



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

1. Introduction

I congratulate the President, Mr. Wamalwa, and the Vice-Presidents, Mr. Noakes, Mr. Wojcik and Minister Al Muhaisin of Jordan, for guiding us through what has been an extraordinarily productive session of the Conference. Mr. Wamalwa has proved himself a worthy heir to a fine tradition and, on your behalf, I thank him and his social partners, Mr. Noakes, Mr. Wojcik and Minister Al Muhaisin of Jordan.

This year's session of the International Labour Conference has examined a series of issues of considerable importance and intricacy. I would like to thank the chairpersons of the committees and all the group and government spokespersons for guiding these complex debates to successful conclusions. Their contribution is vital to our work and their dedication and concentrated effort outstanding. After four years as your Director-General, I have learnt that the tripartite constituency fields delegates who are very good at creating the right environment for serious discussions. It is a major reason for the success of the International Labour Conference.

The proposed Seafarers' Identity Documents Convention (Revised) is a remarkable achievement. We also have made progress towards a new Recommendation concerning human resources development and training. The foundations for a new instrument on the key issue of employment relationships were constructed. Similarly, we can now look forward to a new promotional instrument applying the integrated approach to standards in the field of occupational health and safety. We reviewed progress towards equality at work and the many ways to overcome discrimination. Detailed work was done with a number of countries to find ways to ensure that ratified Conventions are applied in law and in practice. In the midst of a renewed spiral of violence in the Middle East, we created an oasis of calm to plan out ways to tackle unemployment and poverty in the occupied Arab territories. Furthermore, we also adopted a programme and budget, which will help us to respond to the growing demands of constituents and shift resources to our field operations. And if all that were not impressive enough, we had a rich and stimulating debate on working out of poverty.

We were also privileged to welcome two world leaders of great standing. His Excellency President Thabo Mbeki and His Majesty King Abdullah II bin al-Hussein contributed greatly to the success of this session of the Conference. They honoured us by their presence and even more so by illuminating the challenges we face and inspiring us to meet them.

President Mbeki, with an eloquence and conviction drawn from a life of struggle, argued that a system that condemns billions of the world's people to the utter darkness of poverty is a moral outrage that cannot be allowed to continue. Furthermore, he challenged

us to recognize that each of us “has a material interest in the solution of the problems of poverty and underdevelopment” and that we “will make greater and faster progress towards achieving this common goal if we act together as social partners, in the tripartite alliance that defines the Conference and the ILO”.

King Abdullah reminded us that “only by defeating want can we heal the divisions and despair that feed global violence”. He called for “a partnership based on common interests, our interdependence and our shared responsibilities”. According to the King, we have an obligation to act because “by our work, the future will know our generation”. He urged us to show our commitment to peace, equality and justice by creating “what we know is right – together, in partnership, in mutual respect”.

On the eve of the Conference, in his first address to a United Nations organization since becoming President of Brazil, Luíz Inácio Lula da Silva warned us of a growing worldwide “deficit as far as solidarity and economic cooperation, protection of the environment, promotion of justice and peace building are concerned”. He stressed, however, that “there was a growing coalition of governments, non-governmental organizations, trade unions, professional bodies and representatives from civil society who strive for a new model”.

2. Working out of poverty

We had 291 speakers in our plenary session on the Report and an overwhelming majority in all constituencies supported, often in extremely encouraging terms, the approach outlined in the Report. I must thank you for the thoroughness of your comments, the detailed examination of the arguments and evidence, your backing for the proposed lines of action and the additional insights and information you provided. As many of you recognized, the Report, *Working out of poverty*, is, in fact, a synthesis of the extensive and varied work of ILO staff all over the world, which in turn depends on the interaction they have with you, our constituents. We can now draw on the debate both intellectually and emotionally.

My only disappointment is that only 33 of the speakers were women. When you add up all the sittings in this hall we have had a grand total of 411 speakers, of whom 65 were women. Fifteen out of 20 of the speakers in the inter-active session on *Time for equality at work* were women. I mentioned last year that it might be necessary to look into what we could do together to improve the voice of women representatives within our constituencies and I will now consult with the Governing Body to identify some proposals to increase further the number of women in Conference delegations and the proportion of them who take the floor in our plenary debates. Discrimination is one of the primary causes of poverty and, in acting to promote decent work, we must ensure that women are playing a prominent role. Perhaps it is time to take up the idea of Ms. Anderson, Workers’ delegate of Mexico, in the interactive session on *Time for equality at work* that we should implement at least a 30 per cent positive action policy for future sessions of the Conference.

During the debate on the Report, many speakers picked up the questions I suggested in my presentation. These essentially asked you whether the idea of working out of poverty could be achieved by tripartite mobilization. Many of you found the Report timely, helpful to your own national policy-making and a useful framework for the further development of ILO action. The wide-ranging and detailed remarks made in the debate can be grouped under five headings.

