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Presidents: Mr. Wamalwa and Mr. Wojcik

The PRESIDENT – Before resuming our discussion of the Reports of the Chairperson of the Governing Body and the Director-General, I shall give the floor to the Clerk of the Conference.

RATIFICATION OF INTERNATIONAL LABOUR CONVENTIONS

Original French: The CLERK OF THE CONFERENCE – It is a pleasure for me to announce to the Conference that on the 6 June 2003 the Director-General noted the ratification by Bolivia of the Worst Forms of Child Labour Convention, 1999 (No. 182); the ratification by Guinea of the Minimum Age Convention, 1973 (No. 138) (the minimum age being 16 years), and the Worst Forms of Child Labour Convention, 1999 (No. 182). With these last two ratifications, Guinea has now ratified the eight core Conventions. Finally, on 9 June 2003, the Director-General registered the ratification by New Zealand of the Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

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

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

Original Spanish: Mr. RAY GUEVARA (*Secretary of State for Labour, Dominican Republic*) – The special focus of this 91st Session of the Conference of the International Labour Conference Organization, the theme, *Working out of poverty*, stems from a growing awareness on the part of the social partners and governments coming together within the ILO that, as stated in the 1944 Declaration of Philadelphia, “poverty anywhere constitutes a danger to prosperity everywhere”.

For the Government of President Hipólito Mejía, the fight against poverty necessarily signifies the creation of decent, dignified work by strengthening vocational training for productive work, encouraging the development of MSMEs and supporting the cooperative sector. It should be pointed out that, in our country, there has been a revival of cooperativism. At present, the sector comprises 625 groups and cooperatives, from which more than 400,000 Dominicans benefit directly and which generate 15,750 direct and 45,000 indirect jobs, or a total of 60,750.

In our opinion the essential tools for promoting job policies are consultation and social dialogue. The aim

of economic globalization must be the creation of jobs, not simply the maintenance of a macroeconomic balance based on restrictive social policies.

We in the Department of Labour are pleased to be running a programme to update and improve young people’s skills, “Youth and Employment” that is funded and supervised by the Inter-American Development Bank. Initially 600 young people out of a total of 37,500 emerging from an endless tunnel of poverty have been trained for productive work with placements in companies. Another programme of the Department of Labour, “First jobs for Young People” has helped more than 1,000 young people. More than a dozen polytechnics are being set up and the Dominican armed forces’ vocational schools have been saved from closure.

The creation of decent work is blighted if there is not a relentless fight against child labour. We are in the vanguard of the eradication of the worst forms of child labour.

In something over a year we have saved 2,036 young children working in the windy coffee plantations in Ocoa and, in the last eight months, 790 children in the tomato industry in Azua. Over a seven-month period we prevented 250 cases of child labour in Constanza by running ten out of a total of 15 modern pre-school establishments. Last March, together with the United States Department of Labor and Department of Education, we signed into existence a programme aimed at improving the quality of education and the educational infrastructure for children who have been freed from the yoke of child labour.

Lastly in September, we are going to launch a three-year time-bound programme tackling urban labour, commercial sexual exploitation and agricultural labouring in the rice sector.

On the first day of this month, a red-letter day in the Dominican Republic, we launched a universal pension system which, together with coverage for health and occupational risks, forms the basis of the Dominican social security system which is the main social achievement of the Government of President Mejía. One of the main assets of the Dominican Republic in the world of work is social and labour peace. To preserve it, it is more essential than ever before to respect workers’ rights and pay particular heed to companies so as to ensure that they are not affected by excessive taxation or social charges, which could endanger the creation of jobs or reduce the number of new jobs. Ingenuity, creativity, realism and solidarity should be the watchwords today for maintaining social cohesion and arriving at a fairer, more human and more caring society.

We would like to express our happiness on the re-election of the Director-General and thank the ILO for the support it gives us, especially through the sub-regional office in Costa Rica. Similarly, we would like to express our gratitude to those governments and international organizations which twin bilateral or international cooperation into a tool for security, equality and justice between States.

Mr. SARWAR (*Secretary, Government delegate, Pakistan*) — I congratulate the President on his election to preside over the 91st Session of the International Labour Conference. I am very confident that under his dynamic guidance the Conference will reach a positive outcome on all the important issues under consideration.

I also congratulate the Director-General, Juan Somavia, for his excellent Report to the Conference on the work of the Organization, entitled *Working out of poverty*.

Globalization is defining the reality of our times. Although it has been propelled by technological advancement, the shape it assumes is a product of an increasingly liberal financial and economic environment at the global level. Consequently, while it is being viewed as an elevator to prosperity, so far “its benefits are very unevenly shared and costs are unevenly distributed”.

For developing countries like Pakistan, the most fundamental challenge is to evolve a policy framework which would cope effectively with the changing global economic and social realities. This task can only be fulfilled provided measures at the national level are supplemented by international actions towards an equitable international economic environment.

At the national level, the Government of Pakistan has been working assiduously with the social partners to create a viable framework that is responsive to the needs and requirements of our times.

Today, I am happy to announce that following an extensive tripartite dialogue conducted over many months, the Government of Pakistan introduced a new labour policy in September last year that seeks to synchronize the national environment with the globalizing world.

Our new labour policy aims to bring the labour laws and the labour administration of the country into conformity with the national objectives and the international standards, as laid down in the ILO Conventions ratified by Pakistan.

The new labour policy attempts to strike a balance between the interests of both labour and employers. Fundamentally, the fifth labour policy reduces the role of the Government to that of a facilitator rather than an overseeing authority.

In this context, we look forward to ILO support in launching the time-bound programme to eliminate the worst forms of child labour through, among other things, the replication of the IPEC programme in this area. In addition, Pakistan also wishes to request the ILO to help develop a nationwide labour market information system based on scientific surveys.

Poverty is a rot that is eating away the potential of one in every five individuals of the world's population to become a productive factor in nation building. Two-thirds of these are women and they live in abject poverty in a world where material well-being abounds. Consequently, the major thrust of our

economic framework is to move towards self-sustained economic growth, to reduce poverty, ensure good governance, generate employment and raise the quality of social services such as health and education, including skills development.

In the recent budget, introduced just two days ago, the Government has increased the public sector development allocation to 30 per cent.

In this context, Pakistan is extremely pleased to note the Director-General's Report, *Working out of poverty*. We note with a deep sense of satisfaction that decent work is not merely a political slogan; it is rapidly being converted into an operational tool of the Organization and it acts as a defining feature of the four strategic objectives of the Organization. This Report is about real issues and proposes practical solutions, both at the national and at the international levels.

There is no denying the fact that purely national strategies for sustainable and pro-poor growth are unlikely to succeed in the world in which economies are rapidly integrating. Pakistan believes that the ILO can help us in the future. We hope for a positive outcome on these issues at the relevant forums.

Mr. KAIRELIS (*State Secretary, Ministry of Social Security and Labour, Lithuania*) — May I begin by congratulating the President on his election to steer the deliberations of this year's session of the International Labour Conference, and by extending my best regards to the Vice-Presidents.

At the same time, I would like to take the opportunity, and on behalf of my delegation, to congratulate Mr. Juan Somavia on his re-election for the next five years to a very important and honourable post, the Director-General of the ILO.

We very much appreciate much the efficient way in which Mr. Somavia headed the Organization and wish him every success in the further implementation of the ILO's policy agenda and planned activities during the next mandate. Also, I would like to thank the Director-General and the Office for an informative and comprehensive Report, and to stress my country's deep concern about the problem raised this year.

Lithuania fully supports the ILO's commitment to the eradication of poverty. We welcome the views expressed in the Director-General's Report, as they provide essential guidance for the future actions of the ILO.

The ILO has always based its work on the dignity of the individual and has seen that this implies special concern for the world's more vulnerable members of society, who often need both protection and assistance with social integration. The ILO remains a proper venue to reflect upon the social problems that confront us today.

The Director-General's Report concentrates on the issue of poverty eradication and is a consistent continuation of the ILO's policy to strive for social justice and stability in the world. The Report clearly identifies the major issues surrounding the problem. Moreover, it proposes policies and targeted action to achieve the objectives.

We welcome the consistent efforts of the ILO to improve the life of working people. A significant part of the ILO's activities are devoted to improving conditions in the world of work. This year's topic covers not only the world of work, but also all people living in poverty. We recognize that despite great progress made in many areas of life throughout the world, pov-

erty alleviation is on the agenda of many countries, including rather prosperous ones.

Such a situation raised the need for internationally coordinated initiatives and actions, and at the United Nations Millennium Assembly (New York, 2000) more than 150 States of the world, including our country, confirmed their determination “to create an environment [...] which is conducive to development and to the elimination of poverty”.

Therefore, the topic chosen by the Director-General for this session of the Conference is very urgent and provides the ILO's constituents an opportunity to redefine their primary tasks and set their objectives to achieve them. We assume these obligations to take part in poverty reduction actions initiated and coordinated at the international level. Our poverty reduction strategy and its implementation programme move in four major directions: activating the participation of society; ensuring sustainable development of the economy; development of the social services sector; and improvement of income guarantees.

We would also like to highlight some aspects of the Report that are also of particular importance to our country. Economic and social development, including employment, access to social services, social integration, social regulation and social dialogue, make up part of the Lithuanian Government's efforts towards poverty reduction. Most of our poverty reduction measures require considerable resources. High economic growth generates such resources. A successful fiscal policy is also a precondition for preventing the spread of poverty, and for the implementation of measures to fight poverty.

On the other hand, the experience of different countries demonstrates that continuing overall progress does not solve the poverty problem by itself. First of all, this requires the determination of political authorities and sustained efforts by governments, civil society and even international organizations.

Everyone agrees that employment and job creation are of utmost importance in combating poverty. Without jobs there cannot be decent work, and without decent work there cannot be adequate wages and sufficient family incomes. Access to work is the surest way out of poverty, and there are no workers' rights without work. Lithuania agrees with the consolidation of the ILO's efforts in promoting decent work. The Director-General's Report stresses the importance of a continuous integrated approach to poverty reduction, centred on decent work.

The Director-General, in his speech to the 2000 session of the Conference, called for a global coalition for decent work. We think that this call could be repeated this year by adding, “for the eradication of poverty”. We all have a responsibility to take part in the fight against poverty. We are convinced that the international community will further provide an adequate response to these questions.

In conclusion, I would like to say that we find the Report of the Director-General to be informative, comprehensive and stimulating. It also clearly defines the challenges faced by the ILO in the 21st century, and provides a wide range of initiatives.

