

Twenty-first sitting

Wednesday, 19 June 2002, 3.15 p.m.

President: Mr. Elmiger

REPORT OF THE COMMITTEE ON OCCUPATIONAL ACCIDENTS AND DISEASES: DISCUSSION AND ADOPTION

Original French: The PRESIDENT — We shall now continue with our examination of the report of the Committee on Occupational Accidents and Diseases. The general discussion is now open.

Mr. LALL (*Union Minister for Labour and Employment, India*) — Thank you for giving me this opportunity to speak on the subject of the recording and notification of occupational accidents and diseases in the plenary, where a Protocol on the above subject has been taken up for adoption. We welcome this initiative not only because we consider it very important to provide occupational safety and health facilities to all our workers but also because India feels that life is more valuable than any property in the universe. Every accident on the globe undermines the concept of safety and health. We consider, however, that the protection of personal safety is of prime importance.

We were informed that, according to ILO estimates, a total of 2 million people worldwide die every year owing to occupational accidents and diseases at the workplace. The figure is very high, and we welcome every attempt to bring it down. We also welcome the need to systemize notification procedures and the collection of statistics, etc., because there is a universal feeling that these figures are under-reported everywhere. We have a long history of legislation covering occupational safety and health practices in our country. The Constitution of India contains specific provisions that apply to this field. The Directorate-General of Mines Safety (DGMS) and the Directorate-General of Factory Advice Service and Labour Institutes (DGFASLI) are the two field organizations of the Ministry of Labour which are striving to achieve the above principles enshrined in our Constitution.

This year the Directorate-General of Mines Safety in India has celebrated its centenary of glorious service to the toiling mineworkers. The organization has a vast field machinery which has stood the test of time. The average accident rate per 1,000 persons in coal mines has come down from 0.61 in the decade 1951-61 to 0.27 in the last decade. The organization had also carried out 9,501 inspections and 11,015 inquiries in 2000.

Similarly, the DGFASLI functions as a technical arm of the Ministry with regard to matters of safety, health and welfare of workers in factories and ports. It assists the Union Government in formulating and reviewing policy and legislation on occupational safety

and health matters in factories and ports. The organization also provides training for Labour Department officials in the central and state Governments. In the last five years, over 7,000 inspections of oil tankers and other ships were carried out. The number of reported accidents has also declined in the last five years.

The Government of India has also instituted the National Safety Awards. These are presented by the Honourable Vice-President of India to workers with an outstanding safety record.

We have participated in the discussions of the Committee concerned with this issue, having provided our views in reply to the questionnaire circulated by the ILO. While we agreed with most of the items in the draft Protocol circulated for discussion, we also indicated the difficulty we had in accepting certain formulations. The spirit of the Protocol is highly laudable. However, acceptance of some of the formulations would depend on the Protocol being flexible, practical and able to be implemented.

The situation regarding the incidence of occupational accidents and diseases varies from country to country. Collecting information on them is relatively easy in developed and smaller countries. India is a federal democracy where the state Governments also act as implementing agencies for recording and notifying occupational accidents and diseases. Collecting details at the state level and then analysing, notifying and publishing them centrally is a time-consuming exercise.

In view of the above, we suggested during the discussions, through an amendment, that statistics should be collected, analysed and published after giving the national Government adequate time for collecting qualitative data. This amendment was not accepted in the adopted Protocol, which reiterates the original intention of asking the national Government to collect and analyse all the details and publish them annually.

We are aware that for a Protocol, which is a legally binding instrument for the national Government, flexibility is an essential ingredient to facilitate ratification. I would therefore urge you to ensure that such important initiatives have flexibility built into them to facilitate implementation by the national Government.

I would end by reassuring this august assembly that India gives matters concerning industrial and occupational safety and health the utmost importance, and by making the request that highly scientific and ultra-modern technology should be developed on an international level to counter the fatal accidents in mines. We have also decided to give this subject the highest priority in our national five-year plans.

Original French: Mr. VEUVE (*Government adviser and substitute delegate, Switzerland*) — Switzerland is very pleased about the fruitful outcome of the work of the Committee on Occupational Accidents and Diseases and informs you that it intends adopting the report submitted to us today, thereby supporting the consensus reached within the Committee. When it comes to the record vote tomorrow, the Swiss Government will vote in favour of the instruments drawn up at this 90th Session of the International Labour Conference. However, we feel bound to express a number of reservations as to a future ratification of these instruments by Switzerland because our national legislation in this area is currently under review. Any ratification will have to be looked at in the context of changes to our current laws. If necessary, I will explain my vote tomorrow.

Original Spanish: Ms. PEDRO GARCÍA (*Workers' delegate, Angola*) — After two weeks' very hard work, the Worker members of the Committee on Occupational Accidents and Diseases came to the conclusion that instruments and debates are of great importance to workers since they concern documents which will regulate working conditions in the world of work.

I therefore wish to recommend that tomorrow the Conference adopt the Protocol and Recommendation which have already been adopted by the Committee.

In conclusion, I urge governments and employers to put into practice in their countries the fundamental principles contained in the Protocol and Recommendation, otherwise everything will remain a dead letter.

Mr. TAYLOR (*Employers' adviser, United States*) — The United States Employers' objective at this session of the International Labour Conference was to develop a tool that would improve occupational health and accident systems from the standpoint of the notification, reporting and recognition of occupational accidents and diseases to further the cause of workers, employers and governments for the protection of all.

We are encouraged by the agreement of all parties to apply the principal recognition of local laws and practices. This will allow flexibility and practical application of occupational safety and health standards, which are accepted in some countries and not in others.

The Protocol will have limited international value because only 37 countries have ratified Convention No. 155 and only 13 of the 37 voted for the Protocol in our meetings. We feel this reflects a weak base for the choice of a Protocol, however, we strongly agree with many of the initiatives included in the Protocol and feel the importance of occupational safety and health could have been better advanced had a Recommendation been adopted by the Committee.

We are disappointed, however, in the choice of a Protocol instead of a Recommendation. We are saddled with an instrument that has very little potential of being ratified by any additional countries. We are further disappointed that the Workers' and Government groups failed to recognize the fundamental responsibility of the worker to be an active participant in safety and health processes. Their failure to recognize the responsibility of workers to inform their employers of the occurrence of an accident, is off target of the spirit of a tripartite approach to creating a safe

work environment. This partnership we feel is essential to build a foundation for occupational safety and health issues.

Addressing the list of occupational diseases from the prior Convention, we feel that the recommendation of the list was a veiled attempt to get a list of diseases recognized for compensation purposes and this created some problems for many countries. This is a list that was developed without participation of the Employers' group, a list that was marred with duplication and the inclusion of known and unknown diseases. The list was approved by vote and not by consensus.

The recommendation to refer the list to a tripartite committee of experts is, in our view, a very good idea. We do feel however, that the results of the committee of experts should be returned to the International Labour Conference as the highest legislative body. We also feel that the compensation issue should have been a separate item and clearly discussed as an independent subject.

We would like to stress that we feel the cause of occupational safety and health has clearly been advanced through the work of the Committee. This has been a very satisfying and rewarding experience and has truly made a difference in the workplace.

Ms. MALETE (*Workers' adviser and substitute delegate, South Africa*) — I would like to take this opportunity to commend the leaders of this Committee, who took up the difficult task, diligently and self-sacrificing, even though they came from different portfolios or walks of life.