The decent work approach and the role of the ILO

A large number of speakers mentioned that they found the approach offered in the Report convincing in its analysis of the causes of poverty and constructive in pointing towards solutions. Mr. Abascal, Minister of Labour and Social Welfare of Mexico, said that the main condition under which work could fulfil its function of making poverty eradication possible is that “both societies and government recognize that persons are at the core of development, not as yet another resource, but rather as the authors and beneficiaries of work”. Ms. Wilson, Minister of Labour of New Zealand, also welcomed the operational focus of the Report adding that she appreciated the effort to clarify “the complexity of issues surrounding poverty and the centrality of decent work to any solutions”.

Situating clearly the role and the mandate of the ILO in the work of the multilateral system was an issue taken up by many speakers. Mr. Funes de Rioja, speaking for the International Organisation of Employers, said that “the role of the social partners, both here in the ILO and at the national level, is a key advantage that the ILO can bring to bear in all of its work. Governments need to recognize that the challenges of policy coherence are best met through social dialogue”. Mr. Ryder, speaking for the International Confederation of Free Trade Unions, asserted that “the ILO cannot successfully fight poverty on its own. But it can bring to the collective effort its unique values, structures and standards. The Decent Work Agenda does this and is recognition that what the ILO does must spring from what it is, namely tripartite and value-driven in the cause of social justice”. Speaking for the World Confederation of Labour, Mr. Thys believed “that global governance of the labour world should be given a more international perspective which regards the creation of decent jobs as the very foundation of the fight against poverty and social exclusion”.

I take great heart from this recognition that decent work is both an end in itself and also a means to achieve important goals, especially poverty eradication. This makes the work of the ILO extremely relevant to the political challenges faced by very many countries today. Mr. Tomada, Minister of Labour, Employment and Social Security of Argentina, was not alone in drawing attention to this when he referred to his President’s statement that “the basic objective of our economic policy will be to provide for stable growth, which makes it possible to expand activity and decent work”.

Tripartism, social dialogue and rights at work

A running theme of our debate was your commitment to making our global tripartite network a powerful instrument for poverty reduction. Ms. Shouleva, Deputy Prime Minister of Bulgaria, said that “social dialogue has played a major role in establishing the background for the expansion of opportunities to find decent work as a way of achieving social inclusion and the improvement of living standards”. Mr. Doutoum, of the African Union, highlighted the prominent role of the tripartite Labour and Social Affairs Commission of the African Union in addressing the socio-economic problems of the continent. Minister Solari Saavedra of Chile, spoke for many when he summed up the message as “work is the best means of escaping poverty and in this task governments, workers and employers must participate to bring about a tripartite commitment which will help overcome poverty worldwide”.

The foundations for mobilizing the power of tripartism are respect for fundamental principles and rights at work and effective mechanisms for social dialogue. Lord Brett, speaking to the Conference for the last time as Workers’ delegate of the United Kingdom, urged us to take up the challenge of promoting decent work in the informal economy. He

stressed that “markets cannot operate effectively without property rights and contract law. Nor can labour markets without establishing the rights and responsibilities of the parties in the employment relationship, essential to protection of working people and to secure employment”. As he has done many times, not least from the position of Chairperson of the Governing Body this year, Lord Brett has identified a way of building bridges, in this case between the market and workers’ rights, that requires serious study by constituents and the Office. I thank him for this extra legacy to his outstanding work and for his friendship and support.

One of the major advantages of social dialogue is that it enables the key components of a global agenda of decent work for all to be applied in ways that are most appropriate to national circumstances. Mr. van Vuuren, Employers’ delegate of South Africa, saw the principle of tripartism as being instrumental in bringing about the “miracle” of transformation after the difficult post-apartheid years and which was being further developed by the Growth and Development Summit as a means of tackling the key issues of poverty and unemployment. Mr. Silaban, Workers’ delegate of Indonesia, echoed the emphasis on the value of tripartism as “the most important development instrument” to tackle poverty and to promote decent work. Mr. Mansouri, Minister of Employment, Social Affairs and Solidarity of Morocco, was one of a number of speakers who highlighted “the role played by ministries of labour and employment in the new economic and social environment”.

Building strong communities and promoting decent work nationally

Many speakers offered us examples of measures and plans applying the approach outlined in the Report. Ms. Bakoko Bakoru, Minister of Gender, Labour and Social Development of Uganda, said that despite hard-won macroeconomic stability and extensive liberalization measures, about 35 per cent of the population were living in poverty. “Employment is the only channel and exit out of poverty for this group, especially women and young people”: for Uganda to be able to work out of poverty, the effects of the HIV/AIDS pandemic had to be counteracted and productivity increased through skills development. Describing the focus of his Government on social dialogue to reform labour law, tackle youth unemployment and promote job-creating investments in the public infrastructure and by small and medium-sized enterprises, Mr. Wagner, Minister of Labour and Employment of Brazil, said the aim is to “ensure the inclusion of large sectors of the population in civic life, and to guarantee work in conditions of freedom, equity, security, dignity, and fair pay”.

