



Third sitting

Wednesday, 12 June 2013, 10.10 a.m.

President: Mr Katamine

WORLD DAY AGAINST CHILD LABOUR

The PRESIDENT

Today, 12 June 2013, is the World Day Against Child Labour.

This year, the theme of the World Day is “No to child labour in domestic work”. The ILO has issued a new report on the subject, entitled *Ending child labour in domestic work and protecting young workers from abusive working conditions*.

The ILO’s International Programme on the Elimination of Child Labour wishes to thank the constituents for their strong support of the Programme. During the Conference, there is a special exhibition in the ILO headquarters building marking 20 years of work by the Programme.

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

The PRESIDENT

Before starting the discussion of the Reports of the Chairperson of the Governing Body and of the Director-General, I should like to make the following statement on behalf of all of the Officers of the Conference to remind you of the principles by which we shall be guided in our debate. These principles were established by the Working Party on the Programme and Structure of the ILO, approved by the Governing Body and communicated to the Conference in 1967. They are set out in paragraphs 54–58 of the fourth report of the Working Party, which are recalled in the *Conference guide* to the 102nd Session of the International Labour Conference, of which you should all have a copy.

The Officers of the Conference draw the attention of all delegates to the contents of paragraph 58, as follows.

In periods of acute political tension, the ILO has a twofold responsibility – to uphold the values of human freedom and dignity enshrined in its Constitution, and to circumscribe rather than extend the area of international tension by ensuring the fullest possible degree of continued cooperation in pursuit of the objectives of the ILO.

Every delegate to the Conference has an obligation to keep these considerations constantly in mind, and the President has an obligation to ensure that the Conference does not lose sight of them.

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

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

I should also like to say that I rely on all of you to conduct our discussions with both the openness and the dignity that are appropriate to the highest international body in the realm of social and labour-related matters.

Freedom of expression is a vital feature of the International Labour Organization. To exercise this right in a spirit of mutual respect, it is essential that all delegates use parliamentary language, respect the accepted procedures, refer only to the items under discussion and avoid raising any question alien to these matters. This discipline is necessary if we want our work to be effective and successful.

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

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

Please also note that the duration of speeches is limited by the Standing Orders of the Conference to five minutes only. All delegates and ministers attending the Conference will no doubt wish to take this limit of five minutes into account in preparing their speeches, so that the President will not be obliged to stop speakers before they have finished their speeches. We have almost 300 speakers registered to take the floor: strict discipline is therefore necessary if we are to have the time to hear all speakers. The Officers will enforce the time limit accordingly. The lectern is equipped with a timing device which allows speakers to see how much time they have left. It emits a tone when the five minutes is up.

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

(It is so decided.)

Before opening the discussion of the Reports of the Chairperson of the Governing Body and of the Director-General, I will give the floor to the Chairpersons of the Employers' and Workers' groups.

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

Mr FUNES DE RIOJA (*Employer, Argentina, Chairperson of the Employers' group*)

It is my pleasure to address you as the Chairperson of the Employers' group of the Conference and as the Employer Vice-Chairperson of the Governing Body.

Let me begin by welcoming the Director-General's Report to the Conference. In it, he challenges us across a range of issues to which it is impossible to respond fully in the short time available here. I look forward to hearing the comments of others, and we will need to see how we bring the elements of this back into the Governing Body for a substantive discussion.

Here my opportunity is limited, so I will respond mainly on those issues of particular importance to the Employers' group. Do not take my silence on any other issues as signs of consent or opposition; rather, as I said, everything cannot be covered now.

Let me start by agreeing with the Director-General when, in paragraph 6, he states that "the lessons of the ILO's past are that its future depends on constant renewal in the face of evolving realities and the active commitment of its tripartite constituency". This cannot be disputed.

In paragraph 16, he also rightly states: "Yet there is still widespread sentiment among constituents that the speed and extent of evolution taking place in the globalized economy are outpacing the ILO's capacity to change."

These two paragraphs frame the debate that we need to have.

Yes, a lot has changed in the international architecture since 1919, and a lot has happened since 2008. The ILO's mandate, whether we like it or not, is no longer as it was in the past. To commit anew, as requested by the Director-General in paragraph 11, means that all groups must support the mandate as being fit for purpose going forward.

Do not mistake my comments here as challenging the mandate per se. No. My point is that you have to consider all aspects of the ILO to respond properly to the challenge the Director-General has posed.

All of the issues in the Director-General's Report are, in my view, predicated by having an ILO secretariat that is more ideologically diverse and more representative of its constituents than it was in the past. In addition, reference has been made in the Governing Body to a new human resources strategy for the ILO in the future, and the Conference must remember that any change must be properly implemented, and that requires the right mix of talent and skills. The Governing Body next October will discuss a centre of excellence with regard to research, and we welcome this debate.