Lastly, I would like to stress that the Government of Lithuania fully supports the Director-General and the Office in the challenging tasks ahead.

Original Greek: Mr. REPPAS (Minister of Labour and Social Security, Greece) — It is a great honour for

me to attend the 91st Session of the International Labour Conference in my capacity as Minister of Labour as well as the presiding Minister of Labour and Social Affairs of the European Union.

Let me, at the outset, underline that the Reports of the Director-General constitute documents of high importance regarding decent work and the eradication of poverty and discrimination.

This Conference is taking place at a very critical moment for the world as a whole as well as Europe in particular. Issues such as social and environmental responsibility of all social partners; cooperation to achieve the eradication of poverty in the Third World and especially in Africa; the management of water, which constitutes the most valuable natural resource of the 21st century; and the expansion of social dialogue constitute major items on the international political agenda.

International cooperation for development is a key factor for maintaining peace and security in our world. The development model promoted today at the international level is not always compatible with the principles of sustainable development. This becomes apparent through the widening of the gap between the rich and the poor, and the depletion of natural resources on a global scale. Developed countries, and among them the European Union, can play an important role in tackling these international challenges. In the European Union awareness is increasing of the need to promote policies for stable and sustainable development. These policies, on which we all — governments, economic entities and social partners — should focus our attention on the exchange of experiences and good practices at the international level.

The Hellenic Presidency of the European Union has set from the start as its principle goal and priority the support and promotion of the European social model. This model constitutes not only the crowning achievement of the social struggles in Europe since the beginning of the industrial revolution, as a result of European humanism, but also a comparative advantage and a substantial production factor of the European economy in the present phase of globalization. Furthermore, this model makes Europe a universal point of reference for avoiding social dumping.

At this point I would like to refer to four basic tools for the achievement of full employment and social protection. One of the essential tools is legislation with a view to defining the minimum standards on employment and social prosperity. The elimination of discrimination, grounds of race, ethnic background, religious and other beliefs, age or disability, the question of the protection of wages, and the legislative regulation of child labour, constitute crucial issues for which the role of the International Labour Organization and that of the European Union are vital.

Another tool of major importance is the open method of coordination of national policies with a view to promoting the comparative evaluation and the exchange of experiences and good practices among countries.

A third tool which is of great importance to the International Labour Organization is social dialogue, which is of particular importance for the European social model and constitutes one of the most important means for securing democracy and justice.

Finally, another equally important tool is corporate social responsibility. It is an approach on the basis of which businesses decide to apply innovative policies which improve their competitiveness.

I am aware of the fact that I speak from the rostrum of an International Organization which has played a key role in strengthening workers' rights and enhancing tripartite cooperation. The culture of labour relations which was built during the previous century, would have been completely different without the active and catalytic presence of the International Labour Organization.

I would like to express my belief to this distinguished forum that during this century the role and the significance of the International Labour Organization must be further reinforced. We consider that the establishment of the World Commission on the Social Dimension of Globalization constitutes a right step in this direction and we believe that the standards' supervisory mechanism of the ILO should be strengthened.

There are three reasons that justify this belief. Firstly, in a world which experiences the continuous lowering of national economic borders, the International Labour Organization can and must become a moderating force in addressing the impact of this economic process on labour and enterprises. Secondly, in the post-industrial era, the adaptation of labour to the changing and continuously developing productive forces must not undermine the labour standards which have been established throughout the democratic world. The adjustment of labour to the new realities is essential, however, this adjustment must respect the labour standards that have resulted from the tripartite cooperation during the last century. Thirdly, the developed world must not and should not forget that in this new era of open horizons, it is not permissible to close our eyes to realities of human exploitation.

The International Labour Organization, ever since its establishment, has played a decisive role in promoting a world that thinks and lives in a more just manner. This role should continue to constitute a beacon of hope in the international quest for the building of a new society, of a knowledge-based society, which would also be more democratic and more humane.

Original Russian: Mr. POCHINOK (Minister of Labour and Social Development, Russian Federation) — The ILO's concept of decent work, which is being developed by the international community, has considerably advanced our chances of achieving an integrated approach to general development policy and significantly influenced our choice of options in solving social problems. This year's session of the Conference is explaining the Director-General's Report, *Working out of poverty*. Poverty can take many different forms and is a consequence of many different factors. As well as economic, social and demographic factors, we have to bear in mind the "feminization" of poverty, as well as political and geographical factors. The Report focuses on factors contributing to economic poverty, meaning the condition of those capable of work who can for various reasons no longer maintain a satisfactory standard of living. In the case of the Russian Federation, two main factors come into play. First, the lack of a labour market in depressed regions where the whole economy is defined by one or two companies in stagnating indus-

tries. Second, wage levels which reflect the current state of the economy and prevent workers from obtaining decent remuneration. Despite relative improvement in economic indicators in the Russian Federation, the recent emergence of the category of "working poor" remains a major concern for us. We attribute this, first of all, to the poor competitiveness of our domestic industry, which developed in conditions of isolation from the world market. Another factor has been the slow integration of Russia into the world economy and world markets. Many Russian companies are still losing out to international competition. Russian poverty, I think, can be best described as "economic" or "market" poverty — poverty associated with the position of a certain category of those of working age in the labour market. There are two main groups of low paid workers — those workers employed in public sector organizations, and uncompetitive industries particularly agriculture and forestry and light industry. The Government is taking urgent measures to restructure the economy, boost employment, and actively implement an incomes policy. Unfortunately, the inexorable increase of our own consumer prices to match world prices has left millions of Russians living around the poverty threshold. Tackling this situation is one of the Government's priorities. Our view of the problem of poverty and the different forms it can take is important when we try to understand the processes occurring in transition economies.

We were also pleased to note the basic ideas set out in the Global Report, *Time for equality at work*, and we support the Report's position regarding the need to eliminate all forms of discrimination at work as soon as possible. The forms of discrimination which occur in the labour market are becoming increasingly intolerable. They lead to a discriminatory attitude against people on the basis of race, sex, age, religious belief, and so on. Neglecting these phenomena, as the Report says, "Will have a disastrous effect on national social cohesion, political stability, and hence, growth". Discrimination at work also leads to social alienation and problems of poverty and hardship. We would particularly like to emphasize that we support the principle of equal pay for equal work, as will be clear from our application of the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). The provisions of these two Conventions, and indeed many others, were affirmed in the new Labour Code of the Russian Federation of 2002 which, one year on, is still being refined.

I would also like particularly to underline the topicality of the Report's pronouncements on indirect discrimination, particularly unjustified language requirements directed at indigenous peoples for the purpose of hiring.

Elimination of discrimination requires a planned, targeted and consistent effort, and political collaboration between the social partners. The role of international organizations in this is extremely important, including that of the ILO, which can exert a direct influence on solving these problems. We by and large, endorse the three key areas identified in the Report where the ILO can help: knowledge (equality indicators); (education) and information; and assistance in the drafting of national legislation.

Original Japanese: Mr. KAMOSHITA (Senior Vice-Minister of Health, Labour and Welfare, Japan) —

On behalf of the Japanese Government, please allow me to present my total support for the ILO's goal of "decent work for all" contained in the Director-General's Report, *Working out of poverty*. At the same time, also allow me to express my appreciation for the efforts of the ILO, the member countries and their workers and employers, towards the elimination of poverty and social exclusion. I often hear the expression "poverty newly arisen from globalization". While globalization of the economy fosters economic activity and leads to the creation of more wealth, it can also broaden the gap between the rich and the poor, increasing the number of people living in poverty. Thus, a fair distribution of the benefits of globalization is crucial. Indeed, fair globalization is the challenge that has been imposed upon us.

There is a mass email that has been circulating on the Internet that I am sure many of you have seen: "If the world were a village of 100 people", it says, "if you have food in the refrigerator, clothes on your back, a roof over your head and a place to sleep, you are richer than 75 per cent of the world". In the face of such a harsh reality, as the Director-General's Report points out, sustainable development is indispensable for people to work out of poverty and social exclusion. I am convinced that the most important element for establishing the independence and self-reliance of individuals, societies and countries is human resources development. Human resources constitute the foundation of the development of a country. The ILO is a vital international organization in addressing the issue of human resources development. I hope that the human resources development strategy will be promoted in the fight to end poverty and social exclusion.

Respect for the "ownership" of self-reliant countries and lending a helping hand as an equal partner — that is the assistance philosophy of my Government. Under this philosophy, we have been supporting human resources development in developing countries by contributing to programmes such as the Asian and Pacific Skill Development Programme (APSDEP), which aims at improving job skills in the Asia-Pacific region, through various projects involving the ILO, such as the ILO/Japan intercountry project on strategic approaches towards employment promotion in China, and through financial and technical cooperation with human resources development facilities all over the world.

Support alone, however, cannot resolve the problem. What is also essential is sufficient communication and cooperation among the tripartite bodies, all the stakeholders, and of course the ILO, which has vast experience in this field.

In order to overcome this difficult challenge, we expect the ILO to demonstrate its leadership even more than before, and we ourselves will fully support its activities through projects which enhance social dialogue and promote the concept of tripartism.

Japan upholds the ILO's strategic objectives that aim at achieving decent work. To this end, the utilization of resources, including those contributions that were paid in spite of the severe financial situations of governments, must be made as effective and efficient as possible.

I believe that the ILO has to strive to reduce personnel costs by reviewing the personnel structure, and must also make every effort to economize through the regular scrutiny of costs. We strongly stand by the

ongoing effort of decentralization to the regional offices. However, this effort should be one that leads to better and effective use of resources. We are looking forward to further efforts by the Office in this area.

Concerning public service reform in Japan, it is important that the Government and interested parties first hold earnest consultations. Prime Minister Koizumi and President Sasamori of the RENGO, the Japanese Trade Union Confederation, held a meeting on 27 May and confirmed that the Government and workers would continue their consultations.

We would like to provide further information to the ILO, but we ask for the ILO's understanding and patience as the reform process unfolds.

As globalization of the economy marches forward, the role of international organizations such as the ILO will become more and more essential.

So that the ILO can keep its eye on the realization of social justice and give full scope to its abilities, the Government of Japan intends to support the ILO's various activities through closer cooperation and tighter communication with the Office and the Members.

Original Portuguese: Mr. PAIS ANTUNES (*Secretary of State for Labour, Portugal*) – On behalf of the Portuguese Government, I would first of all like to congratulate the President and the Vice-Presidents on their election to preside over this important discussion. I am sure that they will all contribute to the success of this year's session of the International Labour Conference.