In support of the adoption of the report tabled before you, allow me to point out the following; that many work-related fatalities and diseases had not been recognized as such in the past, not even recorded, for example some communicable diseases or chronic diseases. Workers were, and are still, exposed to those diseases through some agents in workplaces, which of course, have taken years to be diagnosed, for example, in the issue of asbestosis. The instrument therefore, put before you, will surely improve the preventative measures of such mishaps and thus maintain a safe and healthy environment in the workplace.

It is a pity that when a worker dies, he or she becomes a statistic and can be replaced within a wink of an eye. The shaping of this text has been like going through a difficult labour. I can assure you that workers worldwide will not forget this experience of pain endured during these two periods, and thus work hard to educate their members in the implementation of the proposed Protocol. Countries here will agree with me that we are all tired of counting fatalities, or deaths in millions, which strip countries of human resources and funds. I therefore ask you to support the adoption of the Protocol and Recommendation tomorrow.

Original Arabic: Mr. AL SYOUFI (*Government delegate, Syrian Arab Republic*) — You are aware I am sure that the question of safety at work and occupational accidents and diseases is a very sensitive matter in the modern world. Safeguarding the health of our labour force, which is the biggest and most precious asset of any society, is of the utmost importance, and indeed is in the interest of governments, employers and employees alike. Prevention is a must, and where there are good preventive arrangements

workers feel safer and hence are more confident and more productive, since they do not live in fear of accidents, which enhances the productivity of enterprises.

It goes without saying that this is obviously in the interest of an employer because it is to his benefit in terms of profits, and that in turn enhances the GDP of the country and improves the national balance of payments situation. That is why I would like to reassure Employers and call upon them to support us so that we can all together adopt this Protocol.

At the outset, my Government had a number of reservations with regard to the Protocol, but thanks to the constructive dialogue in which we were all engaged, my Government, the Syrian Government, is now fully in favour and fully backs the Protocol and the Recommendation on the recording and notification of occupational accidents and diseases. We believe that this work and these documents will have a very positive impact on workers and on economies throughout the world, so we hope that employers and governments from all countries will support this Protocol. The developing countries need the support of the international community when it comes to improving the safety and health of workers. I believe that the ILO is in the forefront of the organizations that can help developing countries in this area.

Finally, you may rest assured that the laws required to enable this Protocol and Recommendation are already in force in my country.

I would once again like to thank the Committee for its work.

Mr. MAHADEVEN (*Workers' adviser, India*) — Business is business, some say; they do not want anybody to interfere in their business, and mind their own business. However, occupational safety, occupational diseases, accidents, taking care of them, prevention, as well as compensation, is everybody's business. No single party can fence out the other parties from this common business. It is the business of all social partners in the tripartite forum. This has been evidently demonstrated in our Committee; where we have democratically accepted adoption, to recommend this Protocol of a binding nature, as well as the Recommendations on the revised list of occupational diseases and accidents.

Now it is everybody's business to adopt, ratify and implement the contents of the Protocol and Recommendation in their respective countries. Accident-free and disease-free work is not only a fundamental right of the workers, but is also the basic responsibility of the employers and that of the governments.

This improves the quality of work, productivity and the profits of enterprises. Our Committee's Chairperson and the Vice-Chairpersons, with their excellent past records and expertise, ably assisted by the secretariat and the professionals in the Office, besides the ILO staff have all contributed to the improvement of the document, and the conclusions of this historic Protocol and Recommendation, in pursuance of [Convention No. 155](#). This should not be relegated to the back burner any more. A willing and voluntary approach is essential to formulate the occupational safety and management system in every unit and nation.

Prevention of occupational diseases and occupational accidents, including commuting accidents, no more remain a one-sided bargaining agenda. It is our practice, prescribed as a working agenda at the unit

level, industry level and national level for implementation, periodic analysis and reporting to ILO so as to minimize, if not totally eliminate, occupational accidents and diseases.

Let us have no more Bhopals, no more Chernobyls; we are for profit for the people, but not profit for the people by allowing accidents and diseases.

Our conclusions are based on democratic norms. I do not think it necessary at this stage to raise the differences that existed earlier. I am of the considered view that at this stage we should go ahead, resolutely, determinedly, and with one objective — to reach the goal of an accident-less, disease-less working environment. Only a few governments, 13 or so, voted otherwise on this Protocol, and everybody else supported it.

I therefore strongly propose the adoption of the Protocol and Recommendation on occupational accidents and diseases.

Original Spanish: Mr. VERDUGO PEÑA (*Workers' delegate, Chile*) — On behalf of the workers of Latin America, we would like to express our opinion on the very important instrument we are about to adopt today.

At present, in Latin America, there are disparities in the depth with which this subject matter has been treated, a subject which is so important to the world of work. These disparities are perhaps due to different levels of development and different economic policies carried out by the governments of our continent. So we feel it is pertinent, after this far-reaching debate that we should all agree that the key element in the world of work is prevention.

Prevention requires resources. We have to train, educate and invest in the world of work, so that workers come to be recognized as key players in the process, who are wedded to their firm and their country, so that the occupational accidents and diseases shown in the statistics can be reduced.

To this end, we are very grateful that the Committee has linked this Protocol and Recommendation to the Occupational Safety and Health Convention, 1981 ([No. 155](#)). We feel it is vital that the new standards for reporting and notifying occupational accidents should be precise, well-defined and transparent so as to avoid any ambiguity. To us the key is that statistics should be a means and not an end. The purpose is to avoid occupational accidents and diseases and to take steps to prevent dramatic incidents in many of our countries. We also consider that it is noteworthy that concepts of importance to many of our societies have been introduced such as commuting accidents and dangerous occurrences, which widen the coverage of occupational accidents and diseases which with regard to the list, we consider that it is important that, despite our differences, the list of occupational diseases has been updated and that a meeting of experts will regularly review, revise and pass it, in the light of the latest scientific and technological advances which have drastically changed the forms and methods of production and the relationship between workers and employers, such that constant tripartite dialogue is necessary.

Secondly, we feel that one of the challenges facing all our countries is to ensure that a wide variety of actors with different backgrounds and responsibilities should be able to hold a dialogue and understand the

challenges with which our countries have to contend as they engage in a broad integration process that will alter our way of life.

Governments, workers and employers must have the ability and skills needed to seek agreements transcending the differences that we will always have. For that reason, a modern efficient and highly competitive forum must look after our safety in a changing world, which is constantly torn between flexibility and stability. For workers, it is of key importance that their rights should be known and respected.

Looking after the health of workers and protecting them against accidents is the best incentive one can offer to make them feel committed to their firm and recognized as major actors in the development of their country. That is why we, as workers, call on this gathering tomorrow to adopt both the Recommendation and the Protocol, because this will redound to the benefit of thousands and thousands of workers in Latin America.

Original French: Mr. JURCA (*Workers' delegate, Romania*) — After 12 long and exhausting meetings, plus more than difficult drafting work, the Committee on Occupational Accidents and Diseases has submitted to you two extremely important documents. These two drafts are of standard-setting importance, and act as guidelines, about which no more needs to be said.

What I would say is that clear standards are better than arbitrary ones, and good examples have to be followed, even if they are less numerous to begin with. But when the life, health and physical integrity of workers is at stake, no effort is too great.

Therefore, I invite you, wholeheartedly, to support and to vote for the two documents. I hope that God will guide you in taking the right decision.

