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Presidents: Mr. Wamalwa and Mr. Wojcik

REPORTS OF THE CHAIRPERSON
OF THE GOVERNING BODY
AND OF THE DIRECTOR-GENERAL:
DISCUSSION (*cont.*)

The PRESIDENT — Before considering the Report of the Finance Committee, we shall continue the discussion on the Reports of the Chairperson of the Governing Body and of the Director-General.

Original Spanish: Mr. CHIRINO (*Workers' delegate, Venezuela*) — I would like to begin by offering all delegates here the warmest greetings from the workers of the Bolivarian Republic of Venezuela. I speak on behalf of the first pluralistic delegation in the democratic history of our country, representing the Venezuelan workers who are members of the union organizations known as CODESA, CGT, CUTV, CTV and UNT.

I congratulate the President of the Conference on his election, and the Director-General of the ILO on his contribution to this Conference in his Report, *Working out of poverty*.

As the Director-General points out, poverty is an evil which continues to afflict a great part of the world population, and the developing countries are especially hard hit. Consequently, poverty is a central issue for discussion in this tripartite forum in the presence of workers' representatives.

Venezuela is not immune to the spread of poverty, and those of us involved in the world of employment must set about reversing the current social injustice. In Venezuela, this involves adapting legalization bring it into life with far-reaching changes in the Bolivarian Constitution. The Director-General Juan Somavia asserts, quite rightly, in his Report that it is only through joint action that we can eradicate poverty. The countries and institutions of the world must join forces to arrange this scourge. To achieve this it will be essential to reform the international economic systems, which currently help to make legal and, the rich countries richer and the poorer countries poorer.

The workers of Venezuela therefore propose that the ILO should consider holding a special event to deal with this specific issue of international trade law with a view to reversing the rules which the rich countries are imposing upon the poorer countries while fragrantly and constantly flouting those rules themselves.

In order to combat poverty, we have to put our fine words into practice. It is not acceptable, under the guise of fighting poverty, to introduce irregular conditions into employment contracts, such as flexible working time, outsourcing, provisions making em-

ployment increasingly precarious, or measured that undermine the very idea of a wage, and other such innovations that are severely affecting the income of workers. Nor is it acceptable to deny workers the right of association.

If we wish to combat poverty, we have to involve institutions like the ILO, which must give proper consideration to claims and complaints presented to them. The complaint which has been made about Venezuela, which has been manipulated with the aim of destabilizing the politics of the country and promoting interventionism, is hardly the kind of help that the ILO should be giving to the social partners of Venezuela. Venezuela is currently experiencing its best time, in terms of freedom of association, in its entire democratic history. This seems not to have passed unnoticed and all the efforts that are being made to overcome our present difficulties are being negated.

The workers of Venezuela are convinced that the ILO is the best forum for the participation of workers in world developments, and the best vehicle for defending the workers claims. We are counting on this. One of the most important of their claims is for genuine integration which will bring us together as peoples and enable us to put behind us the neo-liberal mode of globalization that is being joisted on us.

Latin Americans are also being imposed upon in terms of the Free Trade Area of the Americas (FTAA) and the crippling burden of debt which is borne upon the shoulders of the very poor. Our character as a people in Venezuela is being formed in the context of our Latin American history, which includes such figures as Simón Bolívar, Antonio José de Sucre, San Martín and José Martí. This history guides us in the present, and makes us assume our responsibilities for our own destiny.

Original Spanish: Mr. BERROCAL AROSEMENA (*Workers' delegate, Panama*) — First of all, I should like to convey warm greetings from the delegation of the workers of the Republic of Panama.

The National Council of Organized Workers of Panama (CONATO), considers that it is an indisputable, inescapable fact that we are faced with the tragic reality of an infamous, inhumane, exclusive model of development.

This type of development, which has been promoted by big multinational companies and powerful governments, is the main cause of global poverty, and, what is worse, this poverty is now reaching a dangerous level. The figures in the Director-General's Report are truly alarming, but we must also remember that, in many of our countries, we have governments whose cowardly or craven action encourages these abuses

and disgraceful measures, as is vividly illustrated by the fact that 3 billion persons throughout the world, live on only \$2 a day and more than 1 billion live on less than \$1.

In our country, the issue of poverty is further complicated by the lack of government policies to eradicate this scourge. On the contrary, the State is actually contributing to its spread because it does nothing to safeguard stable employment, nor does it index wages, which would allow them to be adjusted on a regular basis, nor does it even raise the minimum wage when circumstances so require. It is constantly infringing fundamental international conventions, such as that on the freedom of association and that on the right to collective bargaining by permitting the establishment of so-called "enterprise agreements", which undermine these conventions and do not respect the rights of workers, in that they fail to grant public or civil servants proper staff regulations giving them established status which would place them on a similar footing to employees in the private sector who are covered by staff regulations.

The privatization of public services, which is making them prohibitively expensive because of the astronomical prices they then charge, is harming the poorest and most marginalized sectors of the population. Furthermore, it is leading to an unsustainably large flight of capital to other countries, which is having a terrible effect on our weak economy, because these funds could be invested in Panama to alleviate the alarming development crisis.

Obviously, these factors have a direct impact on the growth of unemployment. Here in this forum, the Director-General has himself pointed out that work reduces poverty, hence any boost to unemployment is obviously going to lead to a dizzying upward spiral of poverty rates and extreme poverty. We cannot continue to have double standards with respect to other fundamental issues. We believe that this 91st Session of the International Labour Conference must demand that our governments, not only sign the core Conventions, but that they also recognize that these tripartite forums strike serious agreements making it incumbent upon the various social partners to comply with agreements that are in keeping with standards. One side should not be allowed to wriggle out of part of such agreements.

We, therefore, urge that the social dimension be borne in mind in all development processes. We urge that labour clauses and social charters be drawn up so as to ensure legal security for workers and society as a whole. The emphasis must be on codes of conduct and codes of ethics which must be fully observed by governments, businessmen, investors, and transnational corporations, in an attempt to contain the voracious appetite of those enterprises who just want to accumulate capital at any cost, even at the expense of human beings and the world as a whole.

Mr. KARWOWSKI (*Employers' delegate, Poland*) — First of all, on behalf of the Polish Employers, I would like to congratulate the Director-General on his election to head the International Labour Organization.

While in recent years Poland has experienced rapid social and economic change, it has also faced difficulties affecting the nation's entire economy. Among the symptoms of this situation are the problems of Polish enterprises and rising unemployment.

One of the factors that makes unemployment even greater is the insufficient flexibility of the labour market. The modern economic environment, globalization, competition and rapid technological development, all of which shape forms of labour and forms of employment, require new solutions for the labour market, including particularly a revision of Poland's rigid labour laws.

Having briefly outlined the context, I would like to enumerate several positive developments that are crucial to businesses and employers operating in Poland. First, an increasing openness to negotiations on the part of trade unions representing employees. Second, an understanding at the Government level and in Parliament that labour legislation and related legal regulations need to be changed to improve the environment for business. Third, processes related to Poland's accession to the European Union. Fourth, the intensification of social dialogue at all levels. Fifth, the fact that, at the initiative of employers' organizations, the Tripartite Commission for Social and Economic Affairs has opened negotiations on key issues of social and economic policy.

I should now like to elaborate on each of these points. The greater openness to negotiations on the part of trade unions representing employees has led to a more widespread acceptance of negotiations as a tool for solving social problems and addressing employee grievances, and more flexible positions adopted during negotiations.

The years 2002 and 2003 saw the enactment of amendments to the labour law, which we see as moving in the right direction though far from sufficient. Employer-employee relations should be shaped by contractual relations, namely by individual employment contracts or collective labour agreements functioning as genuine contracts between the parties. Consequently, the Labour Code should be simple, clear and easy to interpret, and should provide the basic guarantees for both employees and employers.

In the context of the accession process, adjusting Polish law to international regulations is a high priority. What employers find disturbing about this process is that some of the requirements introduced by the governmental project are more stringent than those existing in the European Union.

At the national level, an intensive dialogue is being conducted by the Tripartite Commission for Social and Economic Affairs. Meanwhile, the amendment of the Act on the Tripartite Commission and Provincial Commissions for Social Dialogue has made possible the appointment of provincial commissions for social dialogue. Since they were first appointed, the commissions have been concerned with important regional issues.

As I mentioned in the introduction, in May 2003, at the request of the employers, the Tripartite Commission decided to start negotiations aimed at reaching an agreement concerning key issues of social and economic policy.

The proposed areas for negotiation cover the full range of social and economic issues, including restructuring of public finance, liberalization of arrangements for business activity, lowering of taxes to stimulate demand, principles of privatization, the scope of public assistance for business undertakings, the degree of opening public services to market forces, mechanisms for shaping salaries, and the labour law, including the role of collective agreements.

These negotiations were initiated by the employers. The employers are convinced that only through a broad-based dialogue that includes all those affected by the social and economic processes can a comprehensive agreement be reached, which is required to resolve Poland's difficult and complex problems.

I hope that next year I will be able to inform you about the positive results of this social dialogue.

Original French: Mr. NDITABIRIYE (*Minister of Labour and Public Service, Burundi*) — First of all, I would like to congratulate Mr. Wamalwa on his election to the presidency of the International Labour Conference. Also, on behalf of the Government of Burundi, I should like once more to congratulate Mr. Somavia on his brilliant re-election to the post of Director-General of the ILO. We thank him most warmly and wish him every success in the work in which he is engaged. He can always count on our support in the reforms which are necessary to make the ILO more efficient and closer to its constituents.

The Director-General's Report contains excellent analysis and guidelines on combating poverty. My country is particularly interested in this Report, since, as you know, it has been in a state of serious crisis since 1993, which has led to the loss of many lives, population displacement within and out of the country, as well as widespread destruction and looting. This crisis has led to a considerable increase in poverty, affecting both the people and the State, and the social fabric has been destroyed. Therefore the fight against poverty has become our top priority. With the support of the subregion and the international community, a peace process based on negotiations was initiated in 1998 and, in August 2000, led to the signing of the Arusha Peace and Reconciliation Agreement for Burundi. Implementation of this Agreement began on 1 November 2001, with the setting up of a transitional government, led by President Pierre Buyoya and Vice-President Domitien Ndayizeye. The National Assembly and transitional Senate, were also established.