We also welcome the reference to the changing character of production and employment in paragraphs 70–77. The Director-General is correct when he says that the atypical has become typical and that

the standard forms of employment have become the exception.

Here we need to look anew at how rights are delivered in the new context, and what responsibilities lie with the parties in this new approach, and to move away from merely calling for the continuation of the past. The standards review mechanism, which we have promoted and approved but not yet made operational – and I would like to emphasize that this is a pending issue – is the key to understanding rights in the new reality.

However, at the same time, it is important to continue to bear in mind that ILO standards are addressed to, and the responsibility of, the States to ratify if they wish and translate into law. Efforts to bypass that or to ignore that state responsibility and instead look to workers or employers to be the means of delivery of ILO standards is fatal to the ILO's legitimacy and its tripartite structure.

We have repeatedly stressed that ILO normative action needs to be modern in its approach and content. The sooner we have the standards review mechanism working, the sooner we can embark on that.

Chapter 2 of the Report contains a wealth of issues which are worthy of extensive debate. Let me touch on just a couple of those that I see as requiring comment here.

The ILO is its Members. Its Members are governments, and workers' and employers' organizations. The International Labour Office, as we have said many times, is the secretariat that supports the work of the constituents. Of course the Office is not the voice of the constituents and cannot replace the constituents. ILO messages, therefore, need to be driven by the constituents if they are to own them and to act on them.

I concur with the Director-General's comments in paragraph 86 regarding this current Conference format and length. This is currently under discussion, but clear steps must be taken urgently to move that debate forward to a realistic outcome.

Tripartism remains key, constitutionally, to the functioning of the ILO. If we had faith that the three groups "owned" the ILO message, then engaging with others could be more easily done. When the outside voices' message, rather than the views of the constituents, is taken up as the message of the Organization, then we have a problem. Respect of the role and voice of the three groups is crucial in this regard, and the role of the Conference is vital for that.

As to our representativity, we are of course mindful of how our employers' organizations are being impacted in this changing world. The challenges of recruitment and retention of members is not a new one. As voluntary membership organizations, we know every day that we have to show the added value we bring to members. We have been exploring this together with the Bureau for Employers' Activities (ACT/EMP). The work we have done, and continue to do, on the future of employers' organizations has been designed to consider some of the issues raised by the Director-General, and later this year we will engage together on this.

That said, it should not be the case of an ILO looking to a company or group of companies as the voice of an alternative to representative democratic employers' organizations. We may not represent everyone, probably, but we certainly represent more than anyone else!

Regarding the paragraph on the ILO's interest in working with enterprises, we have repeatedly said that we need an ILO that is more aware of the needs of enterprises and the reality of business, and so we also welcome the Director-General's interest in taking this forward. However, this must be done properly, as we said before, and the ILO must be respectful of the Employers' group, just as I would expect them to be respectful of the other groups. The Office must therefore work on this issue with us, as the Employers' group, recognizing that we would expect ACT/EMP to be acting internally as the focal point for any ILO engagement with companies, whether here in Geneva or elsewhere.

How the ILO does or does not engage with our members' companies is part of our business. The Better Work programme referred to in paragraph 142 is rightly described as a specific programme which engages both buyers and suppliers in a limited number of countries and sectors. It is not and cannot replace a wider, broader and constituent-agreed national technical cooperation programme. A few employers are not the voice of business, and the ILO cannot expect to go to scale with its programmes unless it has the commitment and engagement of the national employers' organization and the International Organisation of Employers (IOE) as the constituents of this House. That takes time, it may add complexity, it may have its frustrations, but that is the constituency and the ILO has to work through them, and we commit ourselves in doing so.

One important piece that is not referred to here is the importance of sustainable enterprises, both within the thinking and in the activity of the Office. Elsewhere in the world, the key role of the private sector in development and wealth and job creation is widely understood, accepted and welcomed. For us, as we see in our own country, small and micro-enterprises are the real root of more than 60 per cent of national employment, and probably 90 per cent elsewhere.

We are absolutely sure that the resolution concerning the promotion of sustainable enterprise, and a programme in that regard, are essential for this House, not only here in Geneva, but also in the regions, and we welcome the work done in the American region in this area with the cooperation of the Regional Director for the Americas.

Everywhere we feel more welcome than here, the home of the world of work. How can that be? Without the creation and sustenance of enterprise, how does the ILO think jobs, social protection and social development will occur?

The comments here relating to green jobs are one of the elements that the ILO needs to focus on. Given the stated objective of making the ILO more relevant to business, the outcomes of the Conference this year need to take into account the key question of sustainable development, and we are strongly committed to that.

