the first comprehensive report of its kind. I warmly recommend that you study this report entitled "Time for equality at work".

In November our Governing Body will take decisions on how we can improve our support to the tripartite constituents so that they, and their institutions, in which they participate, can better cope with the complicated many-faceted phenomenon of discrimination. After that, we can genuinely say that we have facilities, not only to identify the violations of core labour standards anywhere in the world, but also to deal with them on the ground.

In all of this, we of course address the behaviour of all the actors, including private national and multinational enterprises. The United Nations, the OECD and the ILO have focussed on them for over a quarter century now. Instruments and methods to promote voluntary corporate social responsibility are a part of this process.

At this point I want to make a simple reminder. Just as our monitoring processes, measures to encourage good corporate behaviour can help to redress things in an imperfect world, where people lack capacity, growth, and institutions. They are needed, just as are the kind of projects and programmes we do. They are in demand, even fashionable, today. But in the end, they should not be served or seen as THE solution.

We have to remember that needs for monitoring corporate behaviour arise out of failures, for different, both understandable and unacceptable reasons, to enforce a decent fundamental labour standards regime. The ILO can help, and does help, enterprises understand this better. It can help, and does help, enterprises and trade unions to come together and jointly agree to respect and monitor them. But my message to you on this topic would be: please, don't allow a situation where the basic responsibility for ensuring fundamental rights is turned over to private entities which have neither the vocation nor the legitimacy for their application.

Finally, I wish to express my thanks, and the ILO's thanks for years, or rather decades, of cooperation with Emilio. Having experienced the birth and growth pains of the ETUC, I must say that he has shaped it into a decent organization. A General Secretary must have an open mind but must also know where he or she wants to take the organization. Emilio has a combination of vision and capacity - and he has known how to make it work. He has rightfully earned his place in trade union history which, after all, is part of our mutual history, both personally and institutionally, between the ETUC and the ILO.

Thank you.