



Reply by the Director-General to the discussion of his Report

Introduction

1. The 2008 session of the International Labour Conference (ILC) took place at a time of global economic, social and environmental uncertainty, with the ILO reflecting on strategic choices for the period up to 2015. In years to come it will be remembered for the adoption of the landmark Declaration on Social Justice for a Fair Globalization, which encapsulates our commitment to shaping a better world by promoting decent work for all. The success of the Conference is in no small measure due to the President of the Conference, Mr Salamín, Minister of Labour and Social Development of Panama, and his Vice-Presidents, Mr Louh, Minister of Labour, Employment and Social Security of Algeria, Mr Tabani, the Employers' delegate of Pakistan, and Ms Diallo, the Workers' delegate of Guinea. Their skill and efficiency have contributed greatly to the success of the Conference. I record my admiration for the hard work and skill of all the officers of the Conference committees. I must also express my appreciation for the extraordinary contribution of Ambassador Jayatilleka not only in steering the work of the Governing Body over the past year, but also, together with his Officers, in preparing this Conference.
2. A record number of women and men participated in this year's Conference. A total of 2,869 delegates were accredited, of whom just over 25 per cent were women. This is an improvement on previous years; in 2002, for example, just over 20 per cent of the delegates were women. However, women tend to be nominated as advisers and deputies, and this year only just over 19 per cent were titular delegates. Some 45 national delegations were one third female, and 18 were composed of at least equal numbers of women and men. I congratulate those countries that have increased their female representation at the Conference, but strongly believe that still more effort must be made to achieve at least one third, and preferably equal, female participation in the Conference. Of the 270 contributions to the debate in the plenary sessions of the Conference, I regret to say that only 46 were made by women. I fully endorse the words of Ms Awassi Atsimadja, the Employers' delegate of Gabon, who urged African employers' organizations to continue to "promote the spirit of openness, by daring to bring about change, concerning the appointment of more women delegates and technical advisers to the International Labour Conference (ILC), as well as concerning the increasingly visible role of women in strategic and decision-making posts in our national employers' organizations, at the level of confederations as well as sectoral trade union groupings and at the Pan African level through the CPE".

Presidential visits

3. The Conference had the honour to welcome the President of the Republic of Slovenia, Danilo Türk, and the President of Panama, Martin Torrijos, as well as Prime Minister Mosisili of the Kingdom of Lesotho, who participated in a high-level panel on the food crisis.
4. In his address, President Türk focused attention on the creation of employment opportunities, the implementation of basic labour standards, social protection and social dialogue as “objectives of global importance”. He underlined the role of the ILO in generating a better understanding of the centrality of the elements of the Decent Work Agenda and its relevance for national and international policy-making and cooperation in today’s era of globalization. As the first sitting incumbent of the European Union presidency to address the ILC, he called for worldwide implementation of the Decent Work Agenda and reaffirmed that it is an essential element of the EU’s Lisbon Strategy on growth and employment. He challenged the belief that “modern technologies have levelled the playing field, thus offering comparable opportunities to everyone in the world and the promise of a great future to all”. In his view, those technologies “do not automatically translate into greater freedom and justice or more durable peace. Peace and justice, including social justice, require special efforts”.
5. In this context, he noted that “the International Labour Organization is expected to offer an effective strategy of decent work to guide its member States, as well as employers and workers”. Such strategies are based on ethical postulates such as the principle that labour is not a commodity; labour adds value in the process of production and is a value in itself; labour and creativity go hand in hand and present a “basic guarantee” for development. He affirmed that decent work is of vital importance in every society because it represents the first step out of poverty. This is the case even in affluent societies, such as those of Europe. He also recalled, however, that subsidies and social transfers do not eliminate poverty, poverty lingers on in the form of social exclusion, while decent work for all provides inclusion and is the only viable solution, which is why “worldwide implementation of the concept of decent work is called for”. In implementing the Lisbon Strategy, active employment policies, the modernization of social protection, and investment in human capital to promote social cohesion and improve the flexibility of the European labour market are all key issues discussed by the social partners and governments alike. In order to evaluate the process of realizing decent work, he suggested “a combination of statistical measurement of the effects of policies and legal assessment of the level of compliance with the accepted labour standards”. He concluded by emphasizing his belief in the ILO and his hopes for the future: “The ILO not only has great historical experience, but also has a great mission today and a great role to play in the future. I am convinced that social justice and decent work will be an important characteristic of that future, of our common future, towards which we all need to work.”
6. President Torrijos stressed the great importance of decent work in “overcoming the challenge of world poverty, in particular, rural poverty”. He said that: “This is where the pain is most felt, where the lack of opportunities is more apparent, and hence this is where the greatest efforts must be brought to bear. At a time of amazing technical breakthroughs, poverty is a universal disgrace. It is an insult to intelligence and to human solidarity.” In order to spread wealth equally he stressed the significance of political will and effort and the necessity of social dialogue based on consultation and solidarity. He underlined the fact that ensuring everybody’s basic needs provides the precondition for realizing decent work – the “real way out”, since “if we do not first give a fish, many people will not be able to muster the minimum energy to learn to fish. It is only when people can be lifted beyond the breadline that we can generate the decent work to which we all aspire”.