I cannot conclude without addressing my congratulations to the members of the Committee and, above all, to all those who, adopted flexible positions — and this was, above all, the case of the Chairperson, the Worker and Employer Vice-Chairpersons and the Government representative — for having given us considerable hope and a consensus.

The time for speeches is finished. The time has come for action. Let us, therefore, act.

Ms. SAAB (*Government delegate, Lebanon*) — Allow me, Mr. Chairperson, to make the following comments on the proposed Recommendation. Would the new Recommendation stand as an independent entity, is it supplementing [Convention No. 155](#) and the designated Protocol, or is it applied in conjunction with these two instruments because this is not mentioned in the Preamble? As we know, Recommendations provide guidelines for national policy on the subjects concerned. I would therefore like to know whether the proposed Recommendation entails any obligations on member States ratifying Convention No. 155 or the Protocol to commit to the provisions of the Recommendation, or may States have independent policies in addition to what the Recommendation prescribes? In our view the Recommendation could never be binding.

Furthermore, in our view, amendments to the list of occupational diseases should take into consideration, where practicable, the situation in member States if it is to be considered binding upon them in every aspect.

Original Spanish: Mr. DELGADO (*Government delegate, Uruguay, speaking on behalf of MERCOSUR*) — On behalf of the MERCOSUR countries, I would like to congratulate the ILO for having suggested that this session of the Conference address such an important issue as the recording and notification of occupational accidents and diseases. Also, we would like to congratulate the Committee on Occupational Accidents and Diseases for its work and, at the same time, acknowledge the efforts being made by the ILO's SafeWork Programme to give impetus to questions concerning occupational safety and health.

I think it is very important that we have effective procedures for the recording and notification of accidents, not only because of their statistical importance, but also as a support for work on accident prevention. It is difficult to assess the effects of accident prevention strategies, but we are sure that these measures will reduce the number of accidents.

In this respect, we would like to inform you that the MERCOSUR countries recently drew up a document on a tripartite basis, with common guidelines on safety and health in their countries. The document stresses the need to harmonize procedures for the recording and registration of accidents.

For this reason, the MERCOSUR countries recommend a favourable vote for this Protocol and Recommendation.

Original French: The PRESIDENT — As there are no more requests from the floor to speak, we shall proceed with the adoption of the report.

If there is no objection, may I take it that the report, paragraphs 1-627 is adopted?

(The report — paragraphs 1-627 — is adopted.)

PROPOSED PROTOCOL TO THE OCCUPATIONAL SAFETY AND HEALTH CONVENTION, 1981: ADOPTION

We shall now proceed to the adoption of the proposed Protocol to the Occupational Safety and Health Convention, 1981. May I take it that the proposed Protocol as a whole is adopted?

(The Protocol is adopted as a whole.)

PROPOSED RECOMMENDATION CONCERNING THE LIST OF OCCUPATIONAL DISEASES AND THE RECORDING AND NOTIFICATION OF OCCUPATIONAL ACCIDENTS AND DISEASES: ADOPTION

We shall now proceed to the adoption of the proposed Recommendation concerning the list of occupational diseases and the recording and notification of occupational accidents and diseases.

May I take it that the proposed Recommendation as a whole, including the list of occupational diseases contained in the Annex, is adopted?

(The Recommendation as a whole is adopted, including the list contained in the Annex.)

In accordance with paragraph 7 of article 40 of the Standing Orders of the Conference, the provisions of the Protocol to the Occupational Safety and Health

Convention, 1981, and the Recommendation concerning the list of occupational diseases and the recording and notification of occupational accidents and diseases will be submitted to the Conference Drafting Committee for the preparation of the final texts.

We have now concluded the consideration of the report of the Committee on Occupational Accidents and Diseases, as well as the proposed Protocol and the proposed Recommendation submitted to us by the Committee on Occupational Accidents and Diseases.

I would like to congratulate the Chairperson, the Vice-Chairpersons and the Reporter of the Committee on Occupational Accidents and Diseases, and the members of the Committee, for the excellent work they have done. I would also like to congratulate the staff of the secretariat for their contribution to this excellent work.

Two record votes will be held tomorrow in the plenary on the Protocol relating to the Occupational Safety and Health Convention, 1981 (No. 155), and the Recommendation concerning the list of occupational diseases and the recording and notification of occupational accidents and diseases

REPORT OF THE COMMITTEE
ON THE INFORMAL ECONOMY:
SUBMISSION, DISCUSSION AND ADOPTION

Original French: The PRESIDENT — We now move to the review of the report of the Committee on the Informal Economy, which is to be found in *Provisional Record* No. 25. The Officers of the Committee on the Informal Economy were as follows: the Chairperson, Mr. Ndimbo, Government, United Republic of Tanzania; the Employer Vice-Chairperson, Mr. Sanzouango, Cameroon; the Worker Vice-Chairperson, Ms. Nathan, India, and the Reporter, Ms. Harrigin, Government, Trinidad and Tobago.

I give the floor to Ms. Harrigin, Reporter of the Committee, to submit the report.

Ms. HARRIGIN (*Government technical adviser and substitute delegate, Trinidad and Tobago; Reporter of the Committee on the Informal Economy*) — I have the honour to submit to the Conference the report and proposed conclusions of the Committee on the Informal Economy, which is contained in *Provisional Record* No. 25. The report has four parts: one, introductory remarks; two, general discussion of the six identified points; three, a discussion of the draft conclusions prepared by the Drafting Group; and, four, the actual adopted conclusions. The first part of the report summarizes the introductory remarks made by the Worker and Employer Vice-Chairpersons, Government members and non-governmental organizations that presented their overall perspectives. The second part highlights the speeches by the Workers' and Employers' groups and provides a thematic synthesis of the speeches by Government representatives. Now for the six points. The first point deals with the conceptual difficulties surrounding the term "informal economy". The Committee agreed there were conceptual difficulties but decided that the term "informal economy" was preferable to "informal sector" because it better captures the diversity in terms of

workers, entrepreneurs, enterprises and their structures.

The Committee also decided not to try to arrive at a universally applicable definition, but rather to focus on the diverse characteristics and causes of informal work and to find solutions. The Committee also distinguished activities in the informal economy that produce legal goods and services from criminal or illegal activities.

Point 2 identified the positive and negative features of the informal economy. In point 3, the Committee discussed the reasons for informal work and the barriers to entry into the economic and social mainstream. These were traced to the lack of good governance, the lack of adequate jobs in the formal economy, increasing poverty, and most importantly, the absence or ineffective implementation of appropriate legislation and social protection.

Point 4 identified ways (policies, legal and regulatory frameworks, institutions, processes, etc.) in addressing problems in the informal economy and removing barriers to entry into the economic and social mainstream, while continuing to generate employment. Point 5 goes on to describe the respective roles of the government and the social partners. The key role of government in providing the appropriate legal and regulatory framework was highlighted. Point 6 identified the priorities for ILO action relating to policy advice, research and technical assistance with the aim of reducing decent work deficits in the informal economy. The draft conclusions were the subject of intense discussions in the Committee, and some 140 amendments were submitted and effectively addressed.

The bulk of the amendments that were adopted helped both to clarify and strengthen the conclusions.

The conclusions of the Committee endorsed a decent work approach to address the issues of the informal economy, elaborating on the decent work approach. The Committee focused on broader strategies encompassing rights, employment, social protection and effective and responsible social dialogue.