A key moment came after 18 months, when the Head of State was required to hand over power. Despite fears and concerns, the hand over has now taken place. President Buyoya fulfilled his obligations and has now handed over power to his Vice-President, His Excellency, Mr. Domitien Ndayizeye. Sworn in on 30 April 2003, Mr. Ndayizeye became President of the Republic of Burundi for the second transition phase. A new Vice-President, His Excellency, Mr. Alphonse Marie Kadege was also sworn in on the same day. Harmony and serenity marked this transfer of power, giving fresh hope to the people who are now awaiting implementation of the ceasefire so that they can seriously begin the reconstruction of their country and reconciliation of the warring factions.

The Report of the ILO's Director-General, *Working out of poverty*, is therefore very significant. For the Government of Burundi the political dialogue which began in Arusha and which continues within the country, must be strengthened and complemented by social dialogue based on consensus-building and consultation.

Thus, in order to elaborate a strategic framework to relaunch the economy and combat poverty, the Government of Burundi organized a broad-based debate, going from the very grass roots right up to the

head of state, to take on board the concerns of all sectors of the population.

In the world of work, social dialogue is based on the promotion of tripartism, (government, employers and workers). This is enshrined in the Labour Code, which provides for the National Labour Council, in which government, employers and workers are represented in equal numbers. The National Labour Council offers guidance on all issues relating to the world of work. The major priority is the formulation of a national employment policy, bringing together all the recommendations contained in the Director-General's Report. Some of them, such as the elimination of all forms of discrimination, are already enshrined in the constitution and the labour code.

Job creation, which forms the very basis of the campaign against poverty, is dependent upon the availability of sufficient resources. But, as we know, the world's resources and wealth remain in the hands of a minority which the poor countries struggle to survive under the burden of massive debt. There is a genuine and urgent need for the debts of the poor countries to be written off and for international aid to increase, in order to release the necessary funds for investment in productive activities and social projects, such as education, health, safe drinking water, shelter, housing, etc.

An equal distribution of the world's resources is only fair. The International Labour Organization, which advocates dialogue and consensus, through tripartism and social dialogue, must be the spearhead in the fight against poverty. The necessary reforms must be undertaken so that the ILO can be more operational in the field, as well as closer to its partners and the beneficiaries of its work.

REPORT OF THE FINANCE COMMITTEE
OF GOVERNMENT REPRESENTATIVES:
SUBMISSION AND ADOPTION

The PRESIDENT — We shall now move on to the adoption of the report of the Finance Committee which is contained in *Provisional Record* No. 17.

I now call upon Mr. Elmiger, Government delegate of Switzerland, Chairperson and Reporter of the Finance Committee, to submit the report of the Finance Committee.

Original French: Mr. ELMIGER (*Government delegate, Switzerland; Chairperson and Reporter of the Finance Committee of Government Representatives*) — I have the honour to present the report of the Finance Committee of Government Representative, published as *Provisional Record* No. 17 and containing the recommendations of the Committee on the issues which it examined. The resolutions submitted for adoption by the Conference appear at the end of the report, followed by a number of appendices for information.

This year, the Finance Committee did not have to examine requests for the right to vote at the Conference. However, the Committee was informed of the status of collection of member States' contributions.

The Committee also examined proposals concerning amendments to the Financial Regulations, the composition of the Administrative Tribunal of the ILO, the scale of assessments of contributions to the budget for 2004 based on the scale of assessments of the United Nations for 2003 adopted by the General Assembly in 2000, as well as gifts of land from the

Governments of Chile and of the United Republic of Tanzania. The Committee recommends that the Conference adopt the resolutions on these issues.

The Committee gave particular attention to the Director-General's Programme and Budget proposals for 2004-05, which were considered during a preliminary discussion three months ago, at the 286th Session of the Governing Body. After lengthy discussions, the Governing Body had agreed to recommend to the Conference the adoption of a programme and budget set at a level of zero real growth compared to the period 2002-03, which represents cost increases of some US\$14 million based on the exchange rate for 2002-03.

I have the pleasure to inform you that a strong wish for consensus emerged within our Committee and prevailed throughout the discussions. The report you have before you presents the views expressed by Members in the course of a very rich and productive debate. We heard eloquent statements, in particular on the subject of strengthening the Decent Work Agenda, as well as the need for a greater focus on the results at country level; as reflected in particular by the considerable shift of resources to the regions proposed by the Director-General. Despite the sensitive nature of some of the subjects discussed, I must stress that the sittings were held in a harmonious atmosphere of mutual understanding. Unanimous support for the programmes emerged. However, it was not possible to reach consensus on the subject of the amount of the budget. A very large majority of members expressed their preference for the proposal of the Director-General, while other member States expressed reservations. In light of the above, I call on all of you in this room, representing Governments, Employers and Workers, to support the resolution on the Programme and Budget for 2004-05.

I should also like particularly to thank the Vice-Chairperson of the Committee, His Excellency, Mr. Mantilla Huerta, Minister of Labour and Human Resources of Ecuador, and all the members of the Committee and the secretariat who helped me considerably in my task as Chairperson.

In conclusion, I would like to commend to you the report of the Finance Committee for adoption by consensus.

The PRESIDENT — The discussion on the General Report is now open. Since there are no requests for the floor, I propose that we proceed to the adoption of the Report, i.e. the summary on the Committees' discussions (paragraphs 1-121) and the four Appendices. If there are no objections, may I take it that the Report and Appendices I-IV are adopted?

(The report — paragraphs 1-121 — and Appendices I, II, III and IV are adopted.)

Resolution concerning the treatment of surpluses ó Amendments to the Financial Regulations

The PRESIDENT — We shall now move to the adoption of the resolutions. If there is no objection, may I take it that the resolution concerning the treatment of surpluses — amendments to the Financial Regulations is adopted?

(The resolution is adopted.)

Resolution concerning proposed gifts of land from the Government of Chile and the Government of the United Republic of Tanzania

The PRESIDENT — If there is no objection, may I take it that the resolution concerning proposed gifts of land from the Government of Chile and the Government of the United Republic of Tanzania is adopted?

(The resolution is adopted.)

Resolution concerning the composition of the Administrative Tribunal of the International Labour Organization

The PRESIDENT — If there is no objection, may I take it that the resolution concerning the composition of the Administrative Tribunal of the International Labour Organization is adopted?

(The resolution is adopted.)

Resolution concerning the assessment of contributions of new member States

The PRESIDENT — If there is no objection, may I take it that the resolution concerning the assessment of contributions of new member States is adopted?

(The resolution is adopted.)

Resolution concerning the scale of assessment of contributions to the budget for the year 2004

The PRESIDENT — If there are no objections, may I take it that the resolution concerning the scale of assessment of contributions to the budget for the year 2004 is adopted?

(The resolution is adopted.)

Resolution concerning the adoption of the Programme and Budget for 2004-05 and the allocation of the budget of income among member States

The PRESIDENT — If there are no objections, may I take it that the resolution concerning the adoption of the Programme and Budget for 2004-05 and the allocation of the budget of income among member States is adopted?

(The resolution is adopted.)

The PRESIDENT — According to article 13, paragraph 2(c) of the ILO Constitution, this resolution will be subject to a record vote, which will take place on Thursday, 19 June in the morning.

I now propose that the Conference adopts the report in its entirety: the summary of the debates, the resolutions and the Appendices. Are there any objections? I see none.

(The report is adopted in its entirety.)

The PRESIDENT — I should like to thank Mr. Elmiger, the Chairperson, Mr. Mantilla Huerta, the Vice-Chairperson, and all the members of the Finance Committee for their excellent work.

The PRESIDENT — We shall now resume to the discussion of the Reports of the Chairperson of the Governing Body and of the Director-General.

Original Spanish: Mr. TATAMUEZ (*Workers' delegate, Ecuador*) — First of all, I would like to call for one minute of silence for the death of our brother Anibal Somoza who passed away at this Conference whilst carrying out his duties. He deserves the solidarity of all the workers of the world and of all those attending this session of the Conference.

(*One minute's silence was held.*)

We congratulate the Director-General on the report submitted to this session of the Conference. However, we do not think that now is the time to make speeches. We believe that in a world where 4 billion people find themselves on the threshold of poverty, it is time to implement practical solutions.

Therefore, when thousands of workers have lost their lives in the world, we think that the Director-General should be congratulated on his Report, which should be borne in mind by all the workers and participants at the International Labour Conference.

As regards poverty, we believe that if sufficient resources of employment are not created to guarantee everyone decent employment, poverty will prevail and workers will be unable to get out of this situation. We believe that rather than simply making commitments we all — workers, employers and government representatives need to go home to our own countries and put them into practice.

The Director-General indicated a number of mechanisms. We would like to highlight that in order to exercise these rights and meet these obligations, each and every one of us — workers, employers and governments — must now go home and actually put into practice the principles of tripartism, which are mentioned so many times in international speeches. We believe that tripartism needs to be shown in practice, in every one of our countries and for the benefit of our people.

As regards the initiatives that we must develop and promote to create decent work, we believe that such decent work can be achieved with the participation of every one of us, namely, employers, workers and governments. The time has come to understand that we are experiencing a process of neo-liberal globalization. It is time to understand that we have to educate ourselves and prepare ourselves to compete and be competitive within our countries and abroad. All of the efforts that we make to benefit our working people and for the development of our countries will be for the benefit of our future.

We would like to say to the ILO — and we will repeat this as many times as necessary — that it must intensify all the work that it has been carrying out to date. We hope that the technical support it has provided and is providing in Ecuador will continue to increase. This request has been made by the Government delegate and the Employers, and we, the Workers, make the same request because this is the best way in which the ILO can help us.