For Mr. Hausiku, Minister of Labour of Namibia, “the principal route to decent work is education, training and continuous skills development”. Mr. Alam, Employers’ delegate of Bangladesh, stressing the importance of growth policies in reducing inequality and poverty, called for a focus on “rapid agricultural growth, high employment intensity of manufacturing and service growth and the introduction of special services to empower the poor” such as microfinance institutions. Ms. Vildoso Chirinos, Vice-Minister of Employment Promotion of Peru, also highlighted small and micro-enterprise development through integration of informal businesses into the modern economy and the promotion of labour rights. “Forty per cent of workers in Peru work in this sector, nearly all of them on an unofficial basis and without social security.”

Ms. Nalumango, Minister of Labour and Social Security of Zambia, drew attention to the fact that “child labour is a fast growing problem that has reached a very high level of incidence in Zambia, as a result of the many children orphaned because of the HIV/AIDS pandemic”. Mr. Guiro, Workers’ delegate of Senegal, emphasized the need to ensure a

sound basis for the development of social protection systems, including through international cooperation such as the pioneering tripartite partnership between his country and the Solidarity Fund of Quebec.

A series of delegates spoke of the relevance of the approach in the Report and the ILO's Global Employment Agenda to concerns about security and the challenge of social and economic reconstruction in countries affected by war and other crises. Mr. Khatib, Minister of Labour of Palestine, believed that "poverty, ignorance and oppression create a fertile breeding ground for social and ethnic exclusion and kindle violent conflicts and wars of all kinds, entrenching enmity and hatred at the national, social and religious levels". Mr. Omotade, Permanent Secretary at the Federal Ministry of Labour and Productivity of Nigeria, underscored that with 60 per cent youth unemployment in Africa, "there are millions of idle hands that are easily mobilized for violence, armed robbery and prostitution". Mr. Potter, Employers' delegate of the United States, expressed the view that "poverty, together with the lack of economic growth and jobs, is one of the root causes of global terrorism". Mr. Trabelsi, Workers' adviser and substitute delegate of Tunisia, focused on the threat posed by increasing social exclusion, marginalization and precarious forms of work to "social peace and national and international peace". Minister Mantilla Huerta of Ecuador summed it up by highlighting that wealth in the hands of the few while poverty is the lot of the majority is a precursor of conflict. "Conflicts have to be dealt with through social and economic policies that seek to establish an equitable distribution of wealth and that take steps to resolve global social problems by creating decent work."

Ms. Muganza, Secretary of State responsible for Vocational Training, Professional Employment and Labour of Rwanda, welcomed the support to her country's human resources, social dialogue, employment and vocational training policies which she saw as the "way forward to national reconstruction". Mr. Bashiry, Government delegate of Afghanistan, presented a series of shocking statistics measuring the destructive effect of 23 years of war on the lives and livelihoods of his people. Only two million out of eight million refugees had found any form of work; 1.5 million widows and orphans were struggling to survive. Within the broader programme of international support, he stressed the need for technical cooperation on training and manpower development.

Partnerships for global action

Many speakers addressed the issue of how to ensure that the approach outlined in *Working out of poverty* becomes integral to Poverty Reduction Strategy Papers (PRSPs) and the implementation of the Millennium Development Goals. Mr. Owuor, Employers' delegate of Kenya, urged the ILO to "call upon member States involved in PRSPs with the IMF/World Bank, to incorporate organizations of employers and workers in the dialogue leading to the implementation of the strategies". Echoing this view, Mr. Ahmad, Workers' delegate of Pakistan, drew attention to "a tripartite system of meetings which have made comprehensive recommendations on poverty alleviation". Similarly, the experience of Mr. Diakite, Minister of Labour and Public Services of Mali, was that "the partners' full participation in drawing up the Poverty Reduction Strategy, made it possible to take employment into account when defining development policies".

Mr. Barimah, Minister for Manpower Development and Employment of Ghana, emphasized "policies designed to promote full, productive and freely chosen employment in a government effort at poverty reduction". Mr. Leitzelar Vidaurreta, Minister for Labour and Social Security of Honduras, setting out his country's strategy for poverty reduction, stressed his intention to "strengthen our networks of social protection in favour of specific groups, such as women who are heads of households, children, migrants and ethnic groups, among others". Mr. Ryssdal, State Secretary, Ministry of Labour and Government

Administration of Norway, speaking in similar terms to a number of industrialized aid-donor countries, welcomed the ILO's engagement in the implementation of the Millennium Development Goals. He believed that "the ILO and its constituents definitely have a very good starting point because they are so close to the grass roots".

Many speakers also identified structural problems in the world economy as a barrier to decent work and poverty reduction. Ms. Ameline, Under-Secretary for Equal Opportunity in Occupation and Employment of France, said that her country "shares with the ILO the conviction that economic globalization must lead to a globalization of solidarity". Mr. Eastmond, Minister of Labour and Social Security of Barbados, found that promotion of the Decent Work Agenda with the social partners had helped to "stabilize our economy ..." while "more has to be done to create decent work". Mr. Sweeney, Workers' adviser and substitute delegate of the United States, stressed "the need for IMF and World Bank support for debt relief, as well as poverty reduction strategy programmes that involve employers, trade unions and civil society in a wider dialogue".