Lord Brett, in his capacity as Chairperson of the Governing Body, presented a report which clearly shows the importance of the activities which the Governing Body and the ILO have carried out over the last 12 months with a view to attaining the global objective of creating opportunities to obtain decent work for all men and women.

Mr. Juan Somavia, whose re-election to the position of Director-General of the ILO was supported by Portugal, also merits congratulation. He has submitted a Report prompting us to renew our commitment to pool our efforts in order to eliminate poverty on all continents through work.

Unfortunately, it is not possible for us to say that we are near to attaining the goals which we have set ourselves. Undoubtedly today in the world we have more democracy, but economic growth over recent decades has not brought social justice with it. On the contrary, the increase in production has been accompanied by an increase in inequality as regards income distribution. To fight against the suffering of billions of people who do not have enough food, who do not have schools, basic health care, jobs or social protection — all this is a basic challenge for humankind.

More democracy, more development and more social justice are the basic weapons in this fight: more democracy because without democracy we cannot have social justice; more development because without development we do not have wealth, and without wealth it is not possible to fight inequalities effectively; more social justice because without social justice democracy will always be incomplete and development will not be sustainable.

Poverty keeps producing new generations of poor people and therefore it is urgent to break this cycle. The Portuguese Government therefore supports the global campaign to overcome poverty through work.

It is important to ensure that children and young people go to school before they go into the labour market. It is essential to improve the qualifications of workers and employers so that their work can be more productive, and so that they can be better prepared to deal with changes in the system of production.

It is essential that legislation and, above all, practice recognize the fundamental rights at work as set out in the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), which should be ensured for employers and workers in the informal economy.

We need to do away with discrimination in all areas as regards access to school, to work and to vocational training.

Lastly, it is essential to promote effective social dialogue based on respect for the irreplaceable role which workers' organizations and employers' organizations have in defending the rights and interests of the persons they represent. Governments must also be involved, as they are directly responsible for the preparation and implementation of public policies.

The Portuguese Government supports, and will continue to support, the policy of partnership between the ILO and other international organizations to provide technical assistance to less developed countries and regions. We would like to say that we are very happy about the recent opening of an ILO office in Lisbon, which will increase the participation of our authorities and social partners in the activities of the ILO, and will strengthen tripartite collaboration, promoting our special relationship with the Portuguese-speaking countries of Africa as well as with East Timor.

Original Chinese: Mr. LI (Vice-Minister for Labour and Social Security, China) — I would like to congratulate the President and the Vice-Presidents of this session of the Conference on their elections. I am confident that under their guidance this session of the Conference will be successful.

The world is undergoing profound changes. Peace and development are the major issues of our time. However, natural disasters, diseases, terrorism and regional conflicts pose huge threats to the world. The global economic recovery lacks vitality and mankind is still faced with challenges which it cannot ignore.

As early as the beginning of the last century, the founders of the ILO adopted the ideal of eradicating poverty, realizing social justice and establishing universal and lasting peace. However, poverty still lingers in many places, even today. The United Nations, in its Millennium Development Goals, has set itself the task of halving global poverty by 2015. The current situation is not very encouraging. The accumulation of wealth and progress in science and technology have not benefited all countries, and the gap between the North and the South is increasing. We are acutely aware of the serious problems, and believe that the eradication of poverty is crucial to further human development.

The ILO has a unique strength in creating decent work and promoting poverty reduction. It is playing a strategic role in advancing social justice and maintaining global sustainable development by mainstreaming decent work in its effort to combat poverty.

China is the largest developing country. For decades the Government has made unswerving efforts

to combat poverty which has been a remarkable contribution to the global fight against poverty. The number of people living below the poverty line has declined from 250 million in 1978 to 30 million today. However, China is a developing country with 1.3 billion people, most of whom are farmers. The excessive overall labour force, often unskilled, structural anomalies, unemployment and underemployment are all very serious problems.

The Government is facing up to reality by making every effort to link economic and social development, making employment a top priority and placing social security high on its agenda. The newly elected Government has further set itself the objective of building a better, well-balanced, prosperous society. We are fully confident of achieving this.

Recently, China and some other countries and regions have experienced outbreaks of "Severe acute respiratory syndrome" (SARS). This has not only threatened the health and life of people but also posed new challenges to employment and social security. The Chinese Government has taken, and will continue to take, resolute measures to contain the epidemic. In the meantime, we will always keep in mind the importance of economic development, employment and the workers' rights. At present, the SARS situation has been stabilized, and we are continuing to take effective measures to promote employment and safeguard the rights of workers. We firmly believe that we will eventually overcome SARS and bring people's work and life back to normal.

Poverty reduction is a pressing task for the world, especially for the developing countries.

It is our belief that, firstly, countries around the world must look beyond traditional values, keep abreast of the times and strengthen exchanges and cooperation, so as to promote economic and social development in all countries, and work hard to reduce the incidence of poverty around the world. Secondly, we must attach strategic importance to poverty reduction and promote the establishment of a new international economic order that is fair, rational and in line with the levels of development and the needs of every country in order to guarantee the right of all countries, especially the developing ones, to develop. Thirdly, the developed countries must assume greater responsibility by honouring their commitments and increasing development assistance to help the developing countries develop faster.

Our goals are clear and the road is just in front of us. Let us join hands and work together to promote decent work, reduce poverty and realize universal and sustained development everywhere in the world.

Original English: Mr. PARK (Vice-Minister of Labour, Republic of Korea) — I would like to congratulate the President on his appointment to chair the 91st International Labour Conference. I would also like to extend my gratitude to the staff of the International Labour Office for their hard work in preparing this Conference. I also wish to express my congratulations to the Director-General, Mr. Juan Somavia, for his re-election this March.

The Government of the Republic of Korea is fully supportive of the various projects and activities which have been carried out under the banner of decent work, proposed by Mr. Somavia as the future direction and vision of the ILO.

If the past five years have been a period of establishing an institutional framework for decent work and its promotion, I hope and expect the next five years will be an historic period in which decent work takes root and will be reflected in the projects and activities of the ILO. I would like to reiterate that the Korean Government will closely cooperate with other member States to achieve this grand goal.

The Director-General's Report, *Working out of poverty* suggests effectively how the ILO should focus its efforts on working out of poverty. Poverty is a part of a vicious cycle that consists of various social problems, such as child labour and forced labour; however, we have to remember that it is also the fundamental cause for which such a circle is formed.

Poverty is such a complex, prevalent and serious problem that it will not be easy to create a "silver bullet" solution to it. But, as the Report points out, job creation through training and skills development is an effective alternative and the ILO will have to concentrate its efforts on creating new jobs through the improvement of workers' employability. To this end, the ILO should carry out employment-friendly activities within its dynamic structure.

First, the ILO should strengthen the activities of its regional offices, offer technical assistance for job creation tailored to each member State and establish employment security infrastructure.

Second, member States should take training and education as priority policy tools for reducing poverty. For developing countries, although investment in vocational training would seem a difficult policy decision in the short term, in the long term it will, I am sure, return the biggest dividends.

The new Government, which took office this February, set out three labour policy directions, namely industrial relations for social cohesion, vibrant labour markets and quality of working life. The new Government is willing to improve labour laws and standards, taking fully into account both international standards and domestic realities. For instance, legislation is being promoted to ensure that public officials enjoy basic labour rights equivalent to those of teachers. In this vein, the Committee for Advanced Industrial Relations was established, comprising members of civil society, to prepare detailed plans for educational reform. The legislation will be drafted through a process of consultation with various interested parties. The Korean Government has a firm belief that it will resolve all the issues through social dialogue, compromise and the application of the fundamental principles of the ILO.

I ask the ILO and its member States to support the Korean Government's reform plans, so that they can be realized.

Original French: Mr. BILTGEN (*Minister of Labour and Employment, Secretary for Communications, Minister of Churches, Minister for Relations with the National Parliament, Luxembourg*) — Let me start by passing on my congratulations to the President on his election. I have no doubt that his competence and experience will ensure a successful outcome to this session of the Conference.

I welcome the excellent Reports prepared by the Director-General, namely *Working out of poverty* and the Global Report under the follow-up to the ILO Declaration of Fundamental Principles and Rights at

Work, *Time for equality at work*. I would like to thank and congratulate the Director-General.

According to the ILO Constitution, its mission is to promote social justice and, beyond that, universal and lasting peace. The Philadelphia Declaration states that one of the major obstacles to social justice and peace is poverty. "Poverty anywhere constitutes a danger to prosperity everywhere", it states.

In a period of economic globalization, to which we need to respond with social globalization, we must also recognize the existence of a globalization of poverty. In 1960, the income of the richest fifth of the world's population was 30 times that of the poorest fifth. In 1999, that relationship was 74 to one.

Doing away with poverty is not just a social and human necessity, but it can also be a factor of economic growth. Faced with the globalization of poverty, we need to implement a coherent and comprehensive plan of action, of which I would like to describe four main components:

Firstly, the redistribution of wealth. I talked about the unequal distribution of income throughout the world. Wealth has to be shared more equally. That is the whole point of development aid. My country, Luxembourg, is very proud of living up to its commitments and, since 1995, its development aid budget, which had risen to 0.7 per cent of GDP by 2000, has now reached 0.84 per cent in the current year, and will reach 1 per cent by 2005. I can assure you that my country will continue to support ILO projects in future.

Secondly, the rule of law. Human dignity also implies the enjoyment of rights. It is difficult to fight against poverty in situations of autocracy, domination and intimidation. We need to establish a world order based on respect for the rule of law and for basic human rights. At the very least, and I mean at the very least, the ILO Declaration on Fundamental Principles and Rights at Work, 1998, should be implemented throughout the world.

Third, tripartite cooperation. We will not succeed in eradicating poverty without decisive tripartite commitment. Work is the best way of getting out of poverty. To provide work, we need to create jobs, but not just any jobs. The quality of jobs is just as important. The European Community has understood that economic and structural policy, employment policy and social policy are three parts of one triangle, and have to support each other.