Lastly, let me turn to the Century Project. We agree that the ILO centenary provides an opportunity to highlight its role in the world of work in its second century. The Governing Body debates on the issues raised through the Director-General's Report will also help focus on how to make the most of this event.

We fully endorse the Appendix to the Director-General's Report on the situation of workers of the occupied Arab territories, and we ask and encourage

you to lend your collective support to that part of the Report.

Let me conclude by saying that the Employers' group and its secretariat look forward to working through the range of issues raised by the Director-General in the Report. The future of the ILO is one we, as its constituents, must take responsibility for and we need to shape what that future looks like. The Director-General has properly challenged us to have an ILO that is relevant, useful and influential. We welcome this challenge and we are ready to act in consequence.

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

The Workers' group welcomes the Report of the Director-General to the Conference.

We concur that the ultimate objective of the ILO should be the eradication of poverty and the reversal of the global trend towards excessive and ever-expanding income inequality. The ILO must devote its utmost – and equal – attention to these two goals.

ILO strategies to end poverty and address excessive inequality need to recognize the key role that wages play in ensuring that workers get their fair share of the wealth that they create. As the Report correctly notes, the implementation of an adequate living wage has been a core component of the ILO's mandate since its founding in 1919.

This must change. The ILO needs to directly confront and help reverse the decline in the wage share of output that has been evident across all regions and in most countries in recent decades. The recent *World of Work Report* confirms that profit levels among corporations and executives' salaries are once again soaring. At the same time, workers are facing large cuts in take-home pay, the erosion or elimination of minimum wages and a new vicious attack on collective bargaining.

The ILO must mount a much stronger response to these challenges. The economic evidence is clear. Comprehensive and coordinated collective bargaining has a positive impact on economic growth, employment and investment. It is also the best way to counter increasing income inequality, social disintegration and the rise of extreme political views. The ILO, therefore, needs a renewed focus and a well-resourced programme of work on the promotion of collective bargaining and an adequate living wage for all.

We concur with the Director-General's Report that another key priority for the ILO is reversing the expansion of precarious employment. The ILO should ensure that all workers, not just those in regular full-time jobs, receive the full protection of labour legislation and social security. Let us recall that our objective is decent work for all – that includes workers in the informal economy, workers in disguised employment relations, workers in new forms of work where there is less direct supervision and workers caught between an agency and an end-user.

New standard-setting activities are required in these fields. We will make a start on this in 2014, with a focus on the informal economy. To be successful, we will require innovative inputs from the Office and good faith bargaining from constituents. This will be an opportunity to demonstrate that the ILO can function effectively and deliver consensus on this critical issue.

This leads me to the institutional challenges identified in Chapter 2 of the Report. We agree that the ILO can be effective only if it is composed of strong, independent, democratic and representative constituents.

We acknowledge that the global trend in trade union density has been downward. However, I am pleased to say that this trend is moderating and there are grounds for optimism. The international trade union movement is completely committed to assisting our national affiliates with organizing strategies and building workers' power. A major focus of this work involves reaching out to workers in the informal economy.

Although a lot of work lies ahead, there are also good examples of new unions being created in industrialized and developing countries, targeting new sectors and atypical and informal economy workers. We also recognize that the union movement needs to improve its image and show that it can reflect and represent the objectives of young workers, the next generation and those that often face discrimination at work. I am confident that, at the international level, the trade union movement is slowly moving in the right direction.

But we require help. One of the major obstacles to organizing and collective bargaining in today's world remains the lack of respect for the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), and the growth of precarious and informal forms of employment. The trends in each of these areas are very bad. The environment for trade union organizing in most countries becomes more hostile every year. Today, even the heartland of unionism and collective bargaining in Europe is under attack. Member States need to strengthen social dialogue institutions and ensure the full participation of the social partners.

The Workers' group is open to considering innovative ideas about the place of non-governmental organizations (NGOs). This includes increasing the involvement of such organizations in ILO work, provided that these organizations are representative, accountable, relevant and credible partners. But it remains important to ensure that engagement with non-tripartite actors does not replace engagement with ILO constituents, including in our decision-making bodies. As stated in the Report, clear guidelines governing the involvement of actors beyond the tripartite community will have to be established.

The adoption, promotion and supervision of standards is the *raison d'être* of the ILO. This mandate was reaffirmed in 2008 through the ILO Declaration on Social Justice for a Fair Globalization. Our group is also committed to ensuring that international labour standards are relevant for today's world of work. This is why, in March 2012, we agreed with the Employers on a set of principles that would guide a review of standards and we were prepared to discuss the modalities of an ILO standards review mechanism.

Regrettably, after the events of June 2012 in the Committee on the Application of Standards, trust – one of the key principles for engagement in this process – was destroyed. Today, we reaffirm in principle our willingness to work with Governments and Employers to upgrade standards. But we cannot engage in such a process when one of the parties continues to launch attacks on the ILO supervisory

mechanism. Until an acceptable tripartite solution is found to this controversy, we see major difficulties in initiating the standards review process.