Minister Soodhun of Mauritius, also speaking as current Chairperson of the African Union Labour and Social Affairs Commission, endorsed the ILO's Jobs for Africa programme as contributing to "an integrated approach in which poverty alleviation will be our global priority". He also believed that "a comprehensive survey of export processing zones in Africa would be useful in identifying the problems and developing strategies to maintain employment in the sector". Addressing the issues of competition and increasing productivity posed by globalization, Mr. Samarsinghe, Minister of Employment and Labour of Sri Lanka, saw "the need for implementation of national laws and the modification of such laws where necessary to fall in line with international standards". In this regard, he referred to a series of labour law reforms that "will enable us to face up to a globalized competitive economic environment whilst not compromising on the job security and welfare of the working population of Sri Lanka".

Mr. Smith, Government delegate of Jamaica, also highlighted the need to link "improved market access ... strengthened partnership with foreign investors and the amelioration of the burden of excessive debt" to ILO initiatives such as the Youth Employment Network and the tripartite Global Employment Agenda. Ms. de Vits, Workers' delegate of Belgium, stressed that "standards do not slow down development ... they make it possible for the dividends of debt reduction, or better market access, to be redistributed to the advantage of those who at present have no access to wealth". Ms. Sasso Mazzufferi, Employers' delegate of Italy, emphasized "the key role of social responsibility towards job creation" which in her view could be developed "within the broader context of the United Nations Global Compact".

A considerable number of speakers looked forward to the report of the World Commission on the Social Dimension of Globalization and the contribution they expected that it would make to the debate about how to ensure a more just pattern of international economic integration that would buttress the ILO's work to promote decent work for all. I undertake to inform the Commission of the substance of your debate so that they can draw on it in finalizing their report.

The next steps: Mobilizing the worldwide network of tripartism

A number of speakers suggested ways for the ILO to build on the analysis and policy tools described in the Report. Amongst many useful ideas, I was particularly attracted to the proposal of Minister Singh of India for "the setting up of an international skill development fund, under the umbrella of the ILO". In a slightly different form, Presidents

Mbeki and Lula also suggested this idea of an international solidarity mechanism. Ms. Sto. Tomas, Secretary, Department of Labor and Employment of the Philippines, and Mr. Liptapanlop, Minister of Labour of Thailand, urged the ILO to study the question of migrant labour and provide support to both sending and receiving countries. Ms. Rosas Pérez, Government delegate of Panama, was one of a number of delegates who reviewed ILO technical assistance for the development of policies, programmes and capacity building and looked forward to the implementation of decent work country programmes as proposed in the Programme and Budget for 2004-05 and in the Report *Working out of poverty*.

As a first step in taking forward the strong support from all the constituents for a renewed drive by the ILO to promote decent work for all in the context of the global drive for poverty reduction, I propose to invite ILO regional and area offices to use the Report and the rich content of the Conference debate to stimulate national discussion within employers' and workers' organizations and government circles. We often hear that we are living in a knowledge economy and a network society. I cannot conceive of any group of organizations and institutions that know more about the real workings of the global economy than our constituents. Labour ministries, employers and unions are dealing with the social realities in enterprises and workplaces on a daily basis. Nor is there a bigger, more pluralistic network of global reach than the tripartite members of the ILO. I believe we can exploit these qualities to drive the message home in all quarters that work is the principal route out of poverty.

We have a mandate based on fundamental values but we spend most of our time and effort making practical tools that piece by piece transform vision into reality. The broadening and deepening of shared commitments creates a space for pragmatic agreements that solve problems. Successes in making international action relevant to people's lives and work encourage us to continue to strive for the achievement of the vision expressed in our mandate.

In this spirit, I therefore call on all of you to make full use of the Report and the debate to spark similar reflections within your own countries on how to ensure pro-jobs pro-poor development. I will be asking all the component elements of the Office also to think about how to improve the research, advocacy and service tools at our disposal and make them available to you. By the time our Governing Body meets in November, I intend to advance our own thinking on the Strategic Policy Framework of the ILO, our communications work and our programme delivery and policy integration mechanisms to mainstream the ideas of working out of poverty into the daily work of the ILO.

The Office, through our regional presence, can help you, but the essence of tripartism is its relevance at the national level. Our campaign for the ratification of the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), and the follow-up of last year's resolution concerning tripartism will support your efforts. In this regard, it is vital that you keep us fully informed of any initiatives that you plan to take after the Conference. For my part, I will take the message of the Conference to my colleagues in the multilateral system and discuss how we can work together to strengthen the teamwork needed to achieve the Millennium Development Goals. We must open up spaces for tripartism to be heard by other international organizations – on the ground in national policy debates and internationally.