Throughout our discussions, we were challenged in many respects but realized that we could not take a one-size-fits-all approach in reaching our conclusions. We have our differences, and while they were freely expressed in our discussions, I must stress that our approach to the task of arriving at possible solutions on the issue of the informal economy was one of constructive consensus-building, as the Committee's conclusions clearly demonstrate.

The conclusions reaffirm the ILO's mandate to take a lead role on the informal economy in the international community, and they call the ILO to establish an identifiable and highly visible programme of work, with the necessary financial and human resources, that would draw upon expertise from all parts of the Organization.

Millions of people earn their livelihoods in the informal economy. Their lives would undoubtedly be improved if we can agree on mechanisms, policies and programmes focusing on bringing marginalized workers and economic units into the economic and social mainstream. Our discussions demonstrate that we have the will and the motivation to find solutions to the scourges of poverty, child labour and other challenges that bedevil the informal economy.

In concluding, the Committee hopes that this report will be a strong starting point and give guidelines

to government and social partners alike in addressing decent work deficits in the informal economy and promoting the transition of workers and economic units into the formal economy.

Mr. SANZOUANGO *employers' adviser, Cameroon; Employer Vice-Chairperson of the Committee on the Informal Economy* — On behalf of the Employers' group, I have great pleasure in supporting before you the report and conclusions on decent work in the informal economy.

It was encouraging to find a high degree of consensus on a subject which, by its very nature, could have been very divisive. This was achieved partly thanks to the very good report prepared by the Office. It was refreshing to receive a report which captured the different nuances, and which paved the way for consensus building. We thank the authors of the report. We are equally grateful to the Office secretariat for its work, support and fairness during all the proceedings. We would thank the Chairperson of the Committee for his chairmanship, and extend our thanks to the Workers' and Government groups for their approach, which led to conclusions which we could broadly live with, even though there are a few points on which we would have liked to see somewhat different outcomes. I would especially like to thank our own group, not only for their contribution but also for their discipline and cohesiveness, which made my task not only easy but also a pleasure. The secretariat of our group provided us with invaluable input and support, and we acknowledge this with our thanks.

One of the many positive outputs of our Committee was that instead of spending time describing our informal economies, all three groups concentrated on identifying the causes of problems and possible solutions from their respective perspectives. We were therefore able to arrive at the broad consensus that we needed in order to help workers and economic units in the informal economy to migrate to the mainstream economy. The challenge, of course, is to translate our conclusions into concrete actions in our countries. We are responsible for this task. If we succeed, it would improve the lives of millions of people and help general economic growth in developing countries. In doing so, developing countries have to face some constraints outside their control, such as ones related to market access. We therefore need to join together at the national level to develop the appropriate policies and actions. We hope that we will receive support from the international community to achieve our goals.

Coming as I do from a developing country, I would like to say a few words about the informal economy. After all, the informal economy is essentially, though not entirely, a developing country phenomenon. In developing countries its characteristics, as well as its causes, differ somewhat from its manifestation elsewhere.

I believe that it is not necessary for me to refer to the dark side or downside of this economy. Usually, this is all that we hear about. Those of us who actually see and interact with members of this economy in our daily lives know that there is another side to it. For instance, we know that they have great entrepreneurial potential, creativity and innovation, an admirable work ethic, and that they provide goods and services available even to consumers who are not part of this economy. We also know that they are generally in

unfair competition with the formal economy. We believe that if we could correctly diagnose the problems and create the right conditions to help them overcome the constraints on them, many of the people who remain in this economy due to the force of circumstances would flourish and could join us in the formal economy. In this respect, governments have a crucial role to play. We express our willingness to join governments and workers in helping to develop the policies, laws and institutional framework which would help to create the environment in which these people can flourish. Such an environment would provide a tremendous impetus to socio-economic development. Many of the problems faced by the people in the informal economy are related to the absence of an appropriate business and employment-generation environment in several countries. Hence, good governance is an important part of the solutions.

Those of us who see and interact with people in the informal economy also know that not all of them are unhappy or exploited. In some countries, people who are millionaires have come from this economy. In addressing the needs of people in this economy, we must be especially careful not to drive them out of existence, depriving them of any means of income support. We do not wish to share any responsibility for adding hundreds of millions of people to those who are already unemployed.

I would like to emphasize that we must address their diverse needs and appreciate that a purely and exclusively labour rights-based approach to development will not solve their problems. On the contrary, it would worsen the situation and add to poverty.

Hernando de Soto, who was the first to conduct original research, and not desk research, into informality and to present practical solutions to match some of their real problems, presciently observed that "The words 'international poverty' too easily bring to mind images (which) ... draw attention away from the arduous achievements of those small entrepreneurs who have triumphed over every imaginable obstacle to create the greater part of the wealth of their society ... they are not the problem. They are the solution."

Therefore, let us join in helping them and the workers to achieve a better life and to make a great contribution to our socio-economic well-being.

Allow me now to conclude with a few words in French.

(Speaker continues in French.)

We have finally, within our Committee, reached an acceptable definition of the informal economy, of the major strategic objective and of the desirable mandates that should be shouldered by governments, employers and workers within the ILO. We can be proud of what we have done, but we must recognize at the same time that we are at the start of a very long process. We must be up to the enormous challenge facing us, a challenge which demands creativity, innovation and action if we are to establish the best possible conditions for the improvement of working and living conditions in the informal economy and to allow people in the informal economy to move into the formal economy. There has certainly been no lack of examples in the past within the ILO when the Organization has been a vehicle for hope, and it has symbolized that hope for many people in such a way as to bear witness to the spirit of solidarity that we all share in

facing the major challenges for mankind. It is in that spirit that we are now taking up the challenge of decent work in the informal economy. Allow me, speaking on behalf of the Employers' group, to say that we are more than willing to participate in that work today and tomorrow.

Ms. NATHAN (*Workers' adviser, India; Worker Vice-Chairperson of the Committee on the Informal Economy*) — We are here to present the conclusions of the general discussion on the informal economy. Our conclusions are the result of committed effort on the part of all concerned.

I therefore would like to thank the Chairperson, the Reporter, the Governments who shared their views and participated in our discussions, the many ILO staff who worked, often invisibly, on this Committee and the members of the Workers' group who have worked tirelessly.

We also wish to recognize and thank the Employers' group for the enormous efforts that they have made as we worked together to find the compromises and reach the consensus that has made this report possible.

The appalling situation of the growing millions of vulnerable and marginalized workers in what we call the informal economy constitutes a threat to peace.

The Preamble to the ILO Constitution informs us that universal and lasting peace must be based upon social justice. It goes on to tell us that because conditions of labour involving injustice, hardship and privation for large numbers of people threaten peace, the improvement of these conditions is urgently required.

A growing informal economy then is a question of urgency and a central, defining concern for this Organization.

In recommending the report of this Committee to the Conference I want to focus on the recommendations that this Committee is making with respect to the role of the ILO. I believe that these recommendations are a reaffirmation of the ILO's role and purpose, as it was intended, and as it should be.

But first, let us consider how we got to this point.

The Preamble of the ILO Constitution is not silent on how working conditions are improved. Active measures must be taken to improve working conditions. Means are provided in phrases beginning with words such as "regulation", "prevention", "provision" and "protection". With respect to who should take measures there was no need to be explicit as there was no question that the responsibility rests with governments.

The intention always was that working conditions would be improved through national, legal and institutional frameworks established, or otherwise made possible, by governments. The intention was also that these legal and institutional frameworks should reflect international standards set by the ILO through a process made legitimate by its tripartite character and representative organizations.