As regards the work we have to do in our countries, it should be stressed that to put an end to poverty, we

have to create sources of employment and thereby create dignity in the world.

To finish, as workers and poor people of the world, we would like to say that to put an end to poverty, we must put an end to armed conflicts. We do not want war; we want work and peace. We do not want more arms; we want to build schools and hospitals. We want unity between people, which will move us forward along this path, with the support and influence that the ILO must enjoy throughout the world.

Mr. KARA (*Workers' delegate, Israel*) — Let me first congratulate the President, and the Officers of the Conference on their election. I want also to congratulate the Director-General for his comprehensive Report, *Working out of poverty*, which focuses on the working poor and the poor excluded from work, those who are struggling daily to survive.

This global phenomenon must be eradicated. As I understand it, this can be done by adopting the right policies and through joint efforts under taken by the social partners and civil society; this means strengthening social dialogue.

I want also to make a brief intervention dealing with items IV and V on our agenda regarding human resources training and development and the scope of the employment relationship. The importance of these items cannot be overestimated. We believe that devising appropriate policies and mechanisms for targeting, learning and training particular groups with special needs is becoming increasingly urgent. Otherwise, the process of adopting these populations to the fast-moving technological changes will be seriously hampered.

We strongly support the idea of involving civil society and making tripartite efforts in this context. State responsibility and legislation are not sufficient to properly address the problem. Joint efforts are needed to assess the training and human resource development needs and consequently to embark on programmes that provide adequate solutions in this respect.

The Histadrut, the Israeli General Federation of Labour, which I have the honour to represent here, has a very rich experience in carrying out vocational and other types of training. Tens of thousands of workers have participated in courses, seminars and workshops designed and run by the unions. This is proof that unions and other civil society organizations can play an active role in adopting the workforce to today's vocational and professional needs. Governments should not be the sole agent responsible for human resources development. Third parties, particularly the social partners, must play an active role. This will increase commitment but also the quality of the activities.

As for item V, the issue of protection of workers, while disguised employment and "atypical" patterns of work increase constantly, becomes an imperative. Proper legislation is needed immediately, but we believe that the major issue in this context is the issue of law enforcement. Legislation is not sufficient. Radical measures must be taken in order to ensure proper enforcement of the relevant laws.

There is a need to review and adapt the scope of regulation in line with the current employment realities. But the updated legislation should be accompanied by an increasing role for the social partners in the process. Collective agreements and extension orders

can be an important means in protecting workers employed in these atypical, flexible forms of employment. I suggest that unions make special efforts to take care of these employees, who are the weakest and most unprotected segment of the workforce worldwide.

Involvement of unions in this context will provide better protection to these discriminated workers, and also make unions more relevant and responsive to the needs of today's labour management realities.

Mr. KLEIN (*representative, International Christian Union of Business Executives*) — Poverty constitutes a major threat to the promotion of social justice, so winning the fight against the scourge of child labour implies making gains in the battle against poverty. The ILO therefore has a historical mandate, to devise ways and means to reduce poverty.

Last year, when we had been discussing the situation in the informal sector of the economy, it was considered that its existence considerably complicates the attainment of the decent work goal, particularly when the economic activity concerned is performed in a poverty-stricken environment. While the causes underlying the development of this sector are complex, it would appear that its progress, if shifted into the formal economy, could create a more favourable context for furthering the Decent Work Agenda.

The excellent Report of the Director-General, *Working out of poverty*, is, however, not a simple follow-on from last year's one. Even if not all aspects of the proposed poverty reduction strategy are part of the ILO's mandate, effective measures to combat poverty must be designed comprehensively. That having been said, the ILO has strong credentials based on its organized success in creating employment through its entrepreneurship development and employment-intensive programmes. All efforts should therefore be made to maximize the dissemination of this experience. Social dialogue is an essential ingredient for the design and implementation of sound poverty reduction strategies and for mobilizing broad support in society. Through its tripartite structure, the ILO is in a unique position to contribute with its universally recognized experience in this area. Through social dialogue it will also be possible for targets of achievement to be set realistically. Indeed, even ignoring the fact that there exists a huge variety of national and local situations, progress cannot be expected to be uniform and only policies which have been jointly formulated by all partners stand any chance of reaching the agreed poverty alleviation targets.

For the large majority, finding employment is the only escape out of the vicious poverty circle. However, only the acquisition of the required skills and competencies will prepare the person concerned to share equitably in social progress. The decision to prepare for the revision of the Human Resources Development Recommendation, 1975 (No. 150), is therefore a very timely initiative.

Designing and implementing successful poverty reduction programmes requires expensive expertise which is not always available locally. The ILO without any doubt possesses this know-how but the level of its technical cooperation resources may not be adequate to conduct an ambitious poverty reduction programme. It is therefore hoped that the international donor community will share this assessment

and give consideration to providing the ILO with the required means of action.

Before finishing, I would like to express my deep gratitude for the invitation to my Organization to participate in this very important and interesting Conference.

Original Greek: Mr. FELLAS (Workers' adviser and substitute delegate, Cyprus) — I would first like to congratulate the President and his colleagues on their election to preside over this Conference. I am far from alone in expressing my opinion that the administration of this Conference has been placed in the hands of an experienced leadership team and we are therefore confident that the Conference will be brought to a successful conclusion. I should also like to take this opportunity to congratulate Mr. Somavia on his re-election as Director-General of the International Labour Office, and for the valuable Report, *Working out of poverty*, that he has submitted to the Conference.

There are many issues that a speaker at the plenary discussion might wish to raise. I would like to begin my statement with a reference to the scope of the employment relationship, a question that has been included on this year's Conference agenda for general discussion.

After the failure of 1997-98, the ILO has had the opportunity to address an issue which subjects millions of workers all over the world to hardship and on which the ILO stakes its very future. The employment relationship may still be the key notion through which workers' protection is safeguarded. However, the so-called new forms of employment bypass this notion and, as a result, many workers remain unprotected. Irrespective of whether, in these new forms of employment, the unemployment relationship is disguised, ambiguous or even hidden deep inside a rather complicated triangular employment relationship, these new forms of employment are being promoted simply because they make labour cheaper.

The ILO is called upon to explore ways to enlarge the scope of the employment relationship, beyond research, technical assistance and guidance offered to member States. It is imperative for the ILO to pave the way towards the creation of a binding international instrument. Such an instrument, whether it be a convention or a recommendation, would enable the ILO to coordinate common efforts to resolve problems that arise in all member States. We are aware that the prospect of adopting such an instrument is neither popular among the ranks of employers nor among some member States; however, the ILO has a particular reason to promote standard-setting with regard to the scope of the employment relationship. In other words, the ILO must ensure that the basis on which the application of standards set up so far, for the protection and prosperity of the workers is properly grounded and remains in existence. If this is not the case in the future, then of course, there will be no scope for the application of such standards.

While this Conference is taking place, millions of working people all over the world are confronted with the results of war and foreign military action. Millions of Iraqis, due to the illegal invasion and occupation by the United States, Great Britain and their allies, and now being deprived of their basic human and social rights, and are condemned to misery. The Palestinian people and the other Arabs in the occupied territories

are still facing the inhuman violation of labour and human rights by the Government of Israel, while, in Colombia, trade unionists are still being assassinated and terrorized. I associate myself with all those who, in this respect, have demanded a commitment by the ILO so as to support the just demands of these people and to meet their expectations.

Before I conclude, I should like to make specific reference to my country. For 29 successive years, the prospect of decent employment and social justice for everyone in my country has been impeded, not only by economic and social factors, but unfortunately, also by the Turkish occupation of a part of the island. Despite the United Nations resolutions, since 1974 Turkey has obstructed the reunification of our country and the return of refugees to their homes. Turkey still continues to deprive the refugees of their property and place of employment.

A few months ago, the efforts of the Secretary-General of the United Nations to reach a comprehensive settlement brought hope to our people, Turkish Cypriots and Greek Cypriots alike. But once again, due to the intransigent stance of Turkey and of Mr. Denktash, the Turkish Cypriot leader, these hopes have been dashed. However, Turkish Cypriot and Greek Cypriot workers have not lost hope. Among their trade unions and the All Cyprus Trade Union Forum, formed by 17 Greek Cypriot and Turkish Cypriot unions in 1995, they are determined to continue their struggle until the end.

Six weeks ago, the occupation regime, in an attempt to diffuse the discontent of Turkish Cypriots and to ease the discomfort of the international community, proceeded to a partial lifting of the restrictions on freedom of movement between the two communities. The All Cyprus Trade Union Forum welcomed these developments. However, it simultaneously wants to make it absolutely clear that this partial lifting of the restrictions on movement is not – and never can be – a substitute to a comprehensive solution to the Cyprus problem. The All Cyprus Trade Union Forum demands the immediate lifting of all restrictions on freedom of movement and reasserts the determination of Greek Cypriot and Turkish Cypriot workers to continue their common struggle until a final, comprehensive and just solution of the Cyprus problem is achieved. I thank you for your attention and I wish the Conference success in all its endeavours.

Original French: Mr. GLELE (Employers' delegate, Benin) — I should like to associate myself with previous speakers in congratulating the President of the 91st Session of the International Labour Conference. Your election was no mere chance but was due to your great qualities. I also congratulate the two Vice-Presidents. I shall return to tradition after several years of silence to take the floor again at this world forum, which is the social conscience of mankind. First, I should like to congratulate the Director-General of the ILO on his re-election. I commend the excellent Report, written with admirable conviction and commitment. I should like to thank and congratulate the author of this Report, that is the Director-General of the International Labour Organization. The title of the Report, *Working out of poverty*, is in itself very eloquent and engaging. It is said that work ennobles man, but the work which is referred to in this Report is decent work, which gives

well-being and satisfies people's needs. Yes, we are talking here about decent work, one of the strategic objectives of the Director-General. So, I wholeheartedly praise the commitment of this man who, since his election to the head of our Organization, has worked resolutely to improve the lot of these many men and women who are disadvantaged and disenfranchised throughout the world. This Report bears testimony to the commitment of the Director-General, but the greatest merit of this Report is that it shows the main paths to be explored and brave decisions to be taken at various levels to try to eradicate the evil. I think, as does the Director-General, that it is first and foremost in our own countries, at national level, that we have to seek out ways and means of tackling poverty effectively. This requires from our governments strong political will, and a macroeconomic policy which is healthy and attractive and takes account of all parameters of the phenomenon so as to promote massive productive investments, which alone can generate productive jobs and sustainable growth.