3. The situation of workers of the occupied Arab territories

This year, my Report, *The situation of workers of the occupied Arab territories*, was set in an evolving framework. The vicious circle of violence and counter-violence must be broken through a collective resolve to work for peace. As all speakers pointed out, there was a glimmer of hope to ease the dire situation of workers and their families following the adoption of the road map, and the summits at Sharm el-Sheikh and Aqaba.

On the whole, the Report was endorsed by the majority of speakers, and the ILO was commended for its objectivity and efforts to implement the enhanced programme for technical cooperation. In particular, there was overwhelming support for the Palestinian Fund for Employment and Social Protection, and the call on donor countries and institutions to support this initiative. We will therefore take forward the orientations proposed in my Report to assist the Palestinian Authority's reform agenda, cooperate with the Ministry of Labour and the employers' and workers' organizations, provide technical assistance to get the Fund up and running and assist in the creation of a social security system. There were also reservations on the Report: speakers took exception to the use of some terms as they gave unintended connotations; others thought that the Report came too late for constituents to study carefully.

There is a need and a willingness on behalf of the ILO to promote dialogue among the tripartite constituencies on the Palestinian and Israeli sides. This was judged to be a modest but important contribution on the part of the ILO to the fragile peace process. As the guest of honour, King Abdullah has pointed out that "the friends of peace must now stay the course".

4. Time for equality at work

In the special session on this year's Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, *Time for equality at work*, many delegates spoke about the intrinsic connection between discrimination and poverty. Mr. Trotman, speaking on behalf of the Workers' group, summed it up when he said that "discrimination erodes self-esteem and breeds a sense of frustration and powerlessness at the level of the individual. For the enterprise, it undermines productivity and saps potential. What it does for the community as a whole is to maintain the vicious circle of poverty and social exclusion".

The formal debate highlighted the importance of a legal underpinning in the struggle against discrimination, the importance to equality in the workplace of action in the wider community, the value of non-discrimination to business and the range of different groups affected by discrimination. Despite decades of recognition that discrimination mars their lives and curtails their contribution to economic development, women, different races and ethnic minorities are still far from enjoying equality of opportunity and treatment. As well as reviewing these long-standing problems, the discussion on the Global Report confirmed that new groups are impoverished through often subtle forms of discrimination. Attention was drawn to problems of discrimination on the grounds of age, sexual orientation, HIV/AIDS status and disability.

The paradox that I observed during the discussion was that nobody wants or condones discrimination, yet discrimination exists everywhere. That is a contradiction we have to resolve together – together at the national level between the three social partners and together between you, our constituents, and the Organization that is here to serve you. As

Ms. Sanui, Employers' adviser delegate from Japan, pointed out, equality at work is a leadership question. We intend to lead the Office along the path, as the Declaration puts it, of eliminating discrimination in employment and occupation. In doing so, I think we would all agree that this will be much easier if we can also progress towards the goal of full, productive and freely chosen employment worldwide.

The interactive plenary discussion on the Global Report has enabled us to increase the value of your participation, despite the obvious constraints our venue imposes. The number of strong contributions by women delegates struck me. The interactive session makes it possible to discuss concrete experiences and expectations while maintaining the degree of authority that the plenary itself confers to such a discussion. The Governing Body will now consider how to develop further the concept of a more open discussion format.

5. Human resources development and training

Education and training is one of the most effective pathways for people to work their way out of poverty and, at the same time, a powerful engine of economic growth. It benefits the individual worker, the enterprise, and the economy and society at large. In today's globalized world, workers' knowledge and skills ensure access to decent work and a life free from poverty, on the one hand, and, on the other, improve the capacity of economies and enterprises to compete in world markets. I am delighted to see that the Committee on Human Resources has come up with a text in the proposed new instrument that deals with these challenges.

As I mentioned in my Report to the Conference, people in many countries are struggling to escape from poverty, but they are severely hampered by their low level of skills – a point echoed by President Mbeki in his address to you. While over 860 million people in the world are unable to read or write – a large number of them women – an increasing skill intensification of jobs is resulting in a “skills divide” between rich and poor countries. Furthermore, the training systems of many countries in the developing world are in a state of crisis. The skills gap in sub-Saharan Africa, for example, is enormous. Whereas the vast majority of workers are engaged in informal economic activity, very few of them have received, or are likely to receive, any training whatsoever. The Committee has rightly reflected the importance of investment in education and training, together with assistance in reforming training policies and programmes, in helping people to move out of poverty and in helping developing countries to improve their economic performance.

Minister Wilson of New Zealand, among many others, stressed in her speech to the Conference that many countries, especially in the industrialized world, no longer compete on the basis of their physical infrastructure but on the basis of the knowledge and skills of their workforce. But many are facing a new and different challenge – a demographic crunch. For example, figures show that nearly 80 per cent of the European Union's workforce of 2013 has already left school. Reforms in education policy will have little effect on these people, but new training policies can make a difference. There is clearly a major role to be played here by the ILO and its social partners, since much of the learning and training of these workers will take place in the workplace. New approaches to workplace learning – lifelong learning – will need to be developed.