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7. President Torrijos emphasized that the people most affected are the vulnerable and marginalized, particularly indigenous people, living in the rural areas: “This is where we find the biggest deficit in decent work and where day in, day out, it is increasingly hard to survive and where, today, people are the hardest hit by food shortages.” He called upon the world’s Heads of State and Government to commit themselves to comprehensive policies which will promote productivity, competitiveness and decent work and highlighted the crucial need for political will to achieve economic growth, development and social justice: “The development of business and entrepreneurial qualifications and skills plays a fundamental role in the move towards productivity, growth, employment and development.” In this context political will was needed to invest in people, to ensure tax efficiency and equity, supported and achieved through social dialogue. He underscored the key role of social dialogue as “the only option to lend legitimacy to major decisions while fostering good governance and institutional stability. It is simply a question of achieving agreement and consensus”. He cited the project to widen the Panama Canal as an example of efforts made by the Government and the social partners to respect labour rights and to train people before beginning work on “this epic feat”, contrasting this approach with the time some 100 years ago when the Canal was built. Mr Torrijos paid homage to the first decade of the ILO Declaration on Fundamental Principles and Rights at Work of 1998 and, above all, to the undertaking to promote and consolidate decent work. He emphasized Panama’s confidence that “international conferences such as this one will continue to foster harmonious and frank dialogue as the very best mechanism for solving humankind’s most serious problems and will lead us along the path of peace, social justice and development with dignity”.

Social justice for a fair globalization

8. On 10 June, the Conference adopted the ILO Declaration on Social Justice for a Fair Globalization. This was an exceptional achievement. The members of the Committee on Strengthening the ILO’s Capacity (SILC) had set themselves an ambitious target: to produce a document that would be as important as the Declaration of Philadelphia. This ambition obviously led and inspired the discussions and the work of the Committee, and helped in forging a high-level consensus on even the most controversial issues. Just as the Declaration of Philadelphia was a response in May 1944 to the challenges of post-war reconstruction, the new Declaration is an expression of the relevance of the responses social dialogue at its best can produce to today’s challenges of globalization.
9. The new Declaration identifies those challenges and goes further towards meeting them by strengthening our own capacity, by keeping faith with our values and our history in these changing and trying times. The Declaration on Social Justice for a Fair Globalization is a foundation document. It expresses the recognition by the ILO’s highest decision-making authority of the changing demands of the world of work, and of our common resolve to strengthen our response through the Decent Work Agenda. With the Declaration, and the accompanying resolution on strengthening the ILO’s capacity to assist its Members’ efforts to reach its objectives in the context of globalization, the ILO’s global tripartite constituency has placed decent work at the heart of the ILO’s institutional system. It brings with it further changes – for the Office, for the Governing Body and for the Conference. I have to say I welcome that. Together, we will make these changes happen. As Mr Julien, the Employer spokesperson on the Committee, said: “Consensus must continue, and it must involve all players working towards development, social justice and employment. We feel that with this Declaration, the Organization is equipped with the best tool it has ever had to meet the challenges of globalization.”
10. The Declaration makes the Decent Work Agenda the main means of action to achieve social justice for a fair globalization. The ILO’s four strategic objectives, which together

make up decent work, are well summarized in this authoritative document. They are considered inseparable, interrelated and mutually supportive. It is clearly stated that the failure to promote any one of them would harm progress towards the others. But at the same time it is recognized that the means by which they are achieved is a question to be determined by the Members themselves, in the light of their national conditions and circumstances and their priorities as defined through social dialogue. As the Chairperson of the Committee, Mr Elmiger, emphasized: “Our Declaration on Social Justice for a Fair Globalization demonstrates how important it is that States fully shoulder their responsibilities in view of the challenges of globalization. Their very legitimacy is at stake because globalization does not absolve States of their responsibilities with regard to social policy.” Moreover, for the achievement of these objectives, the need for solidarity and cooperation among all Members of the ILO is reaffirmed as well as the importance of the principles and provisions of international labour standards. Mr Patel, the Worker spokesperson, put it very well when he said that “the Declaration vision is backed up with real implementation substance, strong partnerships, clear follow-up mechanisms and a strong effective office and operational machinery”.

11. This Declaration not only lays down essential principles; it is also a strong call for action: action on the part of the Members to contribute to the realization of an integrated strategy for the implementation of the ILO’s strategic objectives, which encompass the Decent Work Agenda; and action on the part of the ILO to strengthen its capacity to support its Members’ efforts and respond better to their needs, making the fullest use of the whole range of its means of action. A series of innovative proposals are made and some guidance is given concerning the way forward, including in the accompanying resolution. It provides valuable insights in various areas, and reflects very high demands and expectations with regard to the ILO’s work. It is a call for creativity, efficiency and excellence. As the Reporter of the Committee, Mr Paixão Pardo, said in introducing the report, “the methods of implementation provided for under the Declaration and its follow-up are all designed to promote the improvement of governance and the development of the capacity of the ILO, with a view to understanding and responding better, together with the Members, to the current needs of the Members as they seek to counter the effects of globalization”.
12. The ILO Declaration on Social Justice for a Fair Globalization is the result of a long process of discussion and extensive consultation. The spirit of consensus was present all along among the three groups and prevailed right up to the final and unanimous adoption of the text. This should ensure full ownership of the Declaration by all: employers as well as workers, governments from the industrialized world as well as from emerging economies and developing countries. Implementing the Declaration is a challenge but also an exceptional opportunity. I am confident that together we will grasp the opportunity we have made for ourselves and build a successful follow-up to the ILO Declaration on Social Justice for a Fair Globalization.