Fourth, the institutionalization of a world social order. Every year, at this meeting, I underline the links and relationships between the various institutions at the global level. Now, there is no doubt that some of these links have been strengthened, for example, between the World Bank and the ILO, or through the World Commission on the Social Dimension of Globalization. Should we not think of moving into a new stage in the process, moving towards a greater institutionalisation within the United Nations system, or even beyond it, with a view to bringing closer together both economic and social aspects? My Government would very much like to see, for example, at least a Memorandum of Understanding between the ILO and the OECD. The OECD has clear social responsibilities, even if the ILO remains the guiding power. What is at stake is very significant. If globalization takes the form of relocating businesses from developed countries to low-salary countries and economic migration towards developed countries,

where the worst kind of social dumping occurs, we will not see the reduction of poverty in developing countries, but might well see increasing poverty in the developed world.

Poverty is a global phenomenon. One of the main sources of the emergence of poverty in developed countries is discrimination, including discrimination in the workplace. Work is the best way of combating discrimination, but the availability of work is not enough to avoid discrimination. I would pick out four examples.

Firstly, equality of pay between men and women. We can see that poverty is becoming more and more of a phenomenon that affects women. We still do not have equal pay, despite the fact that we have fairly strong legislation in many parts of the world. More gender equality in the representative bodies of the social partners and in political structures could help to remedy this situation.

Secondly, atypical kinds of work. Not all atypical kinds of work are necessarily a bad thing, particularly if they can create or lead to work. For instance, it may consist of fixed-term contracts, temporary work, part time work or tele-working. And we know that tele-working can make it easier to reconcile work and family commitments. However, we must see the creation of rules and regulations if we are to support this kind of work, and avoid the potential problems with regard to salaries and working conditions.

I would particularly like to see ILO standards concerning the employment relationship. There are more and more employment relationships whose true nature is deliberately hidden by the employer, such as the occurrence of fake self-employed contracts. I completely agree that the ILO should issue standards in this regard with a view to establishing universal criteria to avoid such discrepancies.

Thirdly, wages. I was very glad to read in *Time for equality at work* report that "The adoption of a minimum wage policy, the primary goal of which is to set a floor for the wage structure in order to protect low wage earners, is designed to improve the earnings of those disproportionately represented at the bottom of the occupational hierarchy, i.e. women, migrants and other groups that may be discriminated against on the grounds of ethnicity, national origin, age, disability or health, among others." This policy also has the advantage of setting out a reference point for self-employed people, particularly those who are not really self-employed and for workers in the informal economy.

Fourth, a culture of safety. We welcome the fact that the ILO has chosen to declare 28 April a World Day for Safety and Health at Work, and we will give our full support to that initiative. A joint programme focussing on preventive measures is also needed.

In conclusion, I would say that we need to place greater emphasis on the ethical values in social and economic relationships. I want to quote Mr. Klaus Schwab, founding Chairman of the Davos Forum, who stated on 23 January 2003 to the newspaper, *Le Monde*, "we have to get back to basic values: the chiefs of businesses have to understand that we are entering a period of modesty, and that humility is gaining currency as a value". Why not start by attracting the interest of business in the specific implementation of their social responsibility? In the best case scenario, that would make it possible to have fewer or low regulations of the kind that business appears to be so afraid of.

Original French: Mr. NKILI (Minister of Employment, Labour and Social Welfare, Cameroon) – It is an honour and a pleasure for Cameroon to take the floor, through me, before this august assembly to give you our impressions of the Director-General's Report, *Working out of poverty*. Allow me, however, first of all, to congratulate the President and the Officers elected for this session and to wish them every success in guiding our work.

Ever since its accession to national and international sovereignty, Cameroon has adhered to the constitutional aims and objectives of the ILO. It therefore goes without saying that the main points of 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*, will receive the support of my country, in particular the fight against discrimination at work whatever form it may take; recognition of the link between discrimination and the phenomena of poverty and the decent work deficit; the promotion of social dialogue and social protection of workers as a means of combating discrimination; and intensification of international cooperation against discrimination under the aegis of the ILO.

Our concurrence with these points is evidenced in the fact that Cameroon a long ago ratified the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), which provide the framework for protection against the various forms of discrimination. National legislation implementing these instruments also lays down safeguards against the various forms of discrimination at work.

The declaration of a poverty alleviation strategy and the various sectoral plans which have been drawn up and are being implemented seek to eliminate all forms of discrimination. Furthermore, the interministerial meeting organized each year by our Government, which has been extended to include the private sector, discusses, among other things, the question of non-discrimination at work. Consideration is also being given to the future of the informal economy with regard to this question.

Cameroon thus supports unreservedly the activities proposed by the Director-General of the International Labour Office in the Report.

We are particularly interested in the successful outcome of the social dialogue in which our Government is now engaged, as an essential prerequisite for a peaceful social climate, which guarantees peace and development.

The major challenges facing us now are combating poverty, unemployment and the promotion of work for all.

At a time when poverty is more than ever a reality of life, and when developing countries are struggling for their very existence, Cameroon reiterates its commitment to work with the ILO to meet all these challenges, which are the main focus of the policy defined by His Excellency Paul Biya, President of the Republic and Head of State of Cameroon.

A country of peace and dialogue, a stable country, open to the world, Cameroon reaffirms its determination to uphold the ideals of the ILO and its determination to work towards the success of the Director-General of the ILO, Mr. Juan Somavia.

Mr. KANÍK (Minister for Labour, Social Affairs and Family, Slovakia) – First of all, allow me to

congratulate the President on his election to chair the 91st Session of the International Labour Conference and to wish him and the elected Vice-Presidents a successful conference.

The Government of the Slovak Republic advocates the importance of the decent work strategy that was formulated largely in the Declaration on Fundamental Principles and Rights at Work, adopted by the Conference in 1998.

In accordance with its policy statement, the Government of Slovakia actively participates in the work of international organizations including the ILO, and is carrying out reforms, inter alia, in the area of industrial relations and social insurance.

The Report of the Director-General, *Working out of poverty*, deals, among other things, with issues of labour law reform, labour code modernization and collective bargaining support. The Government of the Slovak Republic, in cooperation with social partners, drafted an amendment to the Labour Code, which was approved by Parliament on 21 May 2003. There are 208 amendments to the Labour Code that will come into effect on 1 July 2003. The aim of the Labour Code reform was to achieve greater flexibility and the liberalization of industrial relations as well to eliminate any discrepancies in the text. The new legislation, inter alia, accords employees and employers an equal status and strengthens collective bargaining with a view to negotiating more favourable working conditions for employees in collective agreements.

Thanks to the legislative and other measures adopted by the Government during the last six months, the unemployment rate has decreased from 19 to 15 per cent.

The Government of the Slovak Republic wishes to express its gratitude to the multidisciplinary team of the ILO subregional office in Budapest and to the Office itself for its technical cooperation in amending the Labour Code. Many of the comments made by ILO staff with regard to the amendment of the Labour Code were incorporated directly into the text.

The Director-General's Report attaches great importance to guaranteeing revenues for social security. Currently, the top priority of the Government of Slovakia is the reform of the pension system. The aim is to create a safe and just pension system based on three pillars that would be universal for all economically active persons.

The Government is preparing the legislative and financial conditions necessary for creating a mandatory pillar of the pension system. Individual savings accounts will allow people in the future to decide on the time of their own retirement.

The revision of the Human Resources Development Recommendation, 1975 (No. 150), is linked to education and vocational training in a knowledge-based society that is understood to be a consequence of globalization and the related development of the economy, the labour market and the world of work.

The Government of the Slovak Republic pays special attention to the reform of the education system at all levels and is aware that investing into the education of the young generation is the best investment. An environment is being created in which all citizens would have access to educational opportunities and lifelong vocational training opportunities.

The last item on the Conference agenda is the improved security of seafarers' identification as a response to the terrorist attacks of 11 September 2001.

The Government of Slovakia supports the adoption by the Conference of the relevant ILO standard.

(Mr. Wojcik takes the Chair.)

Original Spanish: Mr. NIETO MENÉNDEZ (Minister of Labour and Social Welfare, El Salvador) — First of all I wish to congratulate the President on his election to the head of the 91st International Labour Conference. Likewise, I wish to congratulate the Director-General, Mr. Juan Somavia for his re-election to the head of the International Labour Organization.

On behalf of the Government of the Republic of El Salvador, I wish to state that since the beginning of President Flores' Administration, a priority issue has been that of labour and the creation of jobs, as this is an enormous challenge facing the government in order to reduce poverty and to improve the living conditions of our population. Therefore, since we are convinced that decent work is the best way of guaranteeing human dignity, I would like to say that my country's government, through the Ministry of Labour and Social Welfare, is carrying out, in the context of our national legal system, initiatives and strategies designed to foster micro and small enterprises, as well as strengthening the initiative for adopting policies, laws and regulations on equal opportunities for the disabled. The purpose of this action is none other than to provide conditions which will facilitate the increased integration of this group of people into the productive life of the country, thereby encouraging and permitting them to improve their condition.

This law has enabled us to give shape to vocational rehabilitation and recognise the potential of this group of people. We have given broad publicity to training possibilities and vocational retraining and also created joint mechanisms to include the private sector and the governmental organizations. The regulations oblige enterprises to employ one disabled person for every 25 workers. In the area of non-discrimination on account of age, we now have a law and regulations on comprehensive attention for older people and we have set up the National Council for Comprehensive Attention. This council is composed of governmental and non-governmental institutions. This law is designed to develop action to prevent and eradicate discriminatory practices on grounds of age in the labour market.

In order to improve the system of employment centres, we have proposed a new organizational structure for the National Employment Department in the light of current requirements in the labour market. We have now opened a labour exchange in Puerto de la Unión, including 11 town councils and we have local employment councils which sponsor the creation of jobs and employment in that particular region.

I would like to refer to an important achievement we have managed to attain, where, through social dialogue, and in the forum of solidarity for employment, we have established an important tool for the country which I think it important to mention at this meeting. Through this solidarity forum for employment, we have prepared proposals and recommendations which foster preparations of programmes for job creation where we have listened to 37 organizations from all walks of life: the trade union sector, the guilds and civil society. With this, we are trying to bring about real social dialogue and not just pay lip service to it. We believe that with the solidarity forum, we are

establishing a landmark for the international community and we would like to restate that in our country the word democracy is not simply an abstract concept, but that social dialogue and consultation are a reality involving everybody.

Mr. SAMARSINGHE (*Minister of Employment and Labour, Sri Lanka*) — I wish to congratulate the President and the Vice-Presidents on their election. May I also felicitate the Director-General, Mr. Juan Somavia, on his election for a second term, which I view as a fitting tribute to him by the member States, for among other things, gearing the ILO towards the vision of decent work and for the excellent results achieved through its follow-up mechanism.