Freedom of association was essential to the ILO process. It was also supposed to be part of the national, legal and institutional framework of all nations. By design, the ILO's contribution was a framework that provided international standards and international social dialogue. The application of these standards was the responsibility of national governments. These intentions are no less valid today.

The ILO's idea of standards and social dialogue fits well with the hard learned experience of workers concerning how their interests are protected and working conditions improved. This experience is that, in the end, there are only two ways, one is through good law and its proper application, and the other is through their own self-organization and collective action.

It is now 30 years since the ILO secretariat used the term "informal sector". The only time the informal economy was explicitly considered by the Conference before now was 11 years ago when the plenary responded to the Director-General's Report, *The dilemma of the informal sector*.

The dilemma was "whether to promote the informal sector as a provider of employment and incomes; or to seek to extend regulation and social protection to it and thereby possibly reduce its capacity to provide jobs and incomes for an ever expanding labour force". In retrospect it is clear to us that this was the wrong question. One reason was that most of the activities covered by the term were survival and subsistence activities. Another reason was that decent jobs produce more economic activity and more jobs. It was a false dilemma.

More often what was really happening was that jobs were not being created by a dynamic new sector. More often jobs were being destroyed by government mismanagement or inaction, through the pursuit of failed development policies and later through the pursuit of the wrong transition and privatization policies. National governments were not entirely responsible. At the international level, misguided policy and mismanagement by the international financial institutions promoted the growth of the informal. The pursuit of the ideological approach by international bodies of liberalization and deregulation, without regard for local conditions and capacities, was wrong.

The question in 1991 should have been a series of questions: "Why is the importance of labour law to economic development not being taken into account?" "Why is the importance of legal recognition to development not understood?" "Can development be fostered where there is no culture of compliance with law?" "How essential to growth is access to justice?"

Similar questions to what we should have been debating in 1991 are being asked now, by those seeking to explain which shortcuts in establishing market economies were producing such bad results. When the missing element in the equation became known it was called the governance issue.

We welcome the emphasis placed on decent work deficits introduced by the secretariat in its report and embraced by the Committee.

We have found that, to a large extent, the informal economy is characterized by decent work deficits brought about by good governance deficits. Policies based on charity or continued exclusion will never rectify this. Only by getting the legal and institutional frameworks right, will the needs of the vulnerable and the marginalized be addressed on a scale sufficient to make a difference.

Accordingly, we emphasize the importance of good governance at all levels. This approach is recommended to the ILO and is reflected in various priorities in its work programme. For ILO, work on the informal economy may be a new emphasis, but for the ILO as an institution it will only signal a return to fundamentals.

The ILO has much to say to governments about governance and has been doing this since its beginning; the ILO calls this “the application of standards”.

The relationship of rights to governance needs greater understanding. The question is not just how to extend rights to those in the informal sector, but how to extend legal recognition or status, so that all workers can realize, exercise, defend or enjoy their rights. Legal status is not sufficient for work to be decent, but it is a necessary condition.

The ILO also has much to say about freedom of association, representation and the role of the social partners. So do the conclusions of this Committee. For both the ILO and its member States the emphasis must be on removing legal and other real obstacles to the exercise of freedom of association and to expanding the opportunities for more workers and employers to participate in genuine social dialogue. For workers, genuine empowerment comes from their organization and through collective action.

Our Committee recognizes that the social partners are essential to social justice. These conclusions call upon the ILO to strengthen its tripartite approach with respect to the informal economy at all levels. This call is accompanied by several specific recommendations, including the active involvement of the Bureau for Workers’ Activities and the Bureau for Employers’ Activities in all aspects of the ILO’s work programme.

Governance and tripartism are two strong messages in the conclusions of this Committee. There are others.

This Committee recognized that a wide range of decent work deficits are found in the informal economy. Workers are often unable to exercise their rights, making them vulnerable and unprotected. They have the lowest levels of social protection and are almost always excluded from social security. These workers also lack organization and representation. Redressing these deficits will require the desegregation of specific problems and targeted action.

We know that there is a desperate shortage of jobs in the world today. Whilst seeking to make existing jobs better, we must also seek to create new and more jobs. Without this, the informal economy will continue to grow. But we cannot understate the importance of creating decent work. There can be no room for a job at any price and there need not be. Decent work not only preserves human dignity, it also contributes to economic growth and the creation of more decent work. For this reason, we have concluded that the issues raised by the growth of the informal economy need to be mainstreamed within the work of the ILO. Whilst recommending an identifiable and highly visible programme, consistent with the importance and urgency of the problem, we recognize that these needs must be addressed throughout the ILO and across all four technical sectors. The ILO’s response to the informal economy must not be dealt with in just one place.

Another message contained in our conclusions concerns the concept of informality. This is important, because concepts shape our perceptions, influence our actions and change reality.

In an age where the folly of “one size fits all” economic development policies is increasingly appreciated, we questioned the wisdom of relying on a “one term describes all” approach. We found that sometimes we are not talking about the same things. This is espe-

cially true at the international level. That is why we welcome the recommendation that the ILO take the conceptual difficulties of the informal economy into account.

This Committee clarified some concepts too — one was the meaning and situation of own-account workers. Our conclusions address the relationship of the ILO to other organizations with respect to the informal economy.

The ILO does not exist in isolation, it is part of an international framework that is becoming increasingly important in an increasingly interdependent world. In our conclusions, we emphasize the need for the ILO to actively engage other organizations and institutions over the informal economy and to play a leading role in ensuring that global governance has a social dimension.

And that brings us back to peace. The growth of the informal economy is dangerous precisely because we live in one world. We will not solve the problems that we all face by pretending that there are two worlds, one formal and one informal.

We submit that the ILO has an obligation to move people from a cycle of poverty to one of prosperity. This is why the emphasis given by the Committee to moving workers and economic activities from the informal to the formal is so right and so important.

The message in the Conclusions of this Conference concerning human resources training and development two years ago is continued. The ILO should ensure that technical assistance activities seek to integrate workers and economic units into the formal economy and are designed to produce this result.

The threat posed by the growth of the informal economy is beyond quick or temporary fixes. We need strategies to deliberately take us where we need to be. And where is this?

Recall the Preamble to the ILO Constitution which reminds us that the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries.

We need to be in a world where every government will be expected to explain to the ILO why labour in its country is performed by persons lacking legal status or recognition and outside of the legal or institutional framework established to ensure social justice.

We need to be in an ILO where governments understand that they are expected to address these conditions and bring them to an end. Why? Because, in the end, peace requires justice and because justice requires the rule of law.

Mr. NDIMBO (*Government adviser and substitute delegate, United Republic of Tanzania; Chairperson of the Committee on the Informal Economy*) — It gives me much pleasure and honour to present the resolutions and conclusions on decent work in the informal economy.

This issue was brought to the Conference because of the magnitude of the employment problem and the multitude of people currently engaged in the informal economy who are not protected, represented or recognized.

The ILO first discovered the informal sector phenomenon in 1972 and the International Labour Conference discussed it in 1991. In recent years, the subject has had to be reviewed once again due to poor economic performance. Most countries in the devel-

oping world have not been able to create more employment opportunities to cope with their increasing labour forces. Most people opt to work in the informal economy as there are no other alternatives for earning a living. In some countries the informal economy is the dominant economy but those who work in it lack a number of basic rights, for example recognition, protection and the right to organize and express themselves. The majority of those working in this economy are poor.