Decent work: Strategic challenges

13. Two strong themes emerged from the Government, Employer and Worker speeches in the plenary debates. These were: the food, fuel and financial crises; and the role of the Decent Work Agenda and a stronger ILO in national and international policies for sustainable development.

Food, fuel and financial crises

14. A high-level panel on the world food crisis focused attention on the gravity of the current food crisis and the potential role of the ILO’s Decent Work Agenda in contributing to

policies to alleviate distress caused by soaring food prices and to increase agricultural production and the earnings of poor rural workers and small farmers. Mr Mosisili, Prime Minister of the Kingdom of Lesotho, said that “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”. He noted that 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”. The crisis “also triggers outright massive inter-country and inter-continent migration and accelerates intra-country rural-to-urban migration”. In addition to short-term food aid, the Prime Minister called for “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” which were “the key challenges in addressing the food crisis. He noted that “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”. He concluded by emphasizing that Lesotho, a least developed country, was aiming to improve the quality of life of its citizens: “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.”

15. Mr O’Reilly, the Employer panellist from New Zealand, identified six policy responses. “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. 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.” He underlined that the ILO should focus on responses within its mandate, competencies and budgetary constraints and suggested that enterprise creation and development and social protection were key policy areas for the Organization. He welcomed the setting up of a United Nations Chief Executives Board task force to tackle the global food crisis under the leadership of the Secretary-General, and called on the ILO “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”.
16. Mr Oswald, the Worker panellist and General Secretary of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations, recalled that in 1996 the Rome Declaration on World Food Security had stated that “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”. Whether food prices were high or low, the numbers of people living in hunger failed to fall and was now estimated to be over 850 million despite a huge increase in agricultural trade. “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.” At the same time the major corporations that dominate food commodity supply chains were announcing record profits. Criticizing recent official analyses of the food crisis, he noted that 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, was entirely absent. He also argued that speculation in commodities was an important influence on food prices and that “social regulation at national and subnational levels including implementation of ILO standards was 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.”

17. Mr Båge, President of the International Fund for Agricultural Development, described the role of the UN Secretary-General’s Task Force in developing a comprehensive framework to address the food crisis. He believed it would establish 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”. A basic starting point was the fact 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”. Underinvestment caused in part by a big drop in aid for rural and agricultural development had led to a fall in the rate of annual productivity growth from 4–6 per cent in the early 1980s to around 1–2 per cent now. This had to be reversed to “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”. Focusing on the potential of smallholder farmers to increase production and raise their often low incomes, he called for assistance to 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”. He concluded by stressing that support for the very often weak farmer and producer organizations and organizations of farm workers was crucial. They are “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”.

18. In the general debate, many speakers discussed effects being felt in their countries and the possible role of the ILO’s Decent Work Agenda in responding to the interrelated food and financial crises. Ms Abdel Hady, Minister of Manpower and Migration of Egypt, said that these developments “have affected living conditions, particularly among poor workers and marginalized groups, migrant workers and their families, those who have special needs, those who are working in the formal sector and women who are suffering discrimination in the world of work”. Ms Siptey, Minister of the Civil Service and Labour of Niger, lamented that “it is the developing countries who have been worst hit by the crisis with widespread price rises, in particular on foodstuffs which are the staples of life”. Ms Thienthong, Minister of Labour of Thailand, described the situation of the rural working poor who “normally seek extra jobs to supplement their income during the slack season. The majority of them move to big cities or are employed overseas. Many of them get casual or temporary jobs, but due to lower skills and the lack of retraining most of them end up as marginalized poor or vulnerable migrants overseas”. For Mr Lozano Alarcón, Minister of Labour and Social Welfare of Mexico, this called for “the committed participation of organizations of workers and employers, so that they, together with governments, can strengthen tripartism, enhance social dialogue and promote measures to overcome the crisis and enable us to fulfil the objectives of the Millennium Development Goals”. Mr Cockcroft, General Secretary of the International Transport Workers’ Federation, argued that “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”.

19. Ms Chao, Secretary of Labor of the United States, questioned the assessment in my Report that a confluence of events has placed us in a situation not seen since the Great Depression and suggested that the comparison was “erroneous and inappropriate”. She believed the ILO should “focus its core mission on building capacity in labour and employment ministries, especially in worker training, promoting flexible workforces that can cope with rapidly changing conditions, helping to ensure workplace protection and adherence to internationally recognized core labour standards, and focusing on the economic policies that promote job creation”. Mr Silva Santos, a Workers’ delegate from Brazil, argued that economic recession was endangering workers’ hard-won gains. He particularly criticized the “financialization” of the global economy, which put at risk jobs and ultimately increased poverty levels. Mr Varela, Employers’ delegate of the Philippines, also expressed concern about the impact on the most vulnerable of the spreading global financial crisis. He pointed out that “for all its intended benefits, the emergence of a globalized economy has not really and effectively created a level playing field for all. The wider reach of the big players, with their large production and distributions networks, coupled with their financial muscle and dominance in technology, has virtually denied small players a fighting chance”.