The Director-General's Report this year focuses on a number of crucial issues of major concern to all developing countries. The interrelationship between the absence of decent work opportunities and poverty has been analysed with a focus on policy. Coincidentally, reduction and eventually eradication of poverty is the central thrust of the development strategy currently adopted by Sri Lanka and it may be opportune to share some of our experiences in this forum.

Our Government, under the leadership of Prime Minister Ranil Wickramasinghe, has now entered into a new phase of economic development by steadfastly pursuing an all-important negotiated settlement to the two-decade-old armed conflict, with the unprecedented goodwill and support of the international community.

To reap the benefits of peace, a comprehensive poverty reduction strategy entitled: "Regaining Sri Lanka: Vision and Strategy for Accelerated Development" has been developed. The peace dividend embodied in this strategy will no doubt sustain the people-driven peace process that has been launched in our country.

The principle elements of the Government's poverty reduction strategy include securing lasting peace, strengthening a supportive macro-economic environment, reducing conflict-related poverty, investing in people, empowering the poor and strengthening governance, and implementing an effective evaluation and monitoring system. Under the poverty reduction strategy the Government intends to halve the number of poor people by 2015, and in the medium term to reduce the national head-count poverty index from 25 to 20 per cent and the rural head-count poverty index from 27 to 22 per cent by 2005.

To complement the poverty reduction strategy and the Decent Work Agenda of the ILO, we have also embarked on diverse policy initiatives for the benefit of the welfare of workers. With a view to creating a globally employable competitive workforce, a national employment policy has been formulated by my Ministry and implemented. As part of this strategy, we have put in place an employment sourcing and delivery system, referred to as Jobs Net. Almost all districts in Sri Lanka now have a Jobs Net Office that can be accessed by prospective job seekers as well as by potential employers and that functions on a 100 per cent meritocracy-based principle. This on line service-centre-based employment services delivery network is a model to act as a user friendly interface between people seeking employment opportunities, and/or income generating activities, information on employment, or any other services, and for potential employers or information and service providers. What is unique

in this experience is that we have put in place both private sector and public sector partnership us by outsourcing the Jobs Net Offices.

Given the increasingly globalized competitive environment, in order to alleviate poverty and to improve living standards for all our people, steady improvement of productivity is considered a primary goal. For this purpose, a National Productivity Policy with two distinct components addressing the specific characteristics of private and public sectors has been formulated by my Ministry, and the National Productivity Secretariat of the Labour Ministry will spearhead the productivity drive with the assistance and participation of our social partners.

We are convinced that providing shelter for homeless workers is imperative to raise their quality of life and to provide them with social stability and protection. This can also be linked to our productivity drive. Accordingly, our Ministry has embarked on the formulation of a National Workers' Housing Policy with the objective of providing affordable houses for workers who are in need. The policy is being formulated primarily for three target groups comprising workers in plantations and export processing zones and migrant workers. Action has already been initiated with regard to the housing of migrant workers; in relation to the plantation and free-trade-zone workers, more consultations are underway to finalize this policy. I want to place on record our gratitude to the ILO for assisting us in developing a Workers' Housing Policy for Sri Lankans.

Globalization, as you are aware, has posed many challenges to many of our economies. Both Government and the private sector are confronted with issues such as competition, need for higher productivity, efficiency and new criteria in the form of governance, accountability and transparency. Hence the need for implementation of national laws and the modification of such laws where necessary to fall in line with international standards. We have embarked on a series of labour reforms in the last 16 months, which we believe 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. These new legislative measures will increase our competitiveness as a nation and enhance the safeguarding of those who are in employment, and indeed, put in place a conducive environment to create new and more employment opportunities.

Sri Lankan migrant workers who are employed overseas play a significant role in our economy. The number of migrant workers currently overseas is equivalent to around one-sixth of the labour force of the country. Around 70 per cent of them are women, while around 80 per cent hail from the low income strata of our society. The Government has undertaken extensive measures in providing protection and welfare for these workers.

In conclusion, once again, I would like to place on record my deep appreciation for the many forms of the ILO assistance extended to my country.

Original Spanish: Ms. ROSAS PÉREZ (*Government delegate, Panama*) — The Government of the Republic of Panama, led by President Mireya Moscoso, would like, through me, to congratulate the President and the Vice-President on their election to guide the work of this session of the International Labour Conference.

I am pleased to start by welcoming the Report of the Director-General, *Working out of poverty*, which addresses the sensitive issue of poverty.

The Director-General's Report is based on an analysis of various strategies to combat the scourge of poverty through work, which is the most important tool in the fight against poverty.

The Government of the Republic of Panama is well aware of the situation of poverty which affects all of us. In this context, we have implemented activities aimed at employment generation and full protection of minors at the work place, with particular emphasis on actions which will help us to eradicate child labour completely.

In particular we attach great importance to the contribution of the ILO through technical cooperation programmes, including that provided to our country, as these programmes contribute to the main objective which is set out in the Director-General's Report, namely *Working out of poverty*.

The Government of Panama would like to thank the ILO for its technical cooperation programmes, including those on information systems and labour analysis (SIAL), modernizing the labour administrations of Central America (MATAC), trade union freedom, collective bargaining and labour relations in Central America (RELACENTRO), tripartism and social dialogue in Central America (PRODIAC), analysis and review of employment policy (ARPE) and IPEC.

The latter two merit special emphasis projects. The ARPE project was assisted by the multi-disciplinary team based in Costa Rica, with the participation of the national social partners.

As a result of this effort, 12 reports were drawn up and examined in two tripartite bodies, reflecting progress in certain basic areas of consensus with a view to proposing policies which will promote employment, and to ensure that this is one of the central objectives of economic policy.

Accordingly, the results of this project have been presented for analysis in a forum for dialogue to further the economic revival of our country.

Other projects to reduce poverty in our country are aimed at the eradication of child labour under the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182).

Through the Committee for the Eradication of Child Labour attached to the Ministry of Labour, the Government of Panama, under the leadership of the National Labour Inspectorate, has been implementing four projects at a regional level, and one at national level.

Firstly, under the project for Statistical Information and Monitoring Programme Child Labour (SIMPOC) a survey was carried out in 2000, which collected information according to a qualitative and quantitative system to provide a better view of the situation with regard to child labour in Panama, and the information was put into an updated database.

As part of this project we now periodically carry out a survey of child labour to ensure that comparable data are collected on a regular basis to show the impact of policies and programmes to eradicate child labour.

Secondly, under a programme on child labour in the coffee industry, research results will be used to set up action plans which will contribute to the definitive elimination of child labour.

Thirdly, a project for the prevention and elimination of worst forms of child labour is being carried out in two phases. In the first phase, research was carried out on the situation with regard to domestic child labour in our country and diagnosis published by ILO-IPEC. In the second phase awareness raising activities so that people are made ware of the dangers of this kind of work and we can remove our children from it.

It is worth emphasizing here that the Ministry of Labour and Social Development is working to set up a helpline to receive complaints from child labourers so that the Child Labour Unit of the Labour Inspectorate can attend to them directly.

Fourthly, a project to contribute to the prevention and elimination of commercial sexual exploitation of children and adolescents has been carried out, the results of which will show the nature of the problem and be used to set up a database and an annual action plan.

Finally, our country is programmed to combat the worst forms of child labour is being carried out with the main objective of removing our children from the worst forms of child labour and getting them back to school.

To conclude, I guarantee the support of my Government to the efforts carried out by the ILO to implement policies and actions that will help our countries reduce poverty, and we are confident that the work of this 91st Conference will produce the results that we all desire.

Original Spanish: Mr. SOLARI SAAVEDRA (Minister of Labour and Social Welfare, Chile) — First of all allow me to welcome the President and congratulate him on his election. I also wish to congratulate the Director-General of the International Labour Office, Mr. Juan Somavia, for his re-election for a second mandate of five years. This is a source of pride, not only for my country, but for the whole of America.

In the context of globalization which embraces all and does not exclude the poorest, we are participating with the ILO in developing a strategy to reduce poverty through promoting decent work. According to the Report of the Director-General, 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.

Therefore, it is necessary to have economic growth and ensure political and civil freedoms and compliance with the fundamental rights of workers. Thereby we can make sure that men and women have the same opportunities of accessing work, exercising the right to association and enjoying social protection.

Today, challenges as far as human resources, labour legislation, worker migration and social security are concerned are at the heart of the agendas of multilateral agencies. Nevertheless, we need to highlight the importance of labour standards and social security in the processes of trade integration and strengthening cooperation in all areas contributing to the improvement of human resources in each country.

Chile has adhered enthusiastically to the promotion of labour standards which will harmonize better protection of the worker and modernization of labour relations, and to a process of labour reforms ensuring the full effectiveness of fundamental rights sponsored by the ILO, such as trade union freedom and collec-

tive bargaining. We are adding a series of developments to our social welfare system to protect workers when they lose their jobs and give greater transparency and opportunity for action to members in the private pension system.

The improvement of labour standards facilitated the integration of Chile into the world economy, subscribing to important treaties. I would like to mention the agreement of association with the European Union and the recent conclusion of the free trade agreement with the United States, including an important labour chapter which respects the sovereignty of both countries over their own labour legislations, but which provides ample room for the promotion and development of human capital and for addressing issues of security and the environment.

In this context, Chile is in a position to give new impetus to improving the competitiveness of its enterprises and opportunities for progress for its workers. We are modernizing labour justice to streamline the dispute settlement process and guarantee fundamental rights at work.

The prosperity of countries is no longer based on their natural resources or their level of industrialization, but is more associated with the capacity of their workers. Therefore, we have set ourselves the target of coordinating efforts to improve the human capital of our country, through education, training and certification of labour competence. Our goal is to give Chilean workers the know-how and skills, which the new world requires, increasing their employability. To this end, we are working with the private sector to ensure at least 20 per cent of the workforce are retrained annually, with particular emphasis on computer literacy.

Today, enterprises are competing with their counterparts in other countries for the know-how that they are capable of generating to innovate and improve the quality of their products. For this reason, we need more participatory management models, which can harness the creative input of all those participating in the enterprise and offer healthy and safe working environments. In this connection, we are very happy as a nation at the fall in accident rates and also of the handling of occupational illnesses. Nevertheless, we need more tripartite dialogue, including workers, employers and government. All the above issues should be addressed in this way.

Concepts such as competence, labour mobility, flexibility and others provoke rejection in various sectors of society, because they are perceived as being synonymous with unemployment and the loss of past conquests. In particular, those workers with lower skills assimilate these as being risks to their conditions of work and pay. Such perception of threat has coexisted in recent years with a high level of unemployment – in other words, uncertainty has been seen as part of globalization without taking into account that, at the same time, there are numerous opportunities for employment and improving quality of life for many workers, through the spread of information technology.