So I fully agree with the Director-General, particularly when he states in his Report, and I quote, "Employment, and the promotion of enterprise that creates it remains the most effective route to poverty eradication." Employment cannot be decreed. It can only be created. There is only one approach — to create, promote and develop the enterprise. The enterprise which creates wealth and ensures the redistribution of wealth through jobs and consequently produces decent work for all. This requires from our governments bold reform of the tax systems, flexibility in laws regulating the labour market and permanent improvement of the business environment. We call on our governments, above all, to change their vision of the way in which our economic structures should be designed. We, the social partners, employers and workers, are prepared to make our small but effective contribution to such a change if we are allowed to participate in planning, and if we are involved genuinely and fairly in the development of such policies, because our contributions and our thinking are based solely on our practical everyday experience. In our campaign against poverty, we need commitment and cooperation between all sectors of the nation — a genuine partnership between the public and private sectors and also with all other constituent elements of the nation. In 2002, we had therefore already initiated at the National Employers' Council of Benin, in agreement with our Government, two projects which among other things contribute effective measures to combat poverty. The first is a project to create a permanent framework for dialogue between the Government and the employers, in which we shall address all the problems of the world of the enterprise, to overcome all obstacles to the development and promotion of the enterprise. The second project is for the creation of a support centre for productive microenterprises and small enterprises in the informal economy. In doing so, we want to establish a bridge between the informal and formal economies. We would like to thank the ILO for the help it has given us with this project. This is why we would like to take this opportunity, speaking at this global forum, to appeal to donor countries to help us with the second project. It will be only a small project at the beginning, but we do need some help to finance it. We want to support our creative craftsmen and producers. We want to organize them into cooperatives

by sector of activity. We want to improve their management skills. We want to train them and have better technology for them, and we want to find market outlets for them. What we are trying to do is to establish an incubator for small and medium-sized enterprises. Therefore, we feel that we are thinking along exactly the same lines as the Director-General, who says that the campaign against poverty is a challenge to us all. For the sake of solidarity in the effective waging of this fight against poverty, I invite all the peoples of the Third World countries in general and the people of Africa in particular to cultivate true togetherness, to learn how to pool our meagre resources so that together we can face the challenges before us.

Original Spanish: Mr. MAILHOS (Employers' delegate, Uruguay) — I would like to begin my speech by congratulating the President on his election, and Mr. Somavia and his staff for the Report, *Working out of poverty* — a Report which addresses a large number of issues; so many, in fact, that I can only touch upon a very few of them.

One of the issues that I wanted to refer to is the support of entrepreneurial spirit in small and micro-enterprises. In developing countries, including Uruguay, small enterprises are increasingly relied upon to provide jobs, because they are significantly more labour intensive. So, when it comes to preserving levels of employment and avoiding job losses and, in doing so, generating new opportunities for decent work — for all of this, it is important that the conditions are created to allow these enterprises to flourish.

Their job creation potential in developing countries could be decisive in any growth strategy that aims to eliminate poverty. Therefore, it is important to improve policies, regulations and standards in this respect and, at the same time, to develop entrepreneurial training and markets. These measures could make enormous contributions to reducing poverty. Acquiring management skills and survival skills is indispensable for small and micro-enterprises to survive and to grow, and that is why the ILO should increase programmes and services that promote sustainable entrepreneurial development, and in this way creating demand for labour in these countries.

Another issue which the Report looks at is the increase in the size of the informal economy in many of our countries. This is underlined in the Report, and is shown to be a worrying issue of governance, in particular in the labour markets, where it is creating an atmosphere of insecurity which makes it impossible for financial, human and social capital to be built up. At the same time, it also gives rise to great difficulties for those who actually work in the informal economy, because workers in this area have no access to social security services, among other things, and are therefore extremely vulnerable. It is absolutely essential that a framework of standards be established which promotes culture of responsible enterprises in the informal economy and helps them to flourish within the framework of a regulatory system. These standards should be designed for their end-users, because they are not, enterprises will simply not use them. For this reason, it is very important that dialogue be strengthened with employers' and workers' organizations in order to create this framework of standards to bring the informal economy into the formal economy.

Another point I would like to touch upon is the role of the State as employer in many of our countries,

something else which the Director-General's Report points out. It is essential that working relationships in the case of public service become more effective and efficient. It is not simply enough to rebalance the budget; it is absolutely crucial that public officials be retrained in order that their work might become more efficient.

In closing, I would like to make a point with regard to the importance of tripartism in all of the cases that I have mentioned. We believe that any job creation programme which sets out to eradicate poverty should be based on classic tripartism. Workers, employers and governments should sit down around the table and the priority should be given to them to find the necessary solutions. In this way, they can initiate local activities to create jobs, to create the conditions to attract investment and establish enterprises, which are the real creators of decent work opportunities.

The universal standards established by the International Labour Organization provide a framework to promote the conditions for decent work in our countries. They therefore need to be general standards, they need to be universal standards, they need to be standards which all countries, developed and developing, can fulfil, and they should also need to be flexible in order to make them applicable to the specific situation of each country.

Original Spanish: Ms. ANDERSON (Workers' delegate, Mexico) — Combating poverty through decent work is the key subject of the Director-General's Report and the very backbone of this 91st Session of the International Labour Conference.

Mexico has always had legislation to promote industry and to respect and defend the rights of workers. However, today we are becoming involved in the phenomenon of this century — globalization.

It is a controversial word, with a nice ring to it for those countries for which it has generated wealth and well-being, but it is questioned by our countries in Latin America and in other areas of the world. Our countries have existed for centuries but we are still developing countries, and we are in a position of inequality in the globalization process. Mexico has always been a country of institutions. It has offered integral social security; housing for its workers, through the National Employees' Housing Fund, INFONAVIT; ongoing vocational training for a wide range of industries; and yet it has lost thousands of jobs in the formal sector.

Companies and industries have left our countries for other countries where the legislation is not as formal as ours. Mexico, like other Latin American countries, is being invaded by commercial products from the rest of the world, which are competing with our own products. The footwear and toy industries have just about disappeared from the country and the clothing and textile industries are going the same way.

Informality is being formalized. This informality is being developed at great speed. Thousands of men and even more women now depend entirely on informal work.

Combating poverty and providing decent work are keywords in the Director-General's Report.

The battle against poverty and the promotion of social integration cannot be the work of one single country or one single organization. It is our inescapable common duty to ensure that the benefits of globalization reach everyone.

Latin America and Mexico require better consideration from industrialized countries. Globalization has to go hand in hand with education, training, equal development of the markets, participation in wealth and solidarity so that the less developed countries can compete in circumstances of equality, fraternity and harmony.

If a country has employment its whole population is strong. It can create more jobs for other people and generate demand and the wealth to which it has the right.

I would like to tell you a story which I heard a number of years ago about the automatization of Industry. Mr. Henry Ford III said to Mr. Reuter, who was a union leader in the car industry at that time, "Just look at this new technology: we can work with only 30 workers and we can lay off the other 300 we now employ. I would like to know, Mr. Reuter, who will join your union then." Mr. Reuter replied, "Well, that is fine, Mr. Ford, but who will you sell your cars to?"

Men and women want a world system which will enable them to escape poverty by working in conditions of freedom and dignity. The words of the Director-General, they want "a global system that regains, its balance through solidarity".

We need, therefore, a just form of globalization for all. We Mexican workers welcome the subject of the elimination of discrimination in employment which has been discussed by this 91st Session of the International Labour Conference. It coincides with developments in the Mexican Parliament, which has just approved legislation with the same objective of preventing any form of discrimination against people for reasons of religion, civil status, gender or disability. This act has been approved by all the political groups represented in the Mexican Congress of the union.

The workers of Mexico, through me, offer greetings to all the social representatives in this international Conference and welcome the fact that the ILO, a tripartite institution recognized throughout the world for its actions, in the labour market, for its humanistic approach, its training, its understanding, its unity and its solidarity, has brought us together once again in this great Conference. We are proud of the work which has been done by the Chairperson of the Governing Body, Lord Brett, who is a member of the Workers' group, and we would also like to congratulate and express our tribute to the Director-General, Mr. Juan Somavia, for his dynamism, for all the positive action he has undertaken and for the guidance he has given to the International Labour Organization.

(Mr. Wojcik takes the Chair.)

Mr. KHAN (*Workers' delegate, Bangladesh*) — I congratulate the President and Officers of the Conference on their election to their distinguished posts. May I also take this opportunity to congratulate the Director-General, Mr. Somavia on his well-deserved re-election. He has brought about important changes to the Organization and I hope that, in his second term, he will carry the changes forward to improve the ILO and make it more relevant to us.

We are painfully aware that almost a quarter of the people on this planet lives on \$1 per day. The number of people living in absolute poverty is increasing everyday. Aid flows are simply too small to make a difference. It is estimated that in Africa, 6,500 people

will die today of HIV/AIDS, yet stopping these deaths would take about \$1 a day. Drugs for the treatment of HIV/AIDS at reasonable prices are denied to them. Funds for other worthwhile global initiatives are equally scarce.

Some policies being pursued internationally are aggravating our poverty and employment problems. Organisation for Economic Co-operation and Development (OECD) agricultural subsidies of \$311 billion in 2001 dwarf the \$52 billion in aid that they gave that year. It is estimated that each cow in Japan receives a daily subsidy of \$7.50, whereas in the European Union it is \$2 a day. In one particular industrialized country each cotton grower gets a subsidy equivalent to \$160,000 a year. In countries such as ours, governments are unable to provide such subsidy and, even if they could, the World Bank and the International Monetary Fund would discourage them from doing so. How can our farmers compete against such an unfavourable scenario?