Decent work, sustainable development and a stronger ILO

20. While expressing concern about current risks to progressing towards the goal of decent work for all, many speakers took the opportunity to address the medium-term role of the ILO in contributing to economically, socially and environmentally sustainable development. A number of speakers offered views on the direction the ILO should take over the next six years to be covered by the Strategic Policy Framework to 2015.
21. Several speakers reaffirmed tripartism and social dialogue as distinctive values of the ILO. Mr Nakajima, the Workers’ delegate from Japan, said that “tripartism is the way to balance the democratic voice of society, the regulatory function of the State and the innovative and productive function of the market ... the only key to overcoming the globalization deficiency is through strong tripartism.” Mr Muga, Employers’ delegate of Chile, emphasized the role of the ILO in the generation of the trust needed for effective social dialogue within countries and companies: “When workers and employers establish a dialogue on the basis of shared information which takes into account the reality of the work and the company’s production activities, communication becomes easier, which makes it possible to reach agreements on modern and appropriate labour relations for a world that is constantly changing and facing new challenges.” Mr Tomada, Minister of Labour, Employment and Social Security of Argentina, spoke about social dialogue “as a means and an end, as a method and as an institutional response. It is, without a doubt, a path to changing societies for the better. Social dialogue is the embodiment of a democracy and of respect for the interests of all, but it only functions when the common good guides the decisions of the parties and when it serves to improve the lot of all society”.
22. The importance of the ILO’s commitment to international labour standards was also mentioned by many speakers. Mr Potter, Employers’ delegate of the United States, stressed the importance of improving the application in practice of international labour standards. Describing his experience of promoting good labour practices in supply chains, he said that many companies were trying “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." Mr Ryder, General Secretary of the International Trade Union Confederation, welcomed the proposal to launch a campaign for the universal ratification of the fundamental rights Conventions by 2015. He said that this "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 much broader application of standards if decent work is to prevail". Ms Palli-Petralia, Minister of Employment and Social Protection of Greece, argued that "we must remain focused on increasing the impetus of decent work, which provides a link between the increase of productivity, the enhancement of competitiveness and economic growth in general, and the social necessity of distributing the benefits of such growth equitably".

23. The necessity of organizing social progress internationally in the context of a globalized economy was a recurring theme. Commissioner Spidla of the European Commission argued that "in the context of a globalized economy, we can no longer distinguish between internal and external policies. If we want effectiveness, we have to combine these two aspects, and this is particularly true for employment and social issues". Ms Burrow, Workers' delegate of Australia, also urged that ILO to support efforts to "grow green jobs" which should be central to employment strategies as we design trading emission schemes. We must fund innovation and share technological developments with the developing world. No one individual, or one nation, can be an island in this quest. Employers and workers, working together, have a major role to play in this endeavour". Mr Benevides Gadelha, Employers' delegate of Brazil, believed that "the importance of decent work in building a sustainable global society should be embraced and should go hand-in-hand with an equally robust promotion of the irreplaceable role of sustainable enterprises in achieving decent work for all".
24. The urgency of tackling inequalities within and between nations was a feature of many speeches. Mr Mdladlana, Minister of Labour of South Africa, expressed serious concern about growing social tensions, pointing out that "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". Mr Xu, Workers' delegate of China, said he believed that "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". Ms Taipo, Minister of Labour of Mozambique, called upon "international cooperation partners to adjust their investment strategies, with a view to accommodating national interests in the struggle against poverty and the creation, not only of jobs, but of decent jobs, which value human beings". Ms Maslarova, Minister of Labour and Social Policy of Bulgaria, highlighted the fact that "in the framework of the ILO, it has often been emphasized that only harmonized activities in the sphere of economic, financial and social policy will make it possible to bring about sustainable development and social prosperity for mankind".
25. The value of commitment to decent work as a global goal was seen by a number of speakers as crucial to shaping a fair globalization. Mr Brandner, Parliamentary Secretary of State of the Federal Ministry of Labour and Social Affairs of Germany, emphasized that "only a globalization which is complemented by social progress brings sustainable advantages to the industrialized countries as well as developing countries. This fact was recognized this year at the meeting of the G8 Heads of State and Government and the German Presidency of the G8. But we have to be honest here: we are still a long way from our goal". Mr Ito, Parliamentary Secretary for Health, Labour and Welfare of Japan, drew

attention to the G8 Labour and Employment Ministers in Niigata and the adoption of the “Niigata Global-Balance Principle”, a pledge “to promote social dialogue and cooperation at the workplace with a view to achieving a coherent balance of growth, employment, productivity and concern for the environment”. Mr Sacconi, Minister of Labour, Health and Social Policies of Italy, noting that Italy would host the next G8 Labour and Employment Ministers meeting, stressed that “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”.