In order to assess the actual situation, the ILO has prepared a report which attempts to outline the characteristics of those involved in the informal economy, identify the deficits of rights in the informal economy, address the issues of extending social protection, strengthening representation, creating quality jobs and enhancing employability. This document was the basis for discussion.

The work of our Committee was to comment on the report prepared by the Office, take up the main discussion points suggested, and come up with recommendations and conclusions.

The resulting report reflects a consensus among the tripartite partners on the existing position and on what future actions have to be undertaken. The discussion, drafting and amendment and adoption of the conclusions was all done in a tripartite spirit, based on consensus-building and mutual understanding.

The conclusions were a number of recommendations that need immediate action by the tripartite partners, the ILO and the other international organizations.

I understand that the problem of the informal economy is being tackled differently in our respective countries. In the United Republic of Tanzania, for example, we undertook a national survey on the informal sector survey in 1991 to establish its size and contribution to the national economy and to understand its distinctive features. Another more limited study was undertaken in Dar es Salaam in 1995 to check on its growth within the city. The results of the two surveys helped the Government to draw conclusions on the employment potential of this sector, the problems encountered, and how they could be overcome.

A number of other studies have also been undertaken, for example research on the informal sector in the United Republic of Tanzania, which was completed in 2001. The findings of this research explain the potential and constraints faced by this sector. A number of recommendations have been put forward on the basis of this research and are now being implemented by the respective authorities.

I would like to appeal to all member countries and all tripartite partners to implement what concerns them from the conclusions of this Committee because by doing so we shall be honouring our own resolution.

We hope to start implementing the Decent Work Agenda in the informal economy as well as in the formal economy. We hope that hard work done by our Committee will be of use to stakeholders in their future programmes and plans.

Let me at this juncture take the opportunity to thank again the ILO staff who have worked so tirelessly for the Committee, my Vice-Chairpersons from the Employers' and Workers' groups for their support, our Reporter, and also the members of the Committee for their valuable contributions to the discussion.

I would also like to thank the drafting group for the long hours they devoted to their work to produce the draft conclusions within the allocated time.

Finally, I wholeheartedly recommend that the Conference adopt the report and the proposed conclusions of the Committee on the Informal Economy.

I now open the general discussion on the report of the Committee on the Informal Economy.

Original Portuguese: Mr. COSTI SANTAROSA (*Government adviser and substitute delegate, Brazil*) — On behalf of the governments of the countries of the Latin American group, GRULA, the Government of Brazil would like to make the following statement on the report of the Committee on the Informal Economy.

We welcome the fact that the Committee has partly taken on board an amendment submitted by the Latin American countries. Here I refer to paragraph 15 of the conclusions of the Committee, which recognizes that "trade without export subsidies that distort the market, without unfair practices or the application of unilateral measures, would help living standards to be raised and conditions of employment to be improved in developing countries, and would reduce decent work deficits in the informal economy".

While we welcome the fact that part of our amendment was successful and was supported by others apart from the GRULA group, we do regret that, despite the insistence of our governments and the governments of other developing countries, we do not find specific technical cooperation and research activities in this area included in the list of priorities.

So, without prejudice to the results of this mission, we would like to emphasize that there is no question that this matter is extremely important and should be placed on the agenda of the International Labour Office. This having been said, we can then support the adoption of the report.

Original French: Ms. SASSO MAZZUFFERI (*Employers' delegate, Italy*) — I would like to say that I strongly support the report and conclusions of the Committee on the Informal Economy. We should also extend our thanks to the Officers of the Committee and the tripartite constituents for this positive result. In particular, I would like to highlight the fruitful cooperation that we have seen among the three groups throughout our work.

This has been the first opportunity we have had of analysing, in depth, the causes of the informal economy, and we have looked at all the positive and negative aspects arising from this particular phenomenon. It is my hope that in the future, governments and social partners will be able to follow the indications and suggestions contained in the conclusions of this report. I hope that they will do so in order to make it easier for the informal economy to become a formal economy, with the positive impact that this could have in social and economic terms in developing, as well as industrialized countries.

As I underscored in my intervention during the plenary session discussions of the Director-General's Report, the Italian Government is currently involved in implementing a project that is intended to encourage workers and businesses to move away from the informal economy, using a necessarily gradual process of fiscal and regulatory adjustments. We believe that this approach will be advantageous for all parties in-

volved. The president of the Italian Confederation of Employers has made this objective one of the key points of his programme. Italian employers hope that this collaboration can achieve the desired results. This is one example of what we are successfully doing in Italy following the ILO's vision of the future.

Mr. KHAN (*Workers' delegate, Bangladesh*) — I wish to say a few words in support of the conclusions of the Committee on the Informal Economy. The conclusions recognize many decent work deficits that characterize the informal economy, and provide the ILO with the framework to shape its response. The conclusions recognize the need for improved governance at all levels, international, national and local.

For a country like Bangladesh this kind of multi-level approach can help. Better governance at the global level could help to create a macroeconomic environment that will stimulate growth, create decent work and enable countries like mine to enjoy a more equal share in the positive aspects of globalization.

At the national level workers require a better system, one that enables them to exercise and enjoy their rights. Improved freedom of association will allow workers to organize, to represent themselves and to improve their living and working conditions. Improved systems of labour inspection and labour administration are also necessary. Workers need more than just good laws and clearly defined rights. We need to be sure that the laws are respected and enforced.

Workers in Bangladesh, and for that matter in all developing countries, require much better social protection. This need is greatest for those in the informal economy. Our country is poor, we know that it will take time to develop the kind of structures and systems to provide adequate social security, but we must make a start. I believe that tackling the problems of the informal economy goes hand in hand with strategies for poverty reduction. I also believe that the conclusions of this Committee provide the ILO with a method to enhance its work in the field.

I ask now that this Conference adopt the conclusions and oblige the ILO to find and apply the means necessary to fulfil our requirements.

Mr. POTTER (*Employers' delegate, United States*) — On behalf of the United States employers, I have the pleasure of supporting the report and conclusions of the Committee on the Informal Economy.

Anna Walker of our delegation was deeply involved in the discussions and in the Drafting Group that prepared the conclusions. Therefore we are in a position to say that we appreciate very much the consensus-building approach of the Committee and the balanced report of the Office which facilitated this process. We are particularly pleased that the link between informality and decent work on the one hand, and good governance deficits and the business environment on the other, was established.

Empowerment is the result of the environment created by the employer and the individual and the collective competence of employees. A few problems that employers had with some aspects of the conclusions do not detract from the overall quality of the report and conclusions.

We hope that the conclusions pave the way for addressing the real problems of the informal economy by the tripartite constituents as well as by the ILO in

respect of those aspects that fall within its mandate and expertise.

Original Spanish: Mr. SOLARI (*Ambassador, Permanent representative of Argentina, Permanent Mission, Geneva; speaking on behalf of MERCOSUR*) — Firstly I would like to associate myself with what was said by the distinguished delegate of Brazil, representing the Latin American group.

This statement in the debate on the informal economy is being delivered by the Government of Argentina on behalf of the member States of MERCOSUR.

The report presented by the Office clearly indicates that the informal economy is mainly a problem of the developing countries. In many instances more than 50 per cent of the working population is engaged in the informal economy, and almost never less than 25 per cent.

Its size in the developed countries is far smaller, and it cannot be quantified in the same way. The same report says that the informal economy, a concept which is difficult to define, includes the worst forms of child labour. In it, discrimination is more frequent and more deeply rooted, as are the lack of social protection, job insecurity, and violations of trade union rights, among other ills.