This consolidation of threats, along with misguided perceptions of the opportunities being created, has to be dealt with by proactive social dialogue, which will offer the necessary confidence for this complex process, so that it be seen as an immense opportunity, especially with the aspirations of progress and social justice. And we are sure that with ILO's support this

will become a reality, not only at national level but worldwide, allowing these aspirations of progress and social justice to become a reality very soon.

Mr. DIMOVSKI (*Minister for Labour, Family and Social Affairs, Slovenia*) — It is a great honour to address this 91st session of the International Labour Conference on behalf of the Slovenian Government. Allow me first of all to compliment the Director-General on the excellent Report focusing on the complex process of eradicating poverty.

I firmly believe that sharing our experiences, views and concerns on the topic at hand will profoundly contribute to the future formulation and implementation of poverty reduction strategies within the ILO as well as at the national level. The complex nature of poverty calls for each country to propose its own national poverty-reduction target, and the eradication of poverty as a global objective must take into account as many of these targets as possible.

Poverty has always been present as a global issue, but has been pushed somewhat to the margins of our wider social awareness. The modern world is increasingly witness to the greater prosperity of the *haves*, which is regrettably accompanied by the silent poverty of growing numbers of *have-nots*. Research confirms that poverty, unemployment and social disintegration often lead to isolation, marginalization and violence. Moreover, poverty has been found to be a significant factor in the human rights infringements around the globe.

In this respect, I would like to point out the huge relevance of international initiatives such as the Copenhagen Declaration; the United Nations Millennium Development Goals; and especially the ILO's Decent Work Agenda, a vital foundation for a broader development agenda aimed at ensuring social justice in a richer and globalizing world.

Slovenia actively cooperates in the European Union's efforts to combat poverty and social exclusion. The biggest challenges for Slovenia as an EU accession country are our participation in the EU Action Programme to combat social exclusion, and the drafting of the Joint Inclusion Memorandum, which we see primarily as a challenge to apply the open method of coordination established by the European Union to pursue the common goals adopted at the Nice Summit in December 2000.

As regards the issue of poverty at the national level, I would like to mention that since February 2000 when the Slovenian Government adopted the Programme on the Fight against Poverty and Social Exclusion, this fight has been a prioritized policy for our Government. The main purpose of the Programme was to introduce coordinated measures that would help to reduce the number of people living in poverty, and to provide appropriate assistance for those living in poverty and those in danger of falling below the critical poverty line. Since the effects of previous measures to combat poverty were often limited because they were introduced by a range of different institutions, Slovenia decided to adopt the multidisciplinary approach, the result of which was this very Programme. A central tenet of the Programme is that poverty is a multi-dimensional issue which has to be tackled from several angles and through a variety of alliances.

So what are our challenges for the future? Despite the fact that the last two years have seen the adoption

of a large number of measures which have contributed significantly to reducing inequalities and promoting social cohesion, we are aware that, in order to have a longer-term effect in the fight against poverty, we also need to do more to eliminate the actual causes of poverty. For this reason our future policies are aimed primarily at: (1) increasing employment; (2) increasing investments in education and promoting life-long learning; (3) improving access to accommodation, health and social services; and (4) ensuring close cooperation between government, social partners, local authorities and NGOs. Many detailed measures for achieving these goals are included in the 2002-03 "Employment Action Plan" and in the "Social Agreement for the period 2003-05", recently adopted by Slovenia's tripartite Economic and Social Council, which brings together the country's social partners. In preparing these two documents, Slovenia has succeeded in applying an integrated approach in order to attain its general goal – sustainable economic and social development.

Before concluding I wish to draw your attention to the importance of tripartite commitment, which is essential in resolving the problem of poverty in any country. While responsibility for preparing effective programmes and appropriate systematic frameworks undoubtedly rests with the State, it is the employers and workers who know best how these programmes will impact enterprises and workplaces. I would therefore like to state my belief in the importance of the ILO's role in eliminating poverty in member States, not only through its policy proposals and advice, but through the establishment of ground rules and international standards.

I would like to close by saying that Slovenia can make a significant contribution to solving the problem of poverty in other member States, owing to its experiences in incorporating the ILO's four strategic objectives into a range of national documents that serve as tools to for combating poverty.

Mr. MARONI (*Minister of Labour, Italy*) — I would like to reiterate the appreciation and full support of the Italian Government for the activities of the ILO in the areas of the promotion and respect of fundamental rights at work.

Italy fully shares the ILO strategy to fight poverty all over the world. It recognizes and appreciates the efforts that the Organization is making to promote core labour standards in the less-developed countries. Skills development, the promotion of social dialogue and entrepreneurship, enhancing the struggle against discrimination and against the elimination of child labour, and ensuring basic social security for all workers, are the instruments that will achieve poverty alleviation.

Italy, being aware of these strategies, has recently indicated such objectives in the White Papers on the labour market (October 2001) and on the welfare state (February 2003), which include programmes designed to promote an active society and quality employment, to improve equal opportunities and social inclusion, and to fight against the exploitation of child labour.

In the strategy against poverty, decent work for everybody represents a key element. Italy intends to support all ILO actions aimed at reaching this goal. Hence, we deem as fundamental the activities being undertaken during this session of the International

Labour Conference, by the Committees on Human Resources, Occupational Safety and Health, and the Employment Relationship.

We share the ILO's assumption that the high quality of and easy access to education and occupational training is one of the most important poverty reduction strategies, capable of fostering better employability, social inclusion and a more stable and equal society.

The Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work is dedicated this year to the theme of equality at work.

We welcome the report, which provides an in-depth analysis of the issue of discrimination from different angles. Within the framework set by the ILO standards, as well as within the European Union regulations, Italy, in cooperation with the social partners, is currently fighting against discrimination. For this purpose we are following an integrated approach which combines prohibitions with positive actions, such as affirmative measures for gender equality and instruments for a better conciliation between work and family responsibilities.

The Italian Government reaffirms its strong interest in and support for the standards-related activities of the Office. To date, Italy has ratified 111 Conventions, 92 of which are still in force.

I would like to stress that Italy attaches great importance to technical cooperation programmes as necessary tools to implement the strategic objectives of the Organization. As tangible proof of its support of the Decent Work Strategy, Italy continues to provide strong financial support for ILO activities and was the fourth donor to the ILO Technical Cooperation Programme for the year 2002.

Italy continues proudly to support the International Training Centre of the ILO based in Turin, Italy, both through its annual contribution to the regular budget of the Centre and through co-financing and training activities. Such contributions for the year 2002 totalled an amount equivalent to 13.3 million euros, which represents more than one-third of the total budget of the Centre. Italy strongly supports the full integration of the Turin Centre into the elaboration of the ILO training policies for the implementation of the ILO Decent Work Agenda, and encourages effective action by the Director-General as well as by the Director of the Turin Centre to reach this goal. In our view, each ILO programme should take full advantage of this training structure which is unique in the entire United Nations system.

Original Russian: Mr. EREMEEV (Employers' delegate, Russian Federation) — First of all I would like to congratulate the Director-General of the ILO on his successful Report, *Working out of poverty*, prepared for this Conference. This is a searching and interesting document, which once again, forces us to consider the root causes and particularly the ways of overcoming the scourge of abject poverty, which still afflicts virtually half of humanity. As it says in the Report, no state in the world is exempt from poverty. Unfortunately, Russia is no exception. And this is why we have studied the Director-General's Report from the angle of the Russian socio-economic situation, agreeing with some of its conclusions, and not, of course, with others.

The phenomenon of poverty is too multi-faceted to allow for the possibility of unanimous conclusions and

standard recommendations to solve the problem. However, I believe that we would all agree that the worrying tendency noted in the Report of poverty and inequality to spread in the world, can only be halted and reversed by providing people with the possibility of having a decent job in an economically productive post.

We, the Russian employers, are convinced that we must tackle poverty through a two-pronged approach: on the one hand, the basis of any governments sound economic policy must be the stimulation of economic growth, the release from serfdom of productive forces and that will lead to an increase in the aggregate national wealth, the creation of new jobs and an increase in the standard of living. Thus, over the last three years, the GDP of the Russian Federation has gone up 20 per cent, thanks to which, the number of unemployed dropped by about 4 million people and during the same period we saw a one-third increase in per capita consumption. We also marked a decrease in the frequency of strikes. In his recent annual address to the Federal Assembly, the President of the Russian Federation, Vladimir Putin, directly linked the success of the country with the success of Russian businessmen, pointing out that the driving force of economic growth is private enterprise. In particular, a major untapped reserve, which will allow us to increase the standard of living of the population and create new jobs in the Russian Federation is still the development of small businesses. According to estimates, small businesses only account for about 11 per cent of our GDP which, of course, is very unsatisfactory for the formation of a competitive market.

At the same time, while focusing on economic growth as a policy, we must not lose sight of the need for responsible social policy, that we feel must include enhancing the social role of taxes and the further development of instruments of welfare insurance. Given the lack of sustainable growth in our country and the fact that our economy is still very dependent on the evolution of commodity markets, an important aspect of social policy must be the support and social protection of energetic and enterprising people, businesspeople and wage earners, rather than cultivating a dependency mentality among people. A well thought-out social policy will stimulate businessmen to invest in new projects, to venture to introduce technological innovation, to corner new markets and create new jobs. For wage earners this will open up the possibility of mastering much needed skills, increasing their geographic mobility and maybe even leading them to set up their own business eventually. At the same time, of course, we must not forget certain categories of people who objectively will remain uncompetitive in the labour market — the disabled, refugees, single mothers, for example.

Poverty has many causes and aspects to it — economic, political, social, humanitarian, educational, geographic and climatic — and among the international organizations of the United Nations system there is no organization which has not taken up this fight against poverty. It is clear that the strategies for getting out of poverty have to be complex in nature and will have to involve close coordination between the competent organizations. As an Organization set up to address labour issues, the ILO must increase its practical contribution to eradicating poverty by improving the real results it gets from its projects and programmes devised under the four strategic objectives of the Organization.