We are told that trade increases welfare, so we should liberalize trade. The total potential benefit from complete liberalization of trade in goods may be as much as \$300 billion a year. Yet, if we were to completely liberalize trade services, the potential gains could be over ten times that. Just a simple example. If just 3 per cent of the OECD labour market was opened to temporary unskilled and semi-skilled foreign workers, the potential gain could be between US\$150-200 billion a year and the gains would be distributed both to the rich and poor countries, while providing jobs to millions from our countries.

The world spends about \$830 billion a year on arms. If just a fraction of this could be diverted to meeting the needs of the poor, starvation and malnutrition could be wiped out. If we are unable to rationalize our policies, the lofty Millennium Development Goals regarding poverty eradication will remain largely unfulfilled.

Conflicting signals and incoherent policies at the global level also have a profound impact on national policies. Ideally, national and international policies should be mutually reinforcing. Yet, the illustrations I have provided clearly show the lack of proper coherence at the global level. As a consequence, the policies pursued domestically by a small country can hardly have the full desired impact.

In Bangladesh, Prime Minister Begum Khaleda Zia's Government has demonstrated that an appropriate policy framework and institutional support can help the poor. The recently approved Annual Development Plan contains increased provision for employment-generating public works programmes. Financial institutions have been instructed to support skill development and self-employment programmes. The creation of an employment bank has dedicated an institution to generating opportunities for self-employment.

The Food for Education and Stipend for Girl Students programmes initiated by Prime Minister Begum Khaleda Zia have increased the enrolment of students and, at the same time, reduced child labour. They should make a positive impact over the long term.

Such government policies to fight poverty through employment generation deserve the support of the international organizations, including the ILO. The Director-General has announced that he is shifting

resources to field-level activities. In doing so, priority should be given to employment generation and poverty reduction. The ILO has expertise in skill development and labour market programmes to help promote and protect workers' rights. They should be active in our countries in these areas.

In view of the serious challenges raised by poverty, denials and human frustration, I submit that the governments, employers and workers must recognize and respond to the Director-General's remark, "poverty is not just a problem of the poor". This is a problem for all of us and we, together, are capable of tackling it. Let us make a commitment to do exactly that.

Original Spanish: Mr. PUIG (Workers' delegate, Uruguay) — I should like to begin by bringing you a warm greeting from the workers of Uruguay.

The Director-General's Report, *Working out of poverty*, provides an excellent basis for discussion on alternatives to this moral and material plight of our times. We believe that extreme poverty, which affects thousands of millions of human beings worldwide, cannot be analysed without first clearly establishing the responsibilities for this situation which is degrading to millions of people and promotes the interests of those who benefit from this situation of exploitation.

This is not an unavoidable situation and is not the result of natural disasters. It is the outcome of clearly structured policies which concentrate wealth in the hands of a few and deprive the majority of a decent life. Never before in history has science developed so rapidly as it is today. This should make it possible to improve significantly the quality of life of the population worldwide. However, there has never been such serious deterioration in the living conditions of so many human beings.

My country, Uruguay, is a fine example of this. It has not happened by chance. What this much talked about "general crisis" actually means is the marginalization of more people and outrageous privilege for a few.

The system of production in Uruguay has been destroyed as a result of a neo-liberal policy which encourages financial speculation and has brought about a catastrophic situation in terms of our production, our national labour market, and our health and education systems. In short, it has led to the violation of the most fundamental of all human rights.

Twenty per cent of the economically active population is unemployed and over 50 per cent is in unstable employment, underemployed or working in the informal sector. However, no percentage will ever give a real picture of the scope of human suffering caused by unemployment and poverty, which compromises the future of men and women and, day by day, destroys their self-respect.

Poverty in Uruguay affects half of all children under the age of 12 and a third of children over the age of 13. The spiral of poverty is getting deeper day by day.

Generations of Uruguayans, even before they are born, are doomed never to enter the system of education, never to acquire decent work and to be marginalized or kept prisoner.

As a result of poverty in Uruguay, the number of prisoners in the country has increased tenfold. Our prisons are bursting with poor people and inhuman treatment, death and corruption are everyday occurrences.

Hundreds of thousands of Uruguayans have no access to decent housing, health care or education. Long-term and widespread unemployment affects the entire labour force, but is particularly acute among women and young people.

Hunger is rampant in our small country of just 3 million inhabitants, which, in the past, was a food exporter. The death of children from malnutrition in public hospitals is an outrage and speaks for itself.

In a country where human rights as fundamental as a child's right to life are being violated, the fact that the Government, the Uruguayan Government, preaches human rights to other countries in the world is, putting it mildly, a hypocrisy.

Constant attacks are made on trade union organizations and the total absence of appropriate protection for trade union activity as stipulated in the ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98), is revealed through the constant dismissal of trade union activists and leaders from their jobs. In 1986, 95 per cent of labour agreements were achieved through collective bargaining. That figure is now 16 per cent.

Our national minimum wage is the pitiful sum of \$36 per month, whereas the cost of a basic shopping basket adds up to \$824. Thousands of Uruguayans work in precarious conditions for 30 cents an hour.

The Uruguayan trade union movement rejects the highly undemocratic nature of the economic policy that is being applied by the Government. We have not, however, resigned ourselves to observing the situation. We are fighting for change so that a new Uruguay will be possible. We are convinced that creating a new country and a new world is possible. Therefore, today, on 17 June 2003, we the workers of Uruguay, bought together in our single union, the PIT-CNT, have declared a national 24-hour general strike. That has been supported by producers and shop owners in the cities and in rural areas. Once again, we shall be using this day to develop proposals on behalf of workers to improve the productive situation in Uruguay, to revive production, boost employment, promote collective bargaining, ensure trade union freedoms and increase wages, as alternatives to policies that spread poverty, and are the moral and material plight of our times.

Mr. LEVY (*Government delegate, Israel*) — At the outset, I would like to congratulate the President of the Conference on his election and the wisdom he has shown throughout the Conference. We wish him all the best as he embarks on a new and challenging path.

I also want to congratulate the Director-General upon his recent re-election. We appreciate very much the reforms that he has introduced in the ILO, built upon the pivotal concepts of decent work and the four strategic directions, all demonstrating the central role of the ILO amongst international organizations on global labour issues.

The Director-General's Report presented at this Conference deals with the problem of poverty — an extremely important subject for all of us, developed and developing countries alike.

Poverty and society's duty were referred to by our prophet Isaiah, and I quote him in Hebrew "...", and for those of you who do not speak Hebrew that fluently, "is it not sharing your food with the hungry, taking the homeless poor into your house, clothing the naked when you meet them and never evading a

duty to your kinfolk? Then shall your light break forth like the dawn and soon you will grow healthy like a wound newly healed”, Isaiah Chapter 58, verse 7.

Many speakers who preceded me, including President Lula da Silva of Brazil, emphasized the crucial importance of addressing the problem of poverty. The Report which the Director-General presented to the Conference represents a major contribution to our thinking on this issue and includes very useful, strategic tools built on the principle of work as an instrument for emerging out of poverty.

The Israeli economy has been affected in recent years by a major crisis, stemming from the political situation and the violence in the area, the general world depression and the worldwide decline in high-tech industries. These factors led us into a severe downturn in which the gross national product dropped considerably and the level of unemployment approached 11 per cent. The effect of the violence alone has cost the Israeli economy about 3.5 per cent of GNP in 2002 alone. The first year of the violence affected mostly the tourist industry and exports to the Palestinian Authority. Currently, additional effects are felt through the decline of private consumption, which contributes to the economic downturn.

The economic recession in Israel in recent years has affected the level of poverty. The deteriorating economic situation has led the Government to undertake a series of economic measures, primarily budget restraint, reduction of the welfare benefits, taxation reform, the privatization of public companies and an attempt to reduce the public sector.

The challenge the Government faces today is to maintain the achievements of the welfare state, gained in the 55 years of its existence, and to go through this difficult transitional period, while maintaining price stability and trying to reduce unemployment. One of the ways to find the right balance between an economy in recession and the fulfilment of social needs, is to promote social dialogue. In that respect, my Government is considering the establishment of a national, social and economic council.

Many of the recommendations in the Director-General's Report, are pertinent to Israeli society. Israel has a small economy based primarily on exports and therefore its economic policy has been based over decades upon opening the Israeli market to competition and joining the process of globalization. Still, these developments have exposed segments of the Israeli economy and the population to the opposite side of globalization, increasing inequality, gaps in income, social alienation, unemployment and insecurity in the workplace. It is a challenge for Israel to maintain the policy of openness and competitiveness in the international market and at the same time guarantee the safety nets of the welfare state instituted decades ago, which is of prime importance to the weaker part of the population.

Among the many important issues mentioned in the Report which are relevant to Israel, I would like to stress the work performed by the various agencies in Israel, as well as through our international cooperation programme, to promote the role of small and medium-sized enterprises and especially the role of women in creating and managing SMEs.

Another major issue, central to the work of the Conference is discrimination at work. In Israel, we are undertaking major efforts to improve the status of women and foreign workers in the workplace.

Israel is convinced of the significance of the normative work of the ILO in establishing values and setting standards. Israel is a signatory to the core Conventions of the ILO and I am pleased to announce that Israel is expecting to ratify in the near future the Worst Forms of Child Labour Convention, 1999 (No. 182).

The Conference also focuses on the issue of human resources and professional training. In the area of professional training, we have been working to ensure that credit is given to the worker for the various stages of training so that he will gain recognition throughout his entire career, starting as an apprentice, until he attains, for example, the professional level of engineer.

Another area extensively dealt with in this Conference is safety and health at the workplace. In this context, Israel is facing a relatively new phenomenon, namely the increasing number of foreign workers, numbering today close to 300,000. As was mentioned before, it is very important to maintain the dignity of the workplace, a decent salary and benefits as well as safety. In the area of safety, we have established the mobile system of training, which provides services to foreign workers in their own language at the workplace. We have instituted obligatory regulations for conveying information regarding safety risks at the workplace in a variety of languages in addition to information in both Hebrew and Arabic, the official languages of Israel.