Using this concept, we are trying to deal with the vulnerability and the lack of decent work that affects a large number of our workers. The report was quite right to say that we can only move towards sustainable, recognized and secure decent work if we attack the root causes of the existence of the informal economy.

It is regrettable that despite the insistence of our countries, the conclusions do not fully reflect the wording that we proposed, which was very precise and categorical.

The Director-General, in his meeting with the Ministers of Labour of the Latin American member States, clearly said that child labour, that terrible scourge, will not be overcome through technical assistance projects and programmes, but only when there is schooling for all and full employment. He reiterated the need to attack the root causes of serious problems. If we do not, our efforts will be in vain and the results will be meagre.

We thus welcome the fact that the Committee, after some intense debate, took on an amendment sponsored by the Latin American group in paragraph 15 of the conclusions. It says that "trade, without export subsidies that distort the market, without unfair practices or the application of unilateral measures, would help living standards to be raised and conditions of employment to be improved in developing countries, and would reduce decent work deficits in the informal economy".

The document thus deals with a substantive issue for the developing countries, which is unequal treatment and discrimination in the globalization process, especially in trade in the agricultural sector.

Some \$1,000 million a day, approximately ten times the total amount of development assistance, and customs duties of up to 500 per cent are granted by a handful of countries to protect their more concentrated agricultural sectors. This translates into poverty, rural exodus, excessive manpower in the cities and growth of the informal economy and social unrest in our countries.

At this very Conference, when discussing the Report of the Director-General, many Governments, workers and employers from developing countries in various regions have spoken out against these inequities. So while we are glad that part of the Latin American amendment was taken on board, we do regret that the conclusions were not robust enough in this regard.

Indeed, while paragraph 36 recognizes the need where the social dimension of globalization is concerned to draw upon the knowledge of experts, in the priorities, despite insistence on our part and on the part of other developing countries, specific activities of technical cooperation and research were regrettably not included.

Such activities would have helped us obtain a more accurate idea of the impact of these subsidies and barriers on informal employment in the developing countries. They would make it possible to make all member States aware of this issue and prompt action by the groups and the Organization itself to explore ways of finding a solution, working with our countries to remove one of the main underlying causes of the informal economy, which must be attacked directly.

Apart from this omission, it is clear that this matter is of the utmost importance among the Organization's main areas of endeavour, and that it must very much remain on the agenda of the Office. The progress made in recognizing the inequitable and unbalanced treatment of the developing countries should provide additional incentives to resolutely attack the root causes of the informal economy and the deficit of decent work in our countries. We will work to this end, so that the Office can show that it is up to the challenge.

Ms. NHLAPO-HLOPE (*Workers' adviser and substitute delegate, South Africa*) — This report, amongst other things, looks at what needs to be done by governments, workers, employers and the ILO to address the serious work deficit that characterizes the informal economy. The informal economy is growing and can be found in both developing and developed countries.

For example, in the United States, West African men, working as supermarket deliverers, were treated as independent contractors and paid a wage that violated the minimum wage law.

In New Zealand, Maori women workers were forced to become subcontractors in the formal economy, and so their wages, rights and dignity were eroded in the process.

In Zambia, street vendors are not able to enter the formal economy because of restrictive registration laws and high taxes.

We all agree that there is a need to bring the unprotected workers into the formal economy, where they too can enjoy fundamental human rights, as embodied in the Declaration of Philadelphia.

This report, therefore, clearly points out the role of each social partner and the ILO, so that principles and rights at work for all workers are realized; better employment and income opportunities are created for all workers; social protection is extended to all, and social dialogue is promoted. These are noble goals that will make decent work a reality for all. We therefore would urge that this report be adopted and that work begin.

Mr. SHENOY (*Government delegate, India*) — The consideration of the issue of informal economy is timely. In the developing countries particularly, globalization and liberalization would also result in workers being driven into casual labour, thus adding further to the already large workforce in the informal sector. Improvement of the conditions of the workers in the informal economy needs our focused attention.

We have looked carefully at the report and conclusions of the Committee on the Informal Economy, contained in *Provisional Record* No. 25. While containing some useful analyses and suggestions, the conclusions suffer from some flaws. We do not agree with the assertions that informality is principally a governance issue, and that decent work deficits are often traceable to good governance deficits. We believe that the informal economy and the decent work deficit owe their existence primarily to poverty, lack of development, widespread unemployment and lack of resources to bring all the workers under the social net. It is true that appropriate economic policies and legislation and its effective implementation, are essential to deal with the problem. However, the governance deficit may only contribute in certain situations to the problems generated basically by poverty and lack of development, etc. We are also not in agreement with the use of sweeping expressions, such as "corrupt or inefficient bureaucracies" used in the conclusions, that tend to target one of the ILO constituents.

We believe that employment generation is the first priority, while efforts must continue simultaneously to secure conditions of decent work. It cannot be anyone's case that if decent work cannot be ensured, work should not be generated at all. In India we are committed to transfer workers progressively, within the limits of our resources, from the informal to the formal economy. This process, however, is time-consuming by its very nature.

Let me briefly dwell upon some of the steps that we have taken to bring workers in the informal economy under the social net. The central Government and many of the state Governments have enacted a good number of statutes for the welfare of the unorganized workers, including the Payment of Wages Act, the Inter-State Migrant Workmen Act, and the Maternity Benefit Act.

The Union Ministry of Labour and many of the state Governments have set up welfare funds in respect of various categories and subcategories of workers, such as mine workers, other than coalmine workers, beedi and cine workers, head-load workers, agricultural workers, etc.

For agricultural workers, who constitute the largest segment of workers in the unorganized sector, a number of schemes are already being implemented by the central Government, such as the National Social Assistance programme, National Family Benefit Scheme, and the Employment Assurance Scheme. The Government of India has launched a new scheme, that is, the Agricultural Workers' Social Security Scheme, in 2001. Welfare boards and funds for the benefit of the construction workers, who number about 17.6 million in India, are also being set up. The National Commission on Labour is considering an umbrella legislation for the benefit of workers in the informal economy.

It must also be noted that if the developing countries are to be adequately equipped to transfer workers from the informal to the formal economy, the

requisite financial assistance from the developed to the developing world will have to be ensured.

The ILO itself can play an important role by rendering technical assistance to complement national efforts when requested by the country concerned. However, we would emphasize that the ILO, which is the sole competent body to deal with labour issues in the informal economy, as indeed with labour issues in general, should render its assistance in this area in keeping with the promotional approach inherent in the Declaration on Fundamental Principles and Rights at Work.

Problems resulting from poverty and lack of development should not become the basis of sanctions and a conditions-based approach that would only add to the conditions of poverty and underdevelopment.

Let us not forget that the Declaration stresses that labour standards should not be used for protectionist trade purposes, and that the comparative advantage of any country should in no way be called into question by the Declaration and its Follow-up.

Original Spanish: Mr. LIMA GODOY (*Employers' delegate, Brazil*) — All those people who had an opportunity to take part in the work of the Committee will have come away with a better idea of the extent to which the informal economy has grown in the world of work. This is the case in Brazil, as in most, if not all, developing countries.

An Employer delegate from India asserted that in that great country more than 90 per cent of jobs are in the informal sector, and that they contribute to approximately 60 per cent of the gross domestic product. We have heard evidence from colleagues from every corner of the earth that this is a growing phenomenon because of the permanent nature of its causes and the complexity of trying to overcome them.