26. A number of speakers discussed reform of the ILO. Mr Bertrand, Minister for Labour, Social Relations, Family and Solidarity of France, said that “this reform is necessary to strengthen the capacity of action of the ILO in the world and to effectively promote decent work throughout the planet”. Mr Fonseca Vieira Da Silva, Minister of Labour and Social Solidarity, Portugal, referred to the high expectations expressed at the Lisbon Forum on Decent Work for a Fair Globalization of the ILO’s capacity to deliver, and emphasized “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”. Mr Biltgen, Minister of Labour and Employment of Luxembourg, expressed support for “all efforts to give the ILO the necessary capacity to play a key role in respect of the proper governance of globalization. It is essential that we give the Organization the budgetary resources it needs, from both regular and voluntary contributions, to strengthen its capacity”. He also called for “greater consideration to be given to methods of international governance, better coordination of economic policies and, where possible, permanent institutional cooperation between international organizations”. Ms Del Rio, Workers’ delegate of Italy, said “we think that the ILO’s regular budget should be revised in order to guarantee adequate means to implement the Declaration and its follow-up”. Mr Subramaniam, Minister of Human Resources of Malaysia, said he believed that “more can be accomplished by the ILO through its presence in the regional setting. Representatives of the International Labour Organization in the regional offices should have regular communication with the member States of the region to better understand labour-related issues and provide appropriate technical assistance, taking into account the national aspirations of each country”.
27. Many speakers referred to the importance of the ILO’s Decent Work Agenda to building peaceful societies and peaceful international relations, often referring to the Report on the situation of workers of the occupied Arab territories. Mr Trabelsi, Workers’ delegate of Tunisia, felt that the situation of the workers in Palestine was becoming worse and worse “due to the continuing occupation, the annexing of cultivable land, the building of the separation wall, the construction of new colonies and the stepping up of the embargo against Gaza and the West Bank”. Ms Arif, Minister of Social and Labour Affairs of the Syrian Arab Republic, thanked the ILO for its Report and described the suffering of workers and employers in the territories as “the most flagrant modern-day illustration of the violation of human dignity, oppression and humiliation”. Mr Abdullah Ali, a representative of the Palestinian Authority, called on the ILO “to strengthen the follow-up for production partnerships and support all employers with all the operational difficulties they face on a daily basis, in order that they may strengthen their capacity to deal with the policy of marginalization, expropriation and expulsions implemented by the occupying forces”.
28. Important contributions to pushing forward the Decent Work Agenda were publicized during the Conference with the announcement of the ILO Decent Work Research Prize 2008 and the presentation of the “Agenda Bahia”. The prize was shared by Nobel Prize winning economist Joseph Stiglitz and leading Canadian labour researcher Harry Arthurs. The Governor of the Brazilian State of Bahia, Jacques Wagner, presented the world’s first

state-level decent work initiative at the Conference. The innovative Bahia programme shows how the global agenda of decent work can grow from local roots.

Freedom of association and the effective recognition of the right to collective bargaining

29. Coming on the tenth anniversary of the Declaration on Fundamental Principles and Rights at Work, the third Global Report on freedom of association and the effective right to collective bargaining under the Declaration's follow-up provisions stimulated a rich exchange of views and many suggestions for future action which can be taken up by the Governing Body. It was particularly appropriate that the cycle of reporting on the Declaration led to a report, *Freedom of association in practice: Lessons learned*, in the year of the 60th anniversary of the adoption of Convention No. 87. The Report was welcomed by many speakers. Mr Tabani, for the Employers' group, stressed the key importance of remembering "that freedom of association creates the right environment to choose voluntarily whether or not to engage in collective bargaining". Mr Trotman, for the Workers, highlighted the fact that, while many countries had ratified Convention No. 87, many which had not yet ratified were very large and accounted for about half of the world's population. He argued that such countries needed "to ensure that, ratification apart, every man and woman in their country is genuinely being given the opportunity to exercise his or her freedom at work and, through that freedom, to obtain social justice at the workplace and in the country at large".
30. Many speakers commented on the information and analysis provided in the Report on exclusion of certain groups of workers from the scope of legislation on the right to organize. Mr Ahmed, Workers' delegate from Pakistan, pointed out that workers not only in the informal sector and the rural sector, which constitute the bulk of the population in his and other developing countries, "are still denied these basic rights owing to the feudalism that prevails in many developing countries. We therefore urge that these impediments to the exercise of these rights be removed, not only in this area, but also in areas including essential services, domestic workers and migrant workers". Mr Funes de Rioja, Employers' delegate of Argentina and Chairperson of the Employers' group, strongly emphasized "that equal emphasis is not always given to violations of the freedom of association of employers". Mr Al-Dosari, Minister of Labour and Social Affairs of Qatar, who also spoke on behalf of the Gulf Cooperation Council (GCC), said that GCC countries wanted "to use all possible means to promote human rights, freedom of association and the participation of all sectors of society and the social partners in the development of our countries". Mr Fernandes, Minister of State for Labour and Employment of India, informed the Conference that in India, workers in the informal economy had been enjoying the rights of collective bargaining by forming cooperative societies which are crucial for the transformation of Indian agriculture. Mr Rahman, Employers' delegate from Bangladesh, recognized that freedom of association and the right to organize collectively "ensure dynamic and conducive economic and social conditions, but also help achieve convergence of views and approaches amongst the social partners and can ensure an inclusive growth process".
31. Several speakers described reform processes designed to strengthen respect for the principles set out in the Declaration. Mr Nusrat, Government delegate of Pakistan, noted that the newly elected Prime Minister, in his first speech to the National Assembly, had announced his intention to bring all labour laws into conformity with the ILO Conventions. Mr Plumato, a Workers' delegate from Argentina, highlighted measures that had reaffirmed the validity of social dialogue after almost three decades of a purely virtual existence and enhanced the presence of freedom of association in his country. Mr Kassim, Government delegate of Nigeria, described important reforms and a Labour Institutions

Bill which is among new initiatives introduced by the Government “to create and regulate the labour market institutions used for dispute resolution”.