In its first discussion on a new human resources development Recommendation, the Committee has itself innovated and proposed a text that will lead to a dynamic instrument. The Committee is seeking to establish principles that should underpin training policies and

systems and thus guide countries as they seek to balance education and training objectives with the economic and social development needs of society. To support the work of the Committee, the Office has developed a CD-ROM that includes all the background reports and over 500 examples of national training policy initiatives, linked to the key issues in the questionnaire sent to member States. We hope that this different approach to standard setting – a blend of new technology with traditional ILO standard setting – will assist the work of the Committee and constituents worldwide. The CD will be adapted to form the basis of a practical guide to the new Recommendation. Once again, I congratulate the Committee on its excellent progress.

6. Employment relationship

This was one of the most challenging and important issues to be tackled by the ILC in recent years. As the first sentence of the Committee's conclusions state, "The protection of workers is at the heart of the ILO's mandate".

The failure of the 1997-98 discussion on contract labour cast a shadow over the topic and meant that we all approached the discussion this year with a certain level of caution and concern. But as often happens, the failure of 1997-98 provided a new impetus and indeed sowed the seeds for this year's success. The Conference resolution adopted in 1998 gave the Office the necessary guidance to go deeper into this topic, gathering evidence on the real situation in 39 countries and using this information to find new ways of addressing the real and difficult problems which governments, employers and workers face. We also had the benefit of a tripartite experts' meeting in May 2000 that helped to identify the issues more clearly.

Your conclusions recognize that the employment relationship, in all its different forms and guises, remains a central feature of the labour market in both developing and developed economies. You have recognized the diversity as well as the common features that characterize the employment relationship. You have drawn attention to the gender dimension of the problem and to the specific challenges that the informal economy poses.

The evolution and maturity of the thinking we have done together on this topic is reflected in the report and conclusions. There is clear recognition that ensuring the protection of workers who are in fact in an employment relationship, even if that relationship is disguised under some other form, does not call into question or interfere with genuine commercial and independent contracting arrangements. The labour market is a dynamic place with scope for many innovative and new forms of work. You have recognized the need to foster this dynamism and innovation while ensuring that those workers who are entitled to the protections associated with the employment relationship are protected in accordance with their national laws and regulations.

I also believe that you have demonstrated the "value added" which a general discussion at the International Labour Conference can bring to a complex topic such as this. Many delegates may perceive a general discussion as being less exciting or challenging than a standard-setting discussion. But you have shown that it provides an invaluable opportunity for governments, employers and workers to explore issues in an open way, to exchange ideas and information on practices in each other's countries and, most importantly, to learn from each other. This has enabled you to reach conclusions which are soundly based in the reality of everyday life and which set down a range of practical and achievable goals.

You have presented an ambitious workplan to the Office and provided clear signposts for national-level action by governments, in consultation with their social partners, on a

wide range of issues. These include labour law reform, improvements in labour administration, and application and enforcement of laws and mechanisms to resolve disputes concerning the employment status of workers. There is consensus on the need for an international response, and you have concluded that a Recommendation is an appropriate response on this topic. The agreement reached on such a central issue is vital to the capacity of the ILO to continue its work on this topic and provides the necessary enabling environment. I hope that this consensus will continue and will be carried through into the follow-up decisions that you have requested the Governing Body to take in the future.

Finally, this Committee had very active participation by Government representatives who enriched the discussion and contributed actively to the work of the Committee and drafting group and to finding a consensus. I congratulate the Government representatives for playing this crucial role. The Worker and Employer Vice-Chairpersons had a difficult and tough task, given the very different perspectives they brought to the discussion. But you identified the areas of common concern that enabled you to move towards a consensus and agree, on a tripartite basis, a practical workplan for the future.

7. Improved security of seafarers' identification

The Conference has adopted the Seafarers' Identity Documents Convention (Revised). In doing so, it has managed to reconcile positions that were very divergent and to achieve a remarkable step forward. The Convention constitutes a pioneering, comprehensive and sophisticated response to the security concerns of the modern world, including the necessary safeguards for individual rights, while also serving to maintain the free flow of trade. It has been possible to give the security concerns an equally important social dimension, with the facilitation component as contained in the Seafarers' Identity Documents Convention, 1958 (No. 108), that is being revised. However, the new Convention not only contains carefully balanced provisions committing ratifying countries to allow seafarers the essential facility of shore leave, as well as the facilities necessary for them to perform their professional tasks, it also gives countries the security they need in order to accept and meet those commitments.

In addition, the Convention will have several important features that are essentially new to the ILO. In the first place, it provides a requirement for an internationally uniform seafarers' identity document. In the second place, it establishes a special procedure for international oversight that reassures countries that other ratifying Members are issuing the documents on the basis of secure processes and procedures. It is made clear in the Convention that this technical oversight is to be without prejudice to the normal reporting obligations of Members under article 22 of the ILO Constitution. The third new feature in the Convention is its "simplified amendment procedure" enabling the details of the Convention to be easily updated in order to keep up with constantly changing technologies.