Following the Johannesburg conference on sustainable development, the Government has examined the possibility of the establishment of a social responsibility standard including an obligation to respect Israeli labour laws.

This Conference is dealing with issues that are at the core of the world of work and indeed significantly influence the life of each and everyone of us. We are confident that the deliberations at the Plenary and the Committee will once again contribute to the attainment of the noble goal of this Organization, namely peace based on social justice.

Mr. NICOLESCU (*Employers' delegate, Romania*) — On behalf of the Romanian Employers' Confederation, I would like to congratulate the Director-General for his Report. We appreciate its richness, the balanced approach concerning tripartite interests and its vigour.

In my short speech, I shall focus, first of all, on the ILO strategy and approach and, secondly, on the Romanian situation.

According to many renowned specialists, the world economy is changing dramatically. With the advent of a knowledge revolution, we are advancing rapidly towards a knowledge-based economy. Numerous specialists consider that the knowledge revolution is similar to the industrial revolution, by the magnitude of its economic and social consequences. This new vision is reflected in the strategic decisions taken by the United States, the European Union and Japan in the last few years. For example, the European Union established in Feira a fundamental objective for 2010, which is the achievement of the knowledge-based economy in the European Union.

Development towards a knowledge-based economy is a global process, which is not restricted to the most developed countries and should not be limited to these countries. On the contrary, it is in the interest of

each country to develop rapidly towards a knowledge-based economy.

In this context, the ILO should play an essential role, participating directly and steadily, in accelerating the development of all countries, according to the requirements of the knowledge-based economy. To this end, we suggest setting up, in 2004, a special tripartite committee focused on the impact of development towards a knowledge-based economy on employees' and employers' status and roles and, secondly, on how to enhance economic and social performance by making optimum use of the tremendous opportunities offered by the knowledge-based economy.

By taking such an initiative, the ILO shall make further progress towards the promotion of proactive strategies and actions, essential for mankind in these dynamic and complex times. If the ILO takes such an initiative, I would be honoured to offer my expertise and know-how in this field, in which I have been working for the last three years.

As the first Vice-President of the Romanian Employers' Association and as President of the Romanian Small and Medium-Sized Enterprise Association, I want to point out that there has been an improvement in the overall economic and social situation in Romania over the past year. In 2002, the gross national product (GNP) continued to increase by 5 per cent. Some important laws have been enacted and tripartite dialogue has continued to develop. Despite these significant developments, we consider that we still do not have an enabling environment in Romania. While the rate of inflation fell by 50 per cent between 2001 and 2002, it still remains high. The tax burden, especially on the labour force, is one of the highest in Europe. Several important incentives for small and medium-sized enterprises have been cancelled. Bureaucracy and corruption have reached significant levels.

In order to facilitate the creation of an enabling environment in Romania – essential both for employers and employees – we believe that more efforts should be made in all areas, including tripartite dialogue. This should become more pragmatic and effective. Voices of employers' associations and trade unions should have more impact on Government decisions and actions. The implication of ILO bodies in Romania through concrete actions could be very useful for this country.

We welcome any ILO action in this respect.

Original Spanish: Mr. GORRITI VALLE (Workers' delegate, Peru) — I would like to endorse the congratulations offered to the President on his election and to the Director-General on his Report, *Working out of Poverty*. The Report is a very comprehensive one and touches upon a number of issues of interest in the current world situation. The proposal that we should try to overcome poverty through a policy which promotes decent work is a very valid one, and the Report gives a clear and sensitive view of the problems which affect more than half the world's population. We endorse the concerns and the proposals set out in the Report, and we would just like to draw attention to a few specific points.

World poverty can be explained, apart from the reasons given in the Report, by the existence of an economic order that is based on an inequitable trade system. Trade relations between the North and the

South, on the one hand, and between multinational enterprises and weak, underdeveloped nation states, on the other, create various distortions which lead to an increase in social inequalities.

In the case of Latin America, structural poverty can also be explained by the continuing burden of foreign debt, to which governments have to divert resources which would be better spent on their populations.

Our governments are developing social policies that purport to relieve poverty and extreme poverty, but their economic policies are fundamentally regressive and only create more poverty and inequality. Therefore, the main weapon in the fight against poverty must be a Sovereign economic policy in every country.

We also need to build solid and transparent institutions which will enable local programmes to be implemented to overcome poverty, using macroeconomic policies and measures to promote decent work. We believe that one of the crucial institutions for this is the trade union, and this was acknowledged recently in a World Bank document.

We call on the various multilateral organizations to establish concerted policies. WTO negotiations, for example, should involve greater participation by the ILO and should be based on the tripartite methodology which has worked to such good effect in this Organization, as the Report shows us.

We have had enough of strife. What we need now is peace and development, to enable us to build a better world.

In the case of Peru, some progress has been made in terms of respect for workers' and trade union rights, through legislative reforms which have enabled 12 of the 16 observations presented by the ILO to the Peruvian State to be resolved. However, we are still waiting for detailed implementation procedures to be established.

Institutional mechanisms for social dialogue, such as the National Labour Council, are important advances, but they are hampered by the delay in drawing up the new General Labour Law, which will establish the balance in industrial relations which was lost during the period in office of President Fujimori.

At a lower level, there is still a refusal in some sectors to accept negotiations by sector, which are provided for by our legislation and Ministry of Labour regulations. One example of this is the civil engineering sector.

Many of the legal restrictions on our rights still exist. For example, arbitrary dismissals continue. We do not have sufficient protection against dismissal for participating in union activities. Workers on probation are still not allowed to join unions.

Recently, Peru experienced a national strike called by administrative workers and teachers in the education sector. They were joined by employees from the judiciary and finally part of the agricultural sector. The Government was not able to resolve this strike through dialogue and declared a state of emergency, suspending constitutional rights and handing over responsibility for law and order to the armed forces. It was a delicate situation, which led to the death of a student and hundreds of people being injured. It provoked a revolt by the Peruvian people, who understand that we need to consolidate our weak democracy and that we cannot use repression as an answer to social demands.

Although some of these demands are slowly being met, there are still many serious problems which need to be resolved. One example is the adoption of the Law concerning the promotion and formalization of micro and small enterprises, creating a parallel labour legislation for these workers, under which their rights are curtailed, as well as the refusal to allow workers the freedom to join or leave private pension funds. We ask the ILO to help us to re-establish dialogue which will enable us to solve our problems.

Original Spanish: Mr. AGUILAR ARCE (*Workers' delegate, Costa Rica*) — I would like to express my best wishes for the success of the Conference and extend my warmest greetings to the President, Lord Brett and Mr. Juan Somavia and to all delegations at this 91st Session of the International Labour Conference.

We are most satisfied to witness the follow-up that the ILO has been giving, through the Director-General and his staff, to this extremely important subject of decent work. This time, though the Report which important challenges on how to combat poverty have been presented

These ideas are an extremely valuable instrument with which to contrast the economic model that has been imposed upon developing countries for more than a quarter of a century — a model that concentrates wealth, is unjust, which is without equality and solidarity and that excludes the great majority of the population.

There is no doubt that those responsible for defining policies and for the management of affairs of State followed to the letter that dictates of financial organizations. They defined and implemented programmes of structural adjustments, they sold off and privatised institutions, they reduced state participation to a minimum, they accepted the theory of focalization as a populist measure, supposedly aimed at combating poverty, from an assistance perspective accompanied, in many cases, by political cronyism, embezzlement and corruption. None of this solved the problem. On the contrary, it generated a degree of disenchantment, causing repugnance for political leaders and their parties, the results of which we have witnessed at the ballot box and in the streets, where there have been massive demonstrations of workers and of the people in general.

The severe limitations on social expenditure and public investment have created a distinct deterioration in systems of social security and in productive infrastructure. Furthermore, governments have promoted investment policies favouring multinational companies, which do not generate any productivity or fiscal links, neither do they contribute to improving the technological capability of our countries. Those privileges, such as tax breaks and reduced costs for services, have harmed the Treasury and weakened domestic productive capability, composed basically of small and medium-sized enterprises with no possibility of survival. For example, the model has called for an export-driven economy with exclusive rights for multinational corporations and for some major national companies. The other driving force of the economy — the domestic market — was abandoned. Rural areas and rural populations, as a consequence are today having to deal with the most serious results of the adoption of that model.

The eradication of poverty through creations decent work, social security, respect for rights, formalization of the informal economy, strengthening of micro-, small and medium-sized enterprises, qualitative and quantitative improvement public education and vocational training, is a challenge for all of us.

The new strategy will force States, multinational organizations and societies to review what they are doing and to work to achieve a different world, to review their development programmes, to review their mechanisms for citizens' participation and accountability, to eradicate corruption and to put an end to the tradition of impurity.

Only by improving the domestic market and by raising domestic productivity can we create sufficient quality jobs. The ILO should also attempt to influence multinational organizations so that the issue of the cancellation of foreign debt is approached from the perspective of an improvement in social security systems, in creating decent work and in strengthening productive investment by States.

Original Spanish: Mr. BERNAL CAMERO (*representative, Permanent Congress of Trade Union Unity of Latin American Workers*) — I should like to pay tribute to the Director-General for his excellent Report. Humanity is oppressed with poverty and there does not appear to be any likelihood of a solution being found to it.

As we all know, the technology, capital and resources for eradicating poverty everywhere have long existed. However, the unjust, contradictory and unsustainable political and economic order that now obtains has so far dampened any hopes for far-reaching changes in the current structure and composition of the world order.

In Latin America and the Caribbean, what we need is integration catering for the interests of our peoples and consolidating our independence. This does not mean integration of the type provided for in the Free Trade Area of the Americas, whose purpose is obviously the complete annexation of our countries, by the most powerful nation in the northern hemisphere in order to increase her wealth and power, but not to eliminate our poverty.