32. Building the institutional capacity of government and public agencies, employers’ and workers’ organizations to realize the full potential of freedom of association was an issue addressed by many speakers. Mr Munyes, Minister for Labour of Kenya, argued that “governments need to be assisted in creating institutions that facilitate the establishment of trade unions and employers’ organizations and promote a culture of collective bargaining”. Mr Addoum, Government delegate of Morocco, drew attention to “the importance of freedom of association and collective bargaining within a context marked by increased competition, where respect for trade union freedom is an indispensable condition for economic competitiveness and attracting foreign investment”. He emphasized the role of the State in providing a framework of “updated legislation, the existence of efficient institutions and the efficiency of the labour administration”.
33. Looking to the future, speakers expressed appreciation for the suggestions offered in the Report for a four-year plan of action. Mr Stosad, Deputy Minister of Labour and Social Inclusion of Norway, referred to the ILO’s “long-standing experience in assisting member States with labour law reform”, arguing that “it is of the utmost importance that the Organization continues to have enough capacity in this field to be able to meet requests for assistance from member States”. Ms Young, for the Government of Canada, pointed out that “rights that are notionally recognized but not realized on the ground make little difference to the lives of workers or employers”. The factors necessary for their realization include appropriate legislative frameworks, effective labour administration and enforcement mechanisms, institutions to facilitate collective bargaining and dispute resolution, and independent workers’ and employers’ organizations. Mr Van Holm, for the Government of Belgium, noted the reduction in extra-budgetary financing of technical cooperation and suggested that the moment had come to examine and adjust the imbalance in the distribution of resources between the four groups of fundamental principles and rights. Mr De Witt, for the Government of the United Kingdom, strongly supported “the ILO’s unique supervisory mechanisms which enable workers’ and employers’ organizations to monitor how those rights are being applied and to engage in dialogue with governments on issues of compliance. These processes have enabled the ILO to do as much as, if not more than, any other body to highlight abuses of, and bring about respect for, international workers’ rights”. Both the Worker and Employer spokespersons called for increased support for building the capacity of the social partners to organize and represent their members, and looked forward to the consideration by the Governing Body of proposals incorporating the many valuable suggestions that had been made.

Rural employment for poverty reduction

34. Ms Fehringer, the Reporter of the Committee on Rural Employment, noted that, with some 3.4 billion people, or three-quarters of the world’s poor, living in rural areas, it is clear that promotion of decent employment in rural areas is a key prerequisite for moving towards the MDGs and for advancing the ILO’s global Decent Work Agenda. The Committee had a very productive general discussion. As the Chairperson of the Committee, Mr Chisupa, of the Government of Zambia, said in proposing the adoption of its conclusions: “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 agricultural sector plays in the global economy, generally, and in the supply of food, specifically.” The Worker Vice-Chairperson, Mr Ritchie, agreed that, with 800 million people in the world going hungry and the number growing rapidly in many developing countries, “the best way to

ensure these people have food is decent work, while providing decent rural employment is a way of ensuring poverty reduction”. Ms Fehringer, Reporter of the Committee, also felt that “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.” Mr O’Reilly, Employer Vice-Chairperson of the Committee, while stressing the importance of agriculture as critical for fostering overall economic growth with large benefits for the poor, “cautioned against equating rural with agriculture. In terms of pathways from poverty, non-farm employment and enterprise are a crucial element”.

35. The discussion looked at the challenge of employment in rural areas through the four strategic objectives of the decent work lens. The result was a comprehensive 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 considers appropriate labour market regulations and institutions for rural areas. It 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 to promote social dialogue and better governance.
36. The conclusions confirm the important contribution that the ILO can make in the field of promoting rural employment. They provide 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 activities which can underpin such an effort, the policy guidelines and tools that could usefully be developed, and the partnerships with organizations such as the Food and Agricultural Organization of the United Nations (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 in implementing effective Decent Work Country Programmes (DWCPs) and the wider context of UN reform.
37. I would like to thank the Officers and all the members of the Committee for the hard work which produced this excellent result. The Office will now undertake a careful review of the useful guidance provided by the Committee and draw up a focused and practical plan for the Office’s work in this important area. I would also like to recognize the contribution made by the Committee in preparing a resolution concerning the ILO’s and the tripartite constituents’ role in tackling the global food crisis. This, together with the Committee’s conclusions, will provide valuable guidance for the Office’s follow-up work on the global food crisis.

Skills for improved productivity, employment growth and development

38. The conclusions adopted by the Committee on Skills express a commitment by governments and the social partners to strengthen vocational training and lifelong learning as a central pillar of employability for workers and sustainability for enterprises within the Decent Work Agenda. These conclusions build on the Human Resources Development Recommendation, 2004 (No. 195), and on the conclusions on the promotion of sustainable enterprises adopted by the Conference last year. In his address to the Conference plenary, the Committee Chairperson, Mr Armitage, commended the Committee for having discussed difficult subjects in ways that maintained relationships among members who held sometimes strongly opposing views. The value of the conclusions derived in no small part from the fact that they had been arrived at through consensus. The Worker Vice-Chairperson, Ms Jacob, and the Employer Vice-Chairperson, Mr Renique, expressed

similar sentiments, pointing out that the constituents now “owned” the conclusions which spelt out responsibilities and actions for governments and the social partners, as well as setting priorities for support from the Office. As the Worker Vice-Chairperson put it, the challenge of “what next”, of putting the agreed conclusions into action, is the real challenge.