All this work has been done on the understanding that the Convention will be ratified widely and rapidly. The mounting hardship being suffered by seafarers, especially with regard to shore leave, must be rapidly reversed. In order to achieve speedy and wide ratification, certain countries that are not parties to the present 1958 Convention need to make adjustments to their legislation in order to be able to ratify. Adjustments of this kind are indeed usually necessary to make ratification possible; the difference here is that they are to be made in the sensitive area of national security. In this respect, the strong positive attitude that has been adopted by a number of countries in this situation is extremely

encouraging. The Evian G8 statement on transport security provided specific endorsement for this new ILO instrument.

A second challenge concerns the many countries which do not have sufficient resources and sufficiently advanced technologies to implement the sophisticated systems required by the new Convention for the issue of identity documents. The solution as set out in an accompanying resolution is technical cooperation between such countries themselves to pool resources, perhaps on a regional basis, and cooperation with the Organization.

The new Convention, supplemented by four resolutions, is the reflection of much goodwill as well as hard and innovative work performed in a short space of time. The momentum must be maintained if the provisions of this remarkable Convention are to achieve their purpose, namely, to restore essential facilities to seafarers in an epoch of increased threats to global security and all its indirect effects on trade. We have demonstrated that tripartite multilateralism works, promptly and effectively.

8. Occupational safety and health

The report of the Committee on Occupational Safety and Health bears witness to a rich, lively and successful discussion on an integrated approach to ILO standards-related activities. The innovative and constructive conclusions reached by the Committee advocate the implementation of a new global strategy on occupational safety and health and are a strong signal from the constituents that occupational safety and health should now be placed at the top of national agendas as well as that of the ILO. The strength of this message is further confirmed by the fact that the Committee had 178 members, 101 of whom were from governments.

The two fundamental pillars of the strategy defined in the draft conclusions break new ground and provide complementary ways forward, both for member States and for the ILO. The first pillar introduces the concept of a preventative safety and health culture in which the right to a safe and healthy working environment is respected by all, is achieved through the participation of all social partners and based on a system of defined rights, responsibilities and duties which prioritizes prevention. It also introduces the application of a systems approach to the management of occupational safety and health as the most effective method for improving the impact of national structures and means of action for a sustained decrease in occupational fatalities, injuries and diseases.

The second pillar of the strategy is aimed at the development of an integrated ILO “toolbox” to assist the tripartite constituents in transforming the goals of the global strategy into reality. The main tool defined in the Conclusions is the elaboration of a promotional instrument designed to put safety and health higher on the agenda of member States, “reactualize” existing ILO standards in this area, raise the awareness among all the social partners of the fact that safety and health is a responsibility to be shared by all, and strengthen national occupational safety and health systems. The Conclusions also focus on technical assistance and cooperation to help countries assess their needs and take appropriate action to progressively and continually improve their national systems through the promotion of ILO instruments and values. Advocacy events, such as a World Safety and Health at Work Day, are another element in the ILO’s toolbox. The Committee recommended that ILO knowledge bases and networks related to occupational safety and health should be improved and expanded with the collaboration of other intergovernmental organizations whenever possible. Finally, a very important outcome of the general discussion is that we should consider applying progressively an integrated approach to standards-related activities in all other areas of the ILO’s work.

9. Application of standards

The Committee on the Application of Standards held very interesting and complex discussions on a wide variety of issues. In the general part of its discussion, the Committee continued a discussion of its own working methods, and ways in which its functioning could be improved. This followed informal tripartite consultations held in February and March this year, and an options paper submitted to the Committee. Some improvements have already been made as a result, but the discussion will have to go on next year, as well as in the months to come. It is particularly important that the Committee come to a better consensus on the way in which individual cases are selected for detailed discussion in the Committee.

The General Survey produced by the Committee of Experts on the Application of Conventions and Recommendations and discussed by the Conference Committee this year was on problems of application of ILO standards relating to the protection of wages. Most speakers highlighted persistent situations of deferred payment of wages, abusive practices of payment of wages in kind or the gradual erosion of the privileged protection of workers' wage claims in bankruptcy proceedings. The discussion confirmed the continued relevance of most of the provisions of the ILO instruments reviewed (Convention No. 95 and Recommendation No. 85), the need to promote related instruments such as Convention No. 173, and the importance of placing reflection and concern about wage protection issues at the centre of the decent work and poverty reduction agendas.