The conclusions that have just been submitted to the Conference are hence extremely important when it comes to fighting poverty and promoting rights, decent work, social protection and social dialogue. Because of their timeliness, scope, depth and balanced nature, these conclusions provide necessary guidance for establishing the strategic priorities of the Governing Body and some very good basic material for the work of the Office. Thus, my statement also serves to commend the Governing Body for selecting such a relevant issue to be discussed at this session of the Conference. I would also like to commend the successful outcome of the Committee's work. This Committee, its Officers and all of its members, deserve our whole-hearted praise.

However, I would also like to express my frustration that so little attention was given to the draft resolution on the informal economy and international trade barriers and subsidies, especially concerning agricultural products, submitted by the Government member of Argentina. This draft, which was supported by the Government member of Brazil, was rejected almost at the very outset by the Committee. Why was this the case? Not because it is unimportant for the developing countries, especially since the opposite was affirmed by both the Employers' and Workers' spokespersons.

Report No. VI of the Office pointed out that "high levels of agricultural subsidies in the developed countries may be a contributing factor to rural poverty in the developing countries", and noted that it was possible to say that there is a link between the informal

economy and globalization, in so far as the informal economy often thrives more in developing countries which have been unable to integrate in the world economy.

Why then did the Government member from Argentina have to withdraw his draft? Because from a traditional, logical point of view the draft resolution went beyond the mandate and competence of the ILO, according to one or two spokespersons? Or because it did not go into enough depth on the important points it covers, as asserted by another spokesperson?

As the Employers' delegate of France, Mr. Boisson, so rightly said yesterday, the phenomenon of globalization requires an integrated approach to international issues.

To me it is clear that this reasoning particularly applies to the world of work. When will the ILO come up with resolutions that deal with decent work, given that, at the same time, the WTO and other organs of the United Nations are obviously incapable of changing situations of blatant injustice in commercial transactions, a situation which makes it very difficult, if not impossible, to generate economic conditions in which decent work can be a real possibility in countries where agriculture is the best weapon they have for competing on the world market.

I am absolutely sure that only a truly integrated approach on the part of international organizations will make it possible to work out effective, focused solutions to problems as complex as those of the informal economy.

For this, the ILO will have to take the leadership and study all aspects of labour issues without the compartmentalization that exists for the organization of work, but which should be removed when it prevents us from adopting a broader systematic approach, without which the highly complex problems of globalization will not be resolved.

Mr. HYDER (*Employers' delegate, Bangladesh*) — I have great pleasure in supporting the report and conclusions of the Committee on the Informal Economy. However, as the Employer Vice-Chairperson has stated, we would have preferred a few different outcomes.

Although Asia, due to its large population, probably has the largest number of people in this economy in absolute terms, the Asian experience has some lessons to offer. Some countries have developed new comparative advantages, benefited from trade, investment and technology, reduced the size of their informal economies and achieved relative affluence. In order to obtain these benefits, they developed their infrastructures, invested heavily in human resources, raised domestic capital through high savings and developed technological absorption capacity. They demonstrated that policies fitting particular conditions and circumstances are critical in achieving socioeconomic development.

In other countries, where the informal economy has been prevalent, it is sometimes not understood that the process of moving from one type of economy to another has some transitory negative features. Affluent countries did not achieve their current status within a span of a few years. Different circumstances today do help us to shorten the transition period, but no great leap forward is possible for most countries. Reaching our goal is very much in our hands, but

international circumstances impinge on our success or failure more than ever before.

This Committee's work has enhanced our understanding of the informal economy. This in itself is important because those who do not see and interact with those in this economy in their daily lives find it difficult to understand its special characteristics, its problems and potential strengths. Perhaps that is why there is a school of thought which promotes a purely labour-rights approach to development as a means of bringing about all-encompassing results. Rights are of fundamental importance, but the reasons for their absence are the same as those that led to this economy in the first place. This economy and its associated problems are due to a multitude of constraints, of which inadequate rights are themselves a manifestation. Policies must therefore be correctly sequenced to address the causes and constraints and not just symptoms of the problem. Good governance and development of a conducive business environment are critical in helping people to move from the informal to the formal economy.

This is the first time the ILO has moved closer to a broader and more in-depth diagnosis of the problems in this economy. Hopefully, it will increase the relevance of the ILO's work by aligning it to realities, benefiting the constituents and our societies as a whole.

Mr. MAKEKA (*Employers' delegate, Lesotho*) — Let me thank you for giving me the floor to add my voice and support to the adoption of the report and conclusions of the Committee on the Informal Economy. In congratulating the Employer Vice-Chairperson for being able to put forward the views, interests and concerns of employers during the Committee's work, I would also like to echo his commendations to the Office, under the leadership of Ms. Lin, for having produced a very balanced report outlining the essence and the different facets of the informal economy. I would also like to express our appreciation to the ILO, which together with the Bureau of Employers' Activities, the International Organization of Employers, the Pan-African Employers' Confederation Organization and employers' organizations of Cameroon, organized a workshop on the subject in May of this year in preparation for the Conference.

It is a fact that the informal economy is a growing phenomenon, particularly in African countries, and that this coincides with the general decline in the performance of these economies. Hitherto, in many of our countries emphasis was put on the negative aspect of this economy. As a result, all three social partners were not well disposed towards it and resources were not made available to study the phenomenon and solutions. In my country, for example, there is no government ministry or department which covers the informal economy. The only time those involved in the informal sector are in the news is when they have dealings with the police or other law enforcement agencies which usually ends with

evictions or imprisonment for infringement of the law.

The report before us and its conclusions are balanced and provide a good basis for action at national and international level. It is clear to us that there is a consensus that everything must be done to facilitate and enable actors in this economy to graduate and move from the informal economy to the formal economy. By putting undue emphasis on the negative aspects, such as work rights deficits, we will simply drive them further underground. Lesotho needs assistance from the ILO, not only to undertake research, which has never been done, but also to involve employers and workers in the informal economy. In this way we will be able to address their problems and concerns to enable them to make meaningful contributions to the social and economic development of our country. We therefore strongly commend the report and its conclusions for adoption by consensus.

Original French: The PRESIDENT — As there are no further speakers, we shall proceed with the adoption of the report.

If there is no objection, may I take it that the report, paragraphs 1-220, is adopted?

(The report — paragraphs 1-220 — is adopted.)

RESOLUTION CONCERNING DECENT WORK AND THE INFORMAL ECONOMY: ADOPTION

We shall now proceed to the adoption of the resolution concerning decent work and the informal economy. If there is no objection, may I take it that the resolution is adopted?

(The resolution is adopted.)

CONCLUSIONS CONCERNING DECENT WORK AND THE INFORMAL ECONOMY: ADOPTION

We shall now proceed to the adoption of the conclusions concerning decent work and the informal economy. If there is no objection, may I take it that the conclusions as a whole are adopted?

(The conclusions are adopted as a whole.)

This concludes the review and the adoption of the report of the Committee on the Informal Economy, and the resolution and conclusions submitted by the Committee on the Informal Economy.

I would like to congratulate the Chairperson, the Vice-Chairpersons and the Reporter of the Committee on the Informal Economy, and all its members, for their excellent work. I would also like to congratulate the staff of the secretariat for their contribution to this excellent work.

(The Conference adjourned at 5.30 p.m.)

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