If we really want to serve the cause of the poor in the Americas we must unite in the defence of the Bolivarian revolution in Venezuela and support President Lula in Brazil in his fight against hunger and poverty. We must also lend optimistic and enthusiastic support to other plans in our part of the Americas to challenge neo-liberal policies.

The revolutionary State of Cuba, which has remained faithful to the beautiful ideals of José Martí that he expressed in the words, "I will throw my lot in with the poor of this earth" and which has defied the criminal economic, financial and trade blockade imposed on it by the most powerful country on earth, is counting on the support and solidarity of workers.

Led by Fidel Castro and supported by its heroic people, the State of Cuba is day by day building a society of the kind to which we aspire when we declare in the streets to the world that another world is possible.

The Nazi fascist policies of the superpower and its allies, which have invaded and occupied Iraq in absolute contempt for the international community and its institutions and are now threatening to invade dozens of other countries, serve to kill the poor but do not end poverty.

The Permanent Congress of Trade Union Unity of Latin American and Caribbean Workers calls upon all workers to join the anti-fascist front which, together with well known intellectuals and various other kinds of organizations, is already working to stem the progress and the domination of the fascist forces which are threatening the whole world.

Lastly, I wish to clearly express our firm solidarity with and real support for the workers and fighters of Colombia, who are suffering from persecution and have seen the murder of many of their comrades in a climate of utter impunity.

Original Spanish: Mr. RICCI MUADI (Employers' delegate, Guatemala) — I welcome the initiative of the Director-General in proposing a discussion which is so important for all of us, namely *Working out of poverty*. I would like to address this from three points of view: the international perspective, the national perspective and the role of our Organization in this task.

At the international level, our starting point must be the fact that opening markets is the best way to promote the development of the poorest countries. Indeed, ILO programmes, or the programmes of developed countries, will serve no purpose if these same developed countries preserve their subsidy policies and their tariff and non-tariff barriers.

At the national level we must begin with plans to promote the creation of productive and competitive enterprises, the only genuine creators of decent work on a sustainable basis. This involves establishing long-term policies in the areas of education and training of workers, investing in infrastructure, implementing stable fiscal policies, and providing certainty with regard to the application of laws; in other words establishing the basis of a modern economy and the rule of law. Impoverishing populism and corruption are the enemies of this process. They have reached all levels of government in my country, including social security. Indeed, in the Guatemalan Institute of Social Security a deficit of millions was announced recently threatening the future of the whole system. These enemies of progress, populism and corruption, destroy all possibility of investment, and with it the creation of jobs. In Guatemala, figures showing an increase in the size of the informal economy support this.

With regard to our Organization, we play a key role in fighting poverty, obviously within the framework of our mandate, i.e. within the framework of setting standards and technical cooperation, both of which need to focus on the modernization of labour institutions. It is fundamental that we review and update the existing standards, on the one hand, and on the other hand, instead of creating new standards, we need to ensure that the existing ones are implemented effectively. This will have very positive effects in countries such as Guatemala, which has a very rigid regime which, together with the factors I have already described, serves to hamper the creation of enterprises and consequently jobs.

Another issue which is intimately connected to what we are discussing and one which is a priority for us, is that of child labour. The cruellest and clearest sign of poverty is children being forced to work, often in intolerable conditions, because of the economic circumstances of their family. They sacrifice not only their childhood but also their future, and with it the future of their families and their countries. There is a

direct cause and effect relationship between these phenomena. Therefore, the focus of the fight against child labour should be the eradication of poverty.

To sum up, the only way to eradicate poverty is to encourage the creation of wealth, and this can only be done in a sustainable manner through modern enterprises generating productive, well paid jobs. We are calling on our social partners to fulfil this objective; Governments and the ILO need to create a positive environment for this, and this is what the efforts should be focussed on.

Original Spanish: Mr. URTECHO LÓPEZ (Employers' delegate, Honduras) — This year the Report of the Director-General urges us to rise to the challenge of fighting poverty and to offer our renewed tripartite commitment to help free the peoples of the world from the shackles of global poverty. Since the ILO does not possess financial expertise, it must remain true to itself if it wishes to make an important contribution to the efforts of the United Nations system to enhance the coordination of initiatives designed to eradicate poverty. We, the employers of Honduras, gathered together in the Honduran Private Enterprise Council, believe that, in order to combat poverty, we need to generate employment in the former private sector, for which purpose governments must remove the barriers which exclude some countries from the globalization process.

Our countries should eliminate the excessive regulation which hinders formal investment, fight openly and decisively against corruption, establish tax disciplines and recognize the right to private property, with respect for the rule of law.

The important step for poverty eradication is the generation of free, democratically created jobs by the private sector.

We, the employers of Honduras, have accepted the requirements to gradually and progressively eliminate child labour, and we are pleased to inform you that we have eradicated such labour from the melon and tobacco growing industries, as well as from the city transport sector. We would like, in this context, to thank the ILO and the IOE for the technical cooperation we have received.

We, the employers of Honduras accept the ILO's proposals. We are committed to improving the productivity of our labour force, for which purposes we have requested the Government to give us a more important role to play in the management of the National Vocational Training Institute (INFOR) and the Honduran Institute for Social Security. Through these institutions, with the support of Mr. Juan Somavia, we intend to work our way out of poverty.

Finally, we consider that there should be permanent technical cooperation with ILO in each of our Central American Region countries, with an emphasis upon the employers' sector. This will lead to a greater openness to trade, improved investments and, consequently, the generation of employment to eradicate poverty. We believe that poverty cannot be eliminated by decree or by expressions of good intentions, only by the creation of jobs, generated within the private sector.

Original Spanish: Mr. VIDAUD MÁRQUEZ (Employers' delegate, Cuba) — May I convey warm greetings from the Employers' delegation of Cuba. The Report of the Director-General expresses very

clearly the terrifying situation facing today's world: poverty, discrimination and an apparent unawareness among the powerful of this world as to what is going on. If we add to that the threats and the wars and the devastating effects of damage to the environment, then every day one cannot help but wonder for how much longer the human race can survive.

Almost 20 per cent of the world's population lives on less than US\$1 a day. At the same time, the wealthiest 20 per cent of the population uses 80 per cent of the services, the energy and the foodstuffs which this world produces. The gulf between those who have what they need and those who do not even have their daily bread is growing wider every day.

If we are to resolve these problems, then we have to identify the causes of them. In the case of poverty, we should add that poverty is not just a problem of the poor. We have to seek the roots of the problem in the neo-liberal economic models, which dominate in our globalized world, and we also have to look at the long-standing history of dispossession of the poor by the rich. We have to demand the changes that the unjust, dominating economic order in the world today requires, if we are to improve the situation.

We support what the Director-General says in his Report that "the persistence of poverty is a moral indictment of our times" and that we must overcome it through decent work, which creates both material goods and wealth.

The money spent on cosmetics and pet food in the countries of the developed world would feed the millions of poor people in the world. We think it is urgent that we take more practical, systematic and integrated action to ensure that the developed countries, who have the deciding influence in international financial, economic and managerial organizations, meet their commitments and agree to the changes that must be made to an unfair, unjust international order, if we are going to create enough new jobs worldwide.

How different this picture would be if the money spent on waging war was actually used to create new jobs!

If the issue of poverty is to be dealt with on a world-wide basis, the work done in the ILO and the way in which the ILO operates should show no inconsistency and/or inequality in the way poorer countries are treated. I know that my country has denounced irregularities in the functioning of the Committee on the Application of Standards, and has called for its case to be analysed and dealt with impartially. Let us work to set the necessary good example in this house itself.

Despite all this, we are optimistic. We believe that we can stop the spread of poverty; that we can turn the situation around and eradicate poverty and ensure that the human race will survive.

Mr. OSHIOMHOLE (*Workers' delegate, Nigeria*) — Permit me to congratulate the President and Vice-Presidents for their competent, effective and admirable leadership of the 91st Session of the International Labour Conference. It is my conviction that the work of this Conference has benefited enormously from their weight of experience and leadership style.

In the same vein, I also wish to congratulate the Director-General of the ILO on his re-election, which for us is a ringing endorsement of the sterling qualities and focused leadership that he has brought to bear in the work of this Organization.

As the world struggles to grapple with the various consequences of globalization, it is most apt that the Director-General's Report to this year's session of the Conference is focused on the theme, *Working out of poverty*. We believe this has particular resonance with the ideals of the founding fathers of the ILO, especially with reference to the 1944 Declaration of Philadelphia, to the effect that "poverty anywhere constitutes a danger to prosperity everywhere". Ironically, it seems to me that many now believe that poverty somewhere is necessary to ensure prosperity elsewhere.

The ILO, as a unique tripartite global institution dedicated to setting and improving working standards, as well as the promotion of social dialogue, must be steadfast in drawing attention to the growing disparity and social inequality that has pervaded the world in general and the world of work, in particular. The ILO must continue to provide a platform for concerted efforts to chart a path to redress these inequalities as they manifest themselves to various extents between and within member States.

The forces that explain the poverty of the majority also explain the wealth of the few, both within nations and between the nations and regions of the world. The world will not change for the better merely because the poor have perfected the art of self-lamentation and self-pity. Neither will the world change merely because the rich have perfected the art of crying crocodile tears about the growing poverty in the world. We need constructive engagement between countries of the North and those of the South. We must rethink some of the economic models that inform the present state of affairs. Some of the negative by-products of this process have eroded the rights that workers had struggled for and won several years back.

In Nigeria, we have been engaged in a protracted campaign to stop casualization and other forms of unfair employment practice. This is our modest contribution to humanizing the world of work and embracing the Decent Work Agenda, which the ILO has vigorously championed over recent years under the Director-General's leadership. We are hopeful that the outcome of current discussions by the Committee on the Employment Relationship will assist our work back home in this respect.