In respect of the Committee on the Application of Standards, let me say that we are happy that Workers and Employers have been able to agree on a list of cases. We reiterate, however, the importance of ensuring that consensual conclusions are adopted for each case.

Our group wants to see a much more proactive approach from the Office in promoting the ratification of standards. Often, standards are said to be irrelevant because they have low ratification rates. All too often, however, the low ratification rates of a Convention result from insufficient promotional efforts by the Office. Therefore, the review of standards will have to be closely linked to a tripartite commitment to promote standards and Office strategies to do so.

The Report focuses on the importance of policy coherence in the multilateral system. The Director-General rightly points to the mandate that the ILO has to examine and consider all international economic and financial policies and measures, and to determine whether they are consistent with the fundamental objectives of our Organization.

As the Report makes clear, the ILO, despite having a clear mandate based on the Declaration of Philadelphia, has encountered major difficulties in implementing it. Some of these difficulties are largely outside the control of workers and employers. They stem from resistance from the international, financial and economic institutions who prefer to retain their complete independence without any real commitment to open debates and policy alternatives.

To help overcome such obstacles, we look to governments for help. If the political will existed, governments could exert more influence in promoting real collaboration and policy coherence. In the last decade, governments have endorsed a vast number of international resolutions and conclusions calling for policy coherence around decent work. The same governments must now make this happen through their executive directors and other officials controlling the international financial institutions.

If the Office wants to examine and assess international financial and economic policies, it must be more assertive and more professional. If the Office waits for an invitation from the International Monetary Fund (IMF) to give an opinion on austerity measures in Portugal, or labour reforms in Spain, we will never become a key player in these critical debates.

The Office needs to intervene early and systematically in such circumstances, in an independent fashion and on the basis of ILO values – such as in the case of Greece. This is also the mandate that was given to the ILO by the Oslo Declaration: Restoring confidence in jobs and growth. It should be done in conjunction with the constituents in the country concerned in tripartite forums, or at the demand of one or some of the parties. On the basis of sound research and empirical investigations, the Office must prepare, and widely disseminate, detailed assessments of austerity measures and structural reforms on economic growth, employment, income inequality and decent work.

When it comes to the World Trade Organization (WTO), the ILO should go beyond technical studies and enhance its support to constituents by undertak-

ing ex-ante assessments of the impact of trade opening and trade agreements on employment and production structures. The ILO should also promote industrial policies to speed up the process of structural change. It should develop guidance for labour clauses in trade agreements to enhance efforts at the country level to improve wages, working conditions and workers' rights, particularly in export sectors, including export processing zones.

The Rana Plaza tragedy in Bangladesh, which resulted in the death of more than 1,000 workers, showed the dramatic consequences that a lack of regulations and violations of workers' rights have in global supply chains. This human tragedy equally showed the limits of corporate social auditing schemes, which all failed to prevent the illegal building construction and unsafe practices.

The tragedy resulted in the signing by brands, trade unions and NGOs of a binding accord on fire and building safety with a monitoring role for the ILO, coupled with increased pressure on the Government of Bangladesh to amend its labour laws to ensure compliance with ILO standards. This shows the key role that trade unions and governments should play in holding companies accountable to respect workers' rights.

The ILO has a key role to play in promoting decent work in global supply chains. We, therefore, reiterate our support for a Conference discussion on decent work in global supply chains.

In conclusion, we welcome the suggestions for ILO centenary initiatives but we need time to reflect

on these proposals. We would suggest that an additional area of focus should be the reduction of income inequality with a major focus on collective bargaining. We welcome the reference to an adequate living wage in the initiative on poverty.

As I indicated at the outset, we need to see a strong and equal emphasis on the eradication of poverty and on reversing the trends in income inequality. The ILO cannot just focus on the most disadvantaged in the world of work. The ILO must also be about ensuring fairness for the majority of workers and preventing them from falling into poverty.

When it comes to the standards initiative, the promotion of the ratification of standards should be included. In respect of the green initiative, we expect that a just transition will be at the centre of ILO initiatives. For the enterprise initiative, we reiterate the importance of involving workers, and also recall that, as per the ILO Declaration on Social Justice for a Fair Globalization, work on enterprises also has to cover the public sector and cooperatives.

We would support further discussion on all these initiatives within the Governing Body.

We face huge challenges that require bold answers. As we move towards the ILO centenary, we cannot be less ambitious than the founders of the ILO. If anything, we need to show that, 100 years later, the vision they had of a world with social justice at its core can become a reality.

(The Conference adjourned at 10.55 a.m.)

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