Original Spanish: Mr. CORRIES (representative, World Confederation of Teachers) — I would like to thank the Director-General, on behalf of the World Confederation of Teachers, affiliated to the World Confederation of Labour, and its organizations worldwide, for the Report submitted to the Conference on eliminating poverty and fighting all forms of discrimination as a necessary condition to achieving decent work. Education is undoubtedly the area where the personality of young people and children is developed with a view to integrating them into a higher market and enabling them to have access to knowledge. We are concerned at how the market is seeking to take over the management of education on the basis of economic theory. This process of globalization emphasizes how important it is to define clearly the role of the State in the areas of education, health, justice, social security, among others, so that they are not replaced by mercantile considerations, particularly as there is a conflict of interests between the people and business concerns when it comes to the common good.

To leave education in the hands of the State alone is promoting a war which will always be lost by the poor, where special interests will overcome the general welfare of the population. This does not mean that we reject private management of education, but this management should be regulated as a public service by the State, which defines and defends the general interest over and above the individual interest.

As in other aspects of society, the private sector cannot oppose the public sector. Market and State should be complementary to ensure quality education.

Education workers appreciate that the ILO has also decided at this session of the Conference and at the next to look at the training of workers in more detail. This is an excellent area of interest and we will see how the various objectives are presented. Frequently, the market seeks to promote skills acquisition but without encouraging development and enhancing people's capacity to have not only a good job but also a better standard of living.

This is where the State needs to be present. We hope that the discussions this year and next will lead to the production of a more useful instrument so that men and women may have better access to education and training.

We are living in a knowledge society. How can we develop a concept of this magnitude when millions of men, women and children do not even have access to basic education to learn how to read and write?

Education, therefore, is basic for citizens to have access to communication. This is not possible in the current conditions that we have in the world of education.

Shocking discrimination is found amongst millions of teachers across the world — miserly salaries, lack of access to training, discrimination against teachers that is contrary to human dignity and the values of respect for their employment. It is difficult to educate for dignity when teachers do not even have the means to defend themselves. In spite of this, millions of teachers continue to heed the call to work to overcome these problems and to ensure decent recognition for this most decent of tasks — teaching.

Our Confederation is the legitimate representative of workers in the world of education. And freedom of association is the legitimate way of fighting the

divisive strategies that employers encourage in order to undermine the strength of the union movement.

We welcome the encouragement and support of the ILO for freedom of association to prevent employers obstructing the organization of workers. We, the workers, are the people who should design our own tools with which to fight.

Without teachers there is no education. Without dignity there is no work. With discrimination the world will take the way of weapons and warfare, which leads only to death and destruction.

Original French: Ms. QUINTIN (representative, European Union) — First of all, I would like to congratulate Mr. Wamalwa on his election as President of the Conference, and to thank Mr. Somavia for his Report, *Working out of poverty*. This Report is an important landmark. It deals with basic stakes of a globalization which brings benefits and opportunities for development but also exacerbates inequalities between countries and within societies.

Therefore, we have to build together a controlled globalization and rise to the challenge of coexistence on a planet with unequalled capacity to produce enormous wealth and poverty. We must do this because the confidence of our fellow citizens in globalization depends on our collective ability to reduce these glaring inequalities, which are a major cause of regional and global insecurity, and our will to offer the South paths to sustainable development.

This is why the European Commission supports the approach of the Report submitted by the Director-General, which has many points of convergence with the strategy of the European Union.

The first point of convergence is the need to define a political agenda, an agenda that is global and integrated encompassing economic, social and employment policies. This is what the Union has been doing since the launch, in 2000, of the Lisbon strategy, which has recently been confirmed by the European Council and which is the basis of the European social model.

First of all, we have to set a clear objective, that of maximum participation in economic life. As the Report says, and as is envisaged in the European Social Agenda, employment alone is not enough to reduce poverty. Discrimination must be fought because it prevents certain groups from participating in society. Extreme poverty must be eradicated through provisions for social protection because it prevents sustainable development.

Such an Agenda therefore must mobilize in a complimentary fashion all available instruments, from the most classical ones, such as financial support and legislation, to the most novel ones, such as the coordination of national employment policies and social protection, and coordinate all these around common objectives, which should be as precise as possible so that they can galvanize people to action.

Then we must promote quality and strengthen decent work. This means, first of all, to promote the fundamental rights and dignity of the individual at work. The Union has constantly stressed the importance of this. This means seeking new balances between flexibility and security, for example in promoting global well-being at work or investing in life-long training which improves the structural competitiveness of the economy.

Faced with unavoidable ageing of the population, Europe today is deepening the structural reforms that

have been launched since the Lisbon Summit in 2000, beginning with those that foster the employment of older workers by finding a quality of employment, which would lead to enhanced productivity. The adaptation and reform of retirement systems plays a decisive role here, because the key to success resides in increasing employment rates, a central objective of the new European Employment Strategy which was adopted last week.

All these reforms in the service of employment and social inclusion are based on the involvement of all actors and social dialogue, civil society and the representatives of public authorities. It is thanks to dialogue and partnership that we can really define integrated strategies for fighting against exclusion and implement them effectively on the ground.

Social dialogue, bipartite and tripartite, is a living tradition in Europe and last year received a new impetus with the adoption of an ambitious work programme by the social partners and the renewal of high level tripartite consultation, but the development of integrated strategies for job creation and combating exclusion implies other actors, such as organizations of civil society or enterprises, through their initiatives for social responsibility.

It is in this context that the Commission organized, in February, a high-level seminar on the social dimension of globalization with the World Commission and the main stakeholders. It led to fruitful discussions on these subjects that are of interest to the entire world community, because an inclusive labour market, the promotion of quality of work and decent work, and dialogue are the pillars of the building of a more balanced and fairer world order.

Original Arabic: Mr. KHATIB (Minister of Labour, Palestine) — In my name and on behalf of the Palestinian delegation, I would like to start by congratulating the President of the Conference on having won the confidence of the entire Conference and all the Members. We wish him every success in the conduct of our work.

I would like also to congratulate Mr. Somavia, for his re-election as Director-General of the Organization, and I would like to thank him and all his staff for the efforts they have made to prepare the documents and reports for us.

There is no doubt that poverty, one of the major subjects being discussed at this Conference, is the major concern of the majority of people and governments on this planet, and we cannot talk about poverty without linking it to globalization, which is the characteristic of our time and the source of its strength but also of its weakness. Developments in communications technology and the information revolution have driven the global economy to a new objective phase. While those developments have succeeded in bringing about an increase in economic growth they have failed to distribute incomes fairly, which has widened the gap between the rich and poor on social and geographical grounds.

The increase in poverty and oppression and the continuing disregard by the system built on globalization of vast areas of the world which are beset by 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.

We fully agree with the diagnosis of the Director-General, which is that we cannot eliminate poverty without creating new jobs and consequently ensuring sustainable sources of income. We affirm that this general diagnosis is accurately reflected in the situation in Palestine. Studies and statistics have in fact demonstrated the very close link between increased unemployment, which affects one-third to one-half of the total manpower in Palestine, and poverty which affects 67 per cent of the Palestinian population, according to a report by the representative of the Secretary-General of the United Nations.

We fully agree with what the Director-General said in his speech yesterday, namely that the road map formulated by the quadripartite Commission is an opportunity that must be seized, and we reaffirm that the Palestinian Authority and people are prepared to give the road map a chance. We also reaffirm that the road map is an opportunity to achieve peace and is an opportunity to put an end to Israeli occupation of the Palestinian, Syrian and Lebanese territories, to establish an independent Palestinian State with Jerusalem as its capital, and to solve the refugee problem on the basis of the United Nations General Assembly Resolution No. 194. Furthermore, the stability of the region requires — according to international legitimacy — that the present occupation of Iraq also be ended.

Meanwhile, until political progress is achieved on the Israeli-Palestinian question, in order to solve the problems that concern our workers and those of unemployment, I would like to mention the success of the ILO's efforts, at the request of the Arab Labour Organization, in cooperation with the parties concerned in Palestine, with a view to establishing a fund for employment and social protection in Palestine. We have been able to set up the legal structure of that initiative, by virtue of a decree by President Yasser Arafat, the President of the Palestinian National Authority, establishing the Fund as a public Palestinian organization, with a tripartite board of directors on the basis of tripartite participation in Palestine. I take this opportunity to call on all of you to contribute to financing the programmes of this fund which will be the main instrument to address the problem of unemployment in Palestine.

Thus your political support of our efforts to put an end to the Israeli occupation, and your economic support through contributing to financing the employment fund would be a real participation in the fight against unemployment in our country.

Original Spanish: Mr. TOMADA (*Minister of Labour, Employment and Social Security, Argentina*) — I congratulate the Director-General on his Report for the 91st Session of the Conference which reaffirms the objectives of this Organization, particularly the commitment to seek a concerted effort for working out of poverty through vocational training, investment and social protection.

I would also like to extend my congratulations to the Chairperson of the Governing Body for his significant contributions.

I must say that our Government is well aware that the recent support given by the ILO to Argentina, which we very much appreciate, is guided by a philosophy and labour policies aimed at giving the world a social dimension of globalization under the guidelines of the ILO Declaration on Fundamental Principles and Rights at Work.

The ILO has worked for many years, sometimes alone, to ensure that social and labour policies form part of sustainable economic development policies. This effort is now bearing fruit. The catastrophic results of orthodox economic measures are now starting to be recognized by the IMF and the World Bank.

In the past year, multilateral credit organizations have started to recognize that social and labour policies are substantial components of economic growth with social inclusion.

Around one year ago, my country was going through the worst crisis in its history. In addition to that, our traditionally exported products were affected by unequal treatment with customs barriers and subsidies which are still preventing these products from entering industrialized countries.

The social cost of these economic policies, which are based on the primacy of financial elements, was a further deterioration of our labour markets manipulating itself in increased precariousness, high levels of unemployment and increased employment in the informal sector, thereby resulting in increased social conflict. This is how our tradition of social cohesion was broken in Argentina.

In this context, our people and its Government have been making great efforts to overcome this crisis and enter into a new era.

The transition scenario of 2002 and the policies implemented to address the worst social consequences have enabled us to look at the present and to the future with more serenity.

We are now faced with a situation in which there is a combination of institutional transformation within the framework of a strengthened democracy and an economic situation which, without blowing our own trumpet, will enable us to put our country once again on the road to economic growth aimed at production and employment.

For this reason, the recently elected Government will continue to help the more than 2 million heads of households — both male and female — (representing 14 per cent of the economically active population) who received universal assistance payments when the crisis began. However, a central objective of the new Government is to re-establish the culture of work; therefore such assistance will be increasingly targeted towards employment and production.