At our last quadrennial conference of the Nigeria Labour Congress, we resolved to intensify this campaign. We also resolved to extend unionization to the informal sector, in order to give them protection and win them some of the rights that are only currently enjoyed by those in the formal sector. This endeavour presents huge challenges for us as workers, because it will require extensive resources, both human and material. We believe that at the core of our quest to move out of poverty must be the challenge for the creation of sustainable full employment for all people who have attained the age of work.

In Nigeria, mass unemployment continues to be a recurring challenge. There is an apparent failure on the part of policy-makers to adequately address this problem, despite numerous programmes conceived in this respect.

As organized labour, we have continued to impress on our leaders and Government that it must give priority to job creation as well as creating an enabling environment for some, in both the public and private sectors of our economy. We are, in addition, consulting with various interest groups to address this difficult

matter in a more systematic way, through the convening of a job summit. This is intended to create a platform where all stakeholders will be brought together to chart a comprehensive agenda for job creation in our country. We have the promise of the ILO's support for this effort and it is our hope that this summit will take place this year.

We have no doubt, in our mind, that the best and most effective way of fighting poverty is to create decent jobs.

Mr. SHENOY (*Government delegate, India*) — I extend my delegation's appreciation to the Director-General for producing this Report on a contemporary theme that is of immense importance.

The process of globalization has created asymmetrical risks and benefits for the developed and the developing countries and is increasingly resulting in retrenchment, unemployment, partial employment, casualization and contractualization of work in developing countries.

The father of our nation, Mahatma Gandhi, said "God comes to the hungry in the form of food." Hence we have to provide for all in the first instance. We feel that legislation alone can neither eradicate poverty nor ensure decent work. Eradication of poverty is a long, drawn-out and complex process where the heterogeneous elements of society have to be interwoven and suitable effective and long-lasting policies need to be framed.

Every year in India 5-6 million people enter the workforce. Arranging decent work for the new entrants to the labour market, and those who are already working, is an enormous task. Labour absorption is primarily taking place in the unorganized sector, where the productivity and income level of the workers are not up to the desired level. Training and skill development play a vital role not only in maintaining employability of the workers engaged but also equipping the new entrants to the labour force with the necessary skills.

Globalization is like the weather my friends, we cannot wish it away, we have to face up to it by ensuring protection, by carrying either an umbrella or a raincoat or an overcoat or a cap, depending upon what the weather is. Accordingly, quality employment generation and equipping the labour force with sufficient skills to fill the jobs created have been viewed as potential instruments in the present context of globalization and economic liberalization.

We have established special income-generation programmes targeting the poor urban women. The Government is fully committed to ensuring gender equality. For the holistic development of children, the Integrated Child Development Services Scheme has been implemented, which provides a package of services comprising supplementary nutrition, immunization, health check-ups and the like. Our Government has also enacted legislation providing for free and compulsory primary education for all as a step towards eradication of child labour.

In our parliamentary democracy, social dialogue is a well-accepted principle. Important social and economic issues are discussed with the social partners at the highest level. Issues relating to occupational safety and health are of prime importance to us and these are enshrined in the Constitution of India. We have a long and varied experience in the cooperative movement. Our law in this regard is 100 years old.

Cooperatives account for 44 per cent of institutional agricultural credit, over 30 per cent of fertilizer distribution and 75 per cent of sugar production. India's White Revolution in milk production was possible mostly because of milk and dairy co-operatives.

We also wish to express our full agreement with the conclusion reached in the Report that there is need for a global system to end the poverty and to mobilize considerable resources in the service of the global drive to reduce and eradicate poverty.

Original Spanish: Mr. DE ARBELOA (*Employers' delegate, Venezuela*) — It is a great pleasure for me to congratulate the Officers on their election, in particular the Employer Vice-President, Bryan Noakes, who has been a friend and colleague during many years of struggle in the ILO and the IOE.

I would also like to extend my congratulations to the Director-General for the excellent Report: *Working out of poverty*, which is full of valuable and positive ideas. It shows a sound understanding and sensitivity for the difficult problems facing developing countries such as Venezuela and is a successful effort to discuss key aspects of eradicating poverty in all its forms.

The Report in particular underlines the importance in our efforts to achieve this goal of a climate of freedom in which social dialogue, tripartism, productive employment, respect for private property, investment, freedom of expression and, more generally, human rights and the ILO's fundamental Conventions, have to form a firm foundation for efforts to eradicate poverty and create the decent work to which the Director-General refers.

It should be clear to all governments that it is not acceptable to disregard these conditions, and even less acceptable to hide behind populist and demagogic positions in an attempt to resuscitate outmoded socio-economic systems which the world has rejected as unworkable.

I have to refer to the very grave situation in my own country over recent years. In this Conference, as in recent years, we have clearly stated our position. The Government continues openly and repeatedly to violate the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), with regard both to the most representative workers' organization in Venezuela, the CTV and to FEDECAMARAS, the most representative employers' umbrella organization. Speaking last week in Geneva, the President of FEDECAMARAS in exile, Carlos Fernández, said: "We are grappling with a regime which has treacherously used democratic mechanisms to usurp political and economic power. It is a regime which does not recognize us as legitimate partners in dialogue, a regime that was democratically elected but does not wish to operate in a democratic way, a regime which violates the Constitution while it tries to pass laws to legitimize its autocratic measures". He went on to say, referring to the Government, that the opposition irritates it. It does not tolerate dissent and, when faced with complaints from employers or from workers' organizations, it neither seeks nor encourages dialogue but, on the contrary, encourages the creation of parallel employers and workers organizations of an anodyne compliant nature. He concluded by saying that "We, the employers, and the rest of civil society in Venezuela, have no other weapon but words and our resolve in defending

liberty and democracy. The rule of law, the authority of referendums and the will of the people give us the hope which makes us go on. Venezuela is our country and our best commitment. It is only in freedom and democracy that we can achieve peace and wellbeing for all."

At the same time, we fully endorse the IOE's position, that in order to combat poverty and create decent work, it is essential to create opportunities for productive employment. An other precondition for this is of course the scrupulous application of the ILO's labour standards as far as national conditions allow. And as my colleague from the United Kingdom, Mel Lambert, has said, the preconditions for achieving the eradication of poverty are: "education, education and more education".

The Venezuelan employers are pleased to see that with the help of the IOE, we have once again reached agreement in the Committee on the Application of Standards regarding special sanctions which we hope will be decisive in putting an end to the Government systematic non-observance of social and economic standards, particularly with regard to Convention No. 87. This will involve a direct contacts mission. We also hope that the Credentials Committee in future will ensure that future delegations from Venezuela to this Conference conform to the clearly-stated requirements of this United Nations agency.

I cannot finish without asking the Director-General to send 1,000 copies of his Report to Venezuela, so that it can be disseminated, studied and applied in the universities, the armed forces, our National Assembly, the Supreme Court of Justice, the National Electoral Council, the Attorney-General's Office, the Public Accounts Office, the office of the Ombudsman, and all other bodies of the national executive.

Let me finish by quoting from the conclusions of the Director-General's Report: We need a global system that is working to end to poverty, enabling people to enjoy the freedom to work in conditions of equity, security and human dignity. "This is the very minimum that FEDECAMARAS and the Venezuelan employers hope for. It is our legitimate right to rejoin the ranks of countries who comply with the standards and principles of the ILO with enthusiasm, honesty and good will.

The PRESIDENT (Mr. WOJCIK) — That was the last speaker on my list. I now give the floor to Mr. Funes de Rioja, Employers' adviser and substitute delegate of Argentina and Chairperson of the Employers' group, who has requested the right of reply to the intervention made yesterday afternoon by Mr. Prince, Workers' delegate of Switzerland. Mr. Funes de Rioja will speak on behalf of the Employers' group.

Original Spanish: Mr. FUNES DE RIOJA (*Employers' adviser and substitute delegate, Argentina; Chairperson of the Employers' group*) — I am speaking on behalf of the Employers' group of the Conference on the basis of a mandate unanimously conferred upon

me by the employers, including those concerned by the statements to which I am about to refer.

At the sitting held on 16 June, the Workers' delegate of Switzerland, Mr. Prince, used this rostrum to refer to issues which, in our view, clearly lie outside the remit of the ILO and the rules of the parliamentary debate which govern the work of the Conference.

In his statement, Mr. Prince referred to enterprises and associations and made allegations against them which, apart from being untrue and inappropriate, are insults to which those concerned cannot reply, not being represented here.

We Employers have many times reiterated our commitment to the ILO and to the ILO Declaration on Fundamental Principles and Rights at Work, but we are by no means prepared to accept that this assembly be used to make unfounded allegations, judgements or accusations without those referred to having the right of reply or defence.

Furthermore — and I want to be clear about this — we are not prepared to accept attempts to shift States' international obligations by placing them directly on enterprises or their associations.

We consider that the statement to which I have referred constitutes misuse of this international rostrum and a breach of the good faith which should prevail in tripartite social dialogue, which is the purpose for which we are gathered here.

I have accordingly been given a clear mandate by the Employers' group of the Conference: firstly, to reject emphatically the paragraphs of the Swiss Workers' delegate's statement in which he refers to the enterprises and associations in question; secondly, to emphasize that each and every one of the enterprises and associations he mentioned operates in accordance with Swiss law governing their activity, as the Workers' delegate himself recognises; thirdly, to request that he remove the allegations he made from his statement as being inappropriate to this international forum, from the sentence beginning: "there are too many companies ..." to the words "and so on". Failing this, we request the president to have them stricken from the *Record of Proceedings* of the 91st Session of the Conference. If that is not done, then I must place on record a reservation on behalf of those who were referred to and insulted, as they do not have the right to defend themselves in this international forum.

Lastly, in the name of social dialogue, in which we all firmly believe, I would draw the attention of the Conference to the fact that situations such as this undermine tripartite dialogue and lie beyond the remit and objectives of this Organization.

The PRESIDENT — We have now concluded the discussion of the Reports of the Chairperson of the Governing Body and of the Director-General. Many thanks for your contributions. I declare this sitting of the International Labour Conference closed.

(The Conference adjourned at 12.50 p.m.)

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