The Committee held a special sitting, as had been decided by the Conference last year, on the application by Myanmar of the Forced Labour Convention, 1930 (No. 29), following up measures taken in the context of article 33 of the ILO Constitution. This was the third time such a special sitting had been held, and it discussed not only the comments of the Committee of Experts but also the events which have taken place since the Committee's December 2002 session – especially the agreement to set up a liaison office, the appointment of the facilitator, and the conclusion of the recent agreement on monitoring forced labour. Unfortunately, the political climate in which this discussion was held, following the recent detention of Aung San Suu Kyi, had a profound effect on this discussion. I have urged the authorities in Myanmar to guarantee the freedom of Aung San Suu Kyi and her supporters, recalling the need to create a climate in which the agreements we have reached can be applied. Even against this background, the Committee welcomed the very slow progress achieved, but encouraged the Government to do everything necessary to eliminate forced labour in practice, to bring legislation into compliance with the Convention, and to punish those responsible for imposing forced labour, as the Commission of Inquiry had already concluded. We will continue to follow this case.

In addition to this special sitting, the Committee carried out the examination of 25 other individual cases covering freedom of association, forced labour, discrimination, child labour and employment policy – the whole range of concerns addressed in ILO standards. While in some cases it found reason to welcome the measures already taken, or being taken, by governments to apply Conventions, it also found it necessary to adopt special paragraphs to express concern over other less positive cases concerning Belarus, Cameroon, Libyan Arab Jamahiriya, Mauritania, Myanmar and Zimbabwe (Convention No. 87). The Committee also found in two cases (Belarus and Myanmar) that there was a continued failure to apply the provisions of a ratified Convention. The Committee requested several governments to accept direct contact or other technical advisory missions, or to ask the Office for assistance. Several of these offers have already been accepted, and it is worth mentioning the positive approach of the United Arab Emirates with regard to dialogue with the Office on pending issues.

10. Programme and Budget proposals (2004-05)

The recommendations of the Finance Committee of Government Representatives are decisive for the future financing of our Organization, and critical for the development of a regulatory framework that promotes sound financial management practices. I greatly appreciate the efficient and harmonious manner in which the discussions were conducted and concluded. The exceptional blend of constructive, practical and responsible debate has resulted in a healthy consensus among Government members on the proposed scale of assessments for 2004 and the amendments to the Financial Regulations concerning the use of surpluses.

The Finance Committee's debate on the programme and budget proposals is an especially important test of the real priority that our Organization enjoys. We devote great efforts to preparing convincing responses to the needs of our constituents and to the global developments that affect the world of work. We endeavour to follow the guidance of the Governing Body and learn the lessons of our current action. Still, there is a nervous moment of truth when the Finance Committee considers the level of our budget. It is therefore heartening that the Committee followed the proposal of the Governing Body and recommended a zero real growth budget to the Conference.

There was a consensus in favour of the proposed programme, due account being taken of the many constructive suggestions made. In both the Governing Body and the Finance Committee, there was praise for the key orientations of the proposals: greater emphasis on decentralization and on impacts at country level; prudent financial management, with savings on administrative costs being transferred to services to constituents; and continued improvements in strategic budgeting, in particular in improved specification of performance indicators and targets, the introduction of country programming and attention to the need for better focus and coherence. The support of the Committee, plus the support of the Employers' and Workers' groups in their introductory statements, gives us confidence that we are on the right path.

There were a few reservations expressed on the level of the budget. Some countries, including large contributors, felt that zero nominal growth – that is a cut in programmes equal to the cost increases foreseen – would constitute healthy pressure for continued cost savings. I respect these views, and I remain committed to continued efficiency gains and prudent financial management, including follow-up of the specific suggestions made in the Committee. At the same time, I note that many countries, including the United States, pointed out that zero nominal growth was not a dogma, and that the time would eventually come when it would have to be reconsidered. A large majority expressed concern that continued gradual shrinkage of the real budget would result in serious harm. They were concerned that reductions in administrative support had already begun to affect the quality of services, and doubted that increasing reliance on extra-budgetary funding for core work was appropriate. Above all, they felt that the services of our Organization should be increased in the light of growing demands by constituents and today's challenges, including those set out in my Report to this Conference on *Working out of poverty*.

I am grateful for this support, because I know that it comes at a time when national budgets are often under great pressure. I will therefore follow up a suggestion first made by Mr. Séguin of the Government of France, and use the opportunity provided by the preparation of the next Strategic Policy Framework to engage in an open consultation on the future of our budget.

11. Conclusions

Delegates can leave Geneva well satisfied with the work we have done. I began this Conference by thanking you for re-electing me. It was a vote of confidence in the direction we have together given to the ILO in making our cherished Organization fit for the new challenges of the twenty-first century. I think our predecessors would be content with our efforts and see a certain continuity in change.

Tripartism continues to be a force for social justice and the realization to the full of the capabilities of employers and working women and men all over the world. It has incredible innovative energy. The balance between security and flexibility in the workplace requires constant adjustment to changes in technology, commerce and people's aspirations and concerns. I believe we have only begun to realize the creativity that social partnership can apply to the major challenge of our time: the eradication of poverty. We all leave this Conference with high expectations of what we can achieve together, but let us not forget that we all individually have a responsibility to make sure that these expectations are realized.