39. The conclusions note that the vicious circle of inadequate education, poor training, low productivity and poor-quality jobs and low wages traps the working poor and excludes workers without relevant skills from participating in economic growth and social development. They envisage instead of this a virtuous circle in which improvements to the quality and availability of education and training for women and men fuel the innovation, investment, technological change, enterprise development, economic diversification and competitiveness that are needed to accelerate the creation of more and better jobs and improve social cohesion.
40. It was recognized, however, that skills development will not by itself lead to improved productivity and employment. Other critical factors include respect for workers’ rights, gender equality, and health and safety standards; good labour relations and social dialogue; and effective social protection, active labour market and employment growth policies.
41. Governments have overall responsibility for creating, in consultation with the social partners, the enabling framework to meet current and future skills needs. In order to link skills to productivity, employment, development and decent work, skills development policies should target three objectives, namely: matching supply to current demand for skills; helping workers and enterprises adjust to change; and anticipating and delivering the skills that will be needed in the future.
42. Meeting these objectives requires that governments, working with the social partners, build policy coherence in linking education and skills development to labour market, technology, investment, trade and macroeconomic policies. This will place a high premium on effective institutions at the inter-ministerial level and on effective social dialogue.
43. The conclusions adopted by the Committee aim to help countries use skills development to take advantage of opportunities and mitigate the negative impact of global drivers of change; to integrate skills development into national and sectoral development strategies; to build seamless pathways of education that connect basic education, vocational training, labour market entry and lifelong learning; and to extend access to education and training for those who are disadvantaged in society. They call for ILO support at both country and headquarters levels. Priorities set for fresh research include the use of skills development to facilitate the transition from informal to formal economy activities and the impact of the main drivers of change, such as trade and climate change, on employment and skills development. Priorities for policy advice and technical cooperation include improving employment services, labour market information, and skills forecasting; linking employers to training providers and increasing workplace learning – including through upgrading traditional apprenticeships; developing regional skills recognition schemes; and increasing the availability and quality of skills development in rural areas in line with the conclusions on promoting rural employment.
44. Across these and other areas there was a call for the Office to consult governments and social partners on the adaptability of methods or approaches found effective in some countries to the circumstances in others. There was also a recognition that the ILO commitment to coordinate with other UN agencies at the country level – under the “Delivering as One” framework – was particularly important in the area of skills development because responsibilities for education and skills are shared across several ministries and involve the support of other UN organizations. The call for coordination of

skills development policies between ministries of labour and education – which was also emphasized in the education campaign on the World Day against Child Labour – will require an equivalent commitment to coordination among UN and other international agencies.

45. Constituents made a strong claim for linking the eradication of child labour to skills development. Mr Lupi, Minister of State for Labour and Employment of Brazil, emphasized “the importance of preventive action which should be at the core of our policies relating to this topic. Education is without a doubt the key to eradicating child labour in the world”. Mr Cerescu, Employers’ delegate of Moldova, added that “A high-quality education for all serves as the bridge by means of which children, when they become adults, move forward in life. It is this understanding of child labour that makes it possible for the employers of Moldova to find decent alternatives to help eliminate it where it occurs.”

Application of standards

46. This year, the Conference Committee on the Application of Standards marked the 60th anniversary of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the 50th anniversary of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). It also marked the tenth anniversary of the ILO Declaration on Fundamental Principles and Rights at Work, 1998. The Committee highlighted the importance of tripartism and dialogue – in which the very existence of the Conference Committee is embedded – and noted that they had this year proven their worth once again. They are at the heart of the Committee’s dynamism and its informed discussions on major topical work-related issues.
47. This dynamism was reflected in the recent pragmatic evolutions of the Committee’s working methods and the more specific adjustments made by the Committee in the interest of its smooth functioning. None of the evolutions or adjustments could occur without tripartite consensus. During its general discussion, the Committee acknowledged the positive developments in its working methods resulting from the recommendations of the tripartite working group it had set up two years ago to consider the various issues raised by the Committee. It was felt that a number of important matters had been addressed, enabling the Conference Committee to work more efficiently and effectively as a result in particular of greater transparency. The Committee agreed that there was still room for improvement and that the working group should pursue its work. This pragmatism was also reflected in the manner in which the Committee adopted a list of 23 individual cases to which should be added the following: (i) the case of the application by Myanmar of the Forced Labour Convention, 1930 (No. 29), which was examined again this year in the framework of the special sitting; and (ii) the discussion held by the Committee on the case of the application by Colombia of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), following the Government’s voluntary submission of information on the steps taken in this regard.
48. The substantial issues considered by the Committee were proof yet again that its work was topical and that its discussions were informed by the knowledge and expertise of its members, who had first-hand experience of national social realities. Another key element was the work carried out beforehand by the Committee of Experts on the Application of Conventions and Recommendations. The complementary nature of the two Committees – the hallmark of the ILO supervisory system – was explicitly emphasized this year both by the Employers’ and Workers’ groups.

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- 49.** The Conference Committee discussed the General Survey conducted by the Committee of Experts on the Labour Clauses (Public Contracts) Convention, 1949 (No. 94), and the Labour Clauses (Public Contracts) Recommendation, 1949 (No. 84). It was a rich and interesting discussion which highlighted the importance for the ILO of positioning itself in this important debate on the social dimension of public procurement. Many members of the Committee, although not the Employers' group, supported promotional and awareness-raising activities on the Convention. On the other hand, support for the ILO to convene a tripartite meeting of experts to examine the complex issue of whether and how to integrate social clauses into public procurement contracts was unanimous. In the overall context of the Conference Committee's discussion of the General Survey, an interactive panel discussion on the social dimension of public procurement was organized. The panel brought together important personalities, including the President of the Employment and Social Affairs Committee of the European Parliament.
 - 50.** With regard to the application by Myanmar of Convention No. 29, the Committee called for the reconstruction work in the wake of Cyclone Nargis to be undertaken without any use of forced labour and in full respect of civil rights and international labour standards. It included a request to the Government to release those persons who had been imprisoned for links with the ILO, as well as for the immediate end to the detention of Daw Aung San Suu Kyi. It strongly urged the Government to take all necessary measures to give full effect to all the recommendations of the ILO Commission of Inquiry without further delay.
 - 51.** Taking into account the many comments made by governments, the Committee, in selecting individual cases for discussion, succeeded in achieving a balance between different regions in the following manner: Africa (five cases); Arab States (two cases); Asia and the Pacific (six cases); Europe (seven cases); and the Americas (five cases).
 - 52.** In this important anniversary year for Conventions Nos 87 and 111, the cases selected by the Conference Committee predominantly concerned the application of fundamental Conventions (21 cases, of which 11 related to freedom of association and collective bargaining and three concerned non-discrimination). Two cases – one of which was a “case of progress” – concerned the priority Labour Inspection Convention, 1947 (No. 81). The two technical Conventions taken up for discussion were the Asbestos Convention, 1986 (No. 162), and the Seafarers' Hours of Work and the Manning of Ships Convention, 1996 (No. 180). All seven cases in which the Committee of Experts had invited the governments concerned to provide information to the Conference were selected by the Conference Committee for discussion. The Conference Committee found it necessary to adopt special paragraphs to express concern over two cases, concerning Bangladesh and Zimbabwe, relating to the application of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87).
 - 53.** As it has now been doing for the last three years, the Conference Committee has called for or requested technical assistance for 16 member States with respect to the individual cases discussed. The combination of the supervisory machinery and the practical guidance through technical cooperation and assistance is another key dimension of the ILO supervisory system.
 - 54.** Throughout its long history, the Conference Committee has engaged in intense discussions on numerous issues and has always wished to preserve the value of a full and frank tripartite debate. It has thus never lost sight of the fact that, beyond its central role in the ILO supervisory system, its work is of paramount importance to the effective protection of employers' and workers' rights.

Finance

55. The Finance Committee of Government Representatives met to receive the Financial Report and Audited Financial Statements for the Seventieth Financial Period (2006–07) and the Report of the External Auditor. The External Auditor, Mr Burr, Comptroller and Auditor General of the United Kingdom, delivered an unqualified audit opinion on the financial statements. He made a number of important recommendations relating to financial management, technical cooperation project management, information technology and governance. Implementation of these recommendations has already begun and a full report will be submitted to the Governing Body. The Committee also recommended the restoration of voting rights for the Governments of Comoros, the Central African Republic, Iraq and Solomon Islands. I welcome the efforts being made by member States to honour their commitments to the Organization, notwithstanding difficulties in their domestic economies. In endorsing a recommendation from the Governing Body relating to the treatment of the net premium, the Committee has confirmed the importance of ensuring adequate financing for the project to renovate and modernize the ILO headquarters building.
56. I would like to take this opportunity of thanking the Chairperson and Reporter of the Committee, Mr G. Kristinsson of Iceland, and the Vice-Chairperson, Dr Peter Klekner of Hungary, as well as the observers for the groups, Mr Barde for the Employers and Mr Blondel for the Workers. The success of the vital work of the Finance Committee owes much to their constructive conduct of its business.

Conclusion

57. In addition to important, topical and ground-breaking policy discussions, the 2008 session of the Conference was also the occasion of the election of a new Governing Body. I will, therefore, conclude by thanking the outgoing members of the Governing Body for their commitment and hard work over the last three years. For many, membership of the Governing Body amounts to a lifetime's dedication to our Organization. I have been extremely proud and privileged to work with them all. Let me also welcome the newly elected members. I look forward to getting to know them as well as I know their predecessors. I feel confident that we will be able to continue and develop the progress we have made in building the ILO's capacity to support its Members in meeting the challenges of shaping a socially just globalization. The tripartite character of the ILO is very special and is needed now more than ever to ensure that the fears and aspirations of working women and men are respected during a period of significant social and economic change. The 2008 session of the Conference has enriched the Organization enormously and will enable the new Governing Body to shape a Strategic Policy Framework for the period to 2015 founded on a practical programme to implement our new Declaration on Social Justice for a Fair Globalization.