Therefore, a programme of public works and housing will be implemented to boost the internal market and employment. This will be flanked by a programme on occupational health and safety which will receive technical cooperation from the ILO.

It is worth reminding ourselves of the words of the Director-General in his Report for this year: "Poverty is not just a problem for the poor. It is a challenge for all defenders of social justice and all seekers of sustainable growth." This is the challenge we are facing up to.

The new President of Argentina said during his inaugural address that the economy cannot be a burden which ends up supporting all activities, nor can it be allowed to grind them down with permanent adjustment policies aimed at those who have the least. He said 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. He also suggested that we work to improve income distribution so as to strengthen our middle classes and get

Argentinian men and women out of a situation of extreme poverty.

We are moving into a new era, an era in which we will construct an Argentina with growth and upward social mobility. For this, it is absolutely essential that we continue and deepen social dialogue as a way of creating social and labour policies. With a view to this, we are promoting collective bargaining since we believe that this is the appropriate tool for implementing up-to-date labour regulations and for strengthening all workers' and employers' organizations. We will call on them, appealing to their sense of social responsibility, their prudence and their acquaintance with unfair occupational and remuneration structures, which we must shake up.

In conclusion, structural unemployment leads to marginalization and poverty, and this is unacceptable in a society which, up until the mid-seventies, was based on justice and equality.

We therefore see work as a basic mechanism for social inclusion and human dignity. This will be at the heart of the public policies that we are currently working on.

We know that on this path we are taking we have great support from our people and the traditional backing and support that the ILO has given our country.

Mr. CHO (*Employers' delegate, Republic of Korea*) — On behalf of Korean employers I would like to extend our sincere congratulations to Mr. Wamalwa on his election as President of this Conference.

I also congratulate Mr. Juan Somavia who was overwhelmingly re-elected to a second term as Director-General at the last Governing Body meeting.

In his first term, the Director-General can be given credit for his forceful attempts to restructure the management of the Office. I hope more efforts will be made during his next term to reappraise the ILO's standard-setting activities and supervisory mechanisms in order to make them more relevant and credible and to restructure the Governing Body meetings and the Conference so as to make them more efficient.

The Director-General has stated that we must work together for a new social contract based on decent work for all, emphasizing that "decent work is the quality road to poverty reduction".

When discussing decent work, we are faced with some very fundamental questions: how can jobs be created? How can we reduce poverty and how can we improve the quality of working life?

The answer to those questions is clearly simple. It is enterprise development. Everybody knows that without it, nothing can be realized in terms of job creation, reduction of poverty or enhancing the quality of working life.

However, many people here are reluctant to acknowledge that fact and reluctant to take the appropriate action. Even worse, some people ascribe the decent work deficit to the lack of labour rights and propose increased labour rights as a panacea to social problems.

But pains in one's foot caused by diabetes cannot be remedied by physical therapy on the foot alone.

The new Government of the Republic of Korea has launched several industrial relations reform programmes. We employers hope that the reforms will be based on universally accepted global standards, but if the reforms are to prove successful, we

have to take precautions against any adverse impact they might have on the economy. A new policy should not restrict labour market flexibility. We have experienced an enlargement of the informal economy, due to the rigid labour market in the formal economy.

The new policy should not go beyond its legitimate task of giving appropriate protection to workers, otherwise it might become an obstacle to job creation.

No new policy should hamper the spirit of tripartism that has been the foundation of the ILO. Autonomous and representative social partners are a prerequisite for effective tripartism and social dialogue. NGOs are without doubt autonomous organizations, but not representative ones. Encouraging NGOs' participation in labour policy-making might entail the danger of populism.

A new policy should be based on the balance of power among social partners. If the spirit of tripartism is to be realized in practice, there needs to be a commitment by the Government to work more closely with national employers' organizations and to strengthen their capacity.

Finally, we are expecting that the final report of the World Commission on Social Dimension of Globalization will be released by the end of this year.

I believe that the World Commission should emphasize the vital role of enterprise in promoting employment and decent work. Its conclusions must clearly state that it is important to create a business environment that is conducive to sustained enterprise competitiveness.

Recognizing the crucial role of enterprises for economic and social development in general, and for job generation in particular, the future activities of the ILO should be redirected along this path.

Original Portuguese: Mr. MEIRELES VIEIRA DE CASTRO (*Employers' delegate, Portugal*) — First of all, on behalf of the Portuguese Employers' delegation, we would like to congratulate the President on his election and wish him every success.

This year, the agenda of the International Labour Conference contains some very important issues, and, as I have just a short time available, I will only be able to address two of the important points raised in the Director-General's Report, *Working out of poverty*. They are skills development and promoting entrepreneurship.

As the Director-General's Report indicates, vocational training plays a critical role in improving productivity, increasing income and ensuring that all persons enjoy equal access jobs, particularly in view of the fact that, as mentioned in the report, poor people's main or only asset is their labour. There is no doubt, therefore, that human resources are a key consideration for states and companies.

The need to invest in human resources and skills development is a problem experienced by all countries, irrespective of their geographical situation or their level of social economic and development, because there is clearly a link between the level of education and skills of human resources in a country and its level of development. It is therefore essential, if not vital, for countries to adopt well defined policies which will improve the level of skills in the population. The adoption of these policies, particularly those relating to education and vocational training, is the responsibility of States and specifically of Governments, which must also play the major role in the implementing of the main areas of these policies.

However, it is obvious that the development of policies and their implementation should be carried out in close cooperation with the social partners, given that education and training are vitally important within tripartite dialogue because social partners have a close and up-to-date knowledge of the needs in terms of initial and continuing skills development in the practical sense of supply and demand.

The fact that the views of the social partners are not sufficiently taken into consideration, leads, as a rule, to the adoption of policies that do not meet the social and economic needs and consequently to the allocation of scarce resources applied to measures which do not attain the desired goals.

Enterprises also need to play an important role in workers' skills development, because a skilled workforce is essential for increasing productivity. Workers must also be aware of the importance of their training, particularly lifelong education training.

At the present time, it does not make sense to continue talking about jobs for life. The constant changes taking place in society and the economic restructuring call for flexibility and acquirement of new skills, because otherwise companies will not be able to survive in the short or medium terms. In order to meet the necessary conditions, it is essential that everyone, and governments first and foremost, makes an effort to provide training and skills for the population.

The second point I would like to mention is promoting entrepreneurship. The creation of wealth is a prerequisite for the fight against poverty and marginalization; it is here that enterprises have a vital role to play. Governments must create the necessary conditions so that companies can be created and can develop on the market. Special support is required for micro and small enterprises, because although they are frequently structurally fragile, they provide the greatest number of jobs. The conditions that are needed are varied and can differ widely in nature. The main points are: the reduction in red tape and the simplification of regulations; the removal of all pointless regulations that pose an obstacle to entrepreneurial activity and which can, in some cases lead to corruption; the reduction of the tax burden and the reduction of social contributions by the workforce.

Support for the creation of companies is one of the most important factors in the reduction of poverty, and the promotion of conditions that will allow companies to develop in a satisfactory way should be priority strategy. The existence of such conditions is also important for reducing the informal economy and informal work, which is a source of unfair competition and leads to huge losses in terms of taxation and the social security system.

Lastly, I would like to underscore the idea expressed by the Director-General in his Report with regard to importance if activities developed within the ILO to promote tripartism in the development of an integrated strategy which will reduce poverty-related problems and promote the creation of enterprises, improve skills development and lead to the creation of jobs. The importance of social consultation and social dialogue on these issues at national and international levels should also be underscored.

Original Spanish: Mr. MARTÍNEZ MOLINA (*Workers' delegate, Chile*) — I convey warm greetings from the workers of my country.

In his Report, the Director-General urges us to get our teeth into the subjects of decent work, poverty alleviation and development, issues that are relevant for the Latin American continent. In Chile the marked shortage of decent work, the constant spread of job insecurity and the lack of the basis for a decent life jars with the accumulation of wealth by large firms, holding companies and trading and export businesses.

The privatization of welfare systems has further increased the impoverishment of the labour force, in stark contrast to the disproportionate accumulation of wealth by a handful of Chileans. In Chile the richest 10 per cent receives 40 per cent of income, whereas the poorer 10 per cent shares 1 per cent.

The flexibilization of the labour market, which has allowed seasonal work, work paid by the hour and part-time work, has led to a significant drop in wages. The definition of decent work with contracts, decent pay, respect for labour rights, and adequate pensions, is ignored in practice by firms that are only interested in production and short-term profits and that consider the worker to be an input.

When the cost of social security, health, pensions and even unemployment benefits, are borne by the workers, this leads to a drop in their income and they stop buying basic consumer goods. When pensions depend on workers' savings, the result is a miserable pension because of their low pay, and that in turn means an old age spent in poverty and indigence. When the processes of collective bargaining are undermined and workers do not have access to them, the distribution of income works in favour of the higher income groups. Chile is an example of this because, in the private sector, less than 8 per cent of the labour force can exercise this right.

The State of Chile ratified Labour Relations (Public Service) Convention, 1978 (No. 151) for its workers, but the way it goes about things confines negotiations to mere consultations, disregarding thereby the philosophy and spirit of this Convention. This Chilean approach is a mean interpretation of the scope of the right to collective bargaining.

The processes involved in the globalization of capital and the trade in goods, have not comprised a social dimension, but rather have exacerbated inequality between rich and poor countries. The transnational corporations which set up factories in our countries, do not grant the working conditions of their countries of origin but seize the comparative advantages offered by our social underdevelopment and, in doing so, impose conditions of subjugation and generate a state of dependence and domination.

There is a strong link between decent work and poverty alleviation. But this is also being deliberately weakened and when, in practice, there is no freedom of association, it becomes more difficult to attain this objective. But as for economic development, we can say that there has been sustained growth in Chile, but our country is still the one in which the fruits of development are worst distributed.

Countries are not measured solely in terms of their growth, their capacity to compete, or their macro-economic management, countries are also measured by their social and cultural situation and the way in which they handle their labour relations. If we want to alleviate poverty, if we want to speak of progress, we need a more social, a more humane approach to our economy. And this implies appropriate policies en-

sureing universal access to health, education, social security and decent work.

Mr. EASTMOND (*Minister of Labour and Social Security, Barbados*) – I am grateful for this opportunity to once again address this assembly of distinguished delegates at this the 91st Session of the International Labour Conference. The Barbados delegation brings greetings to the President and the Director-General. On behalf of the Government of Barbados, I also congratulate the President and the Vice-Presidents on their election and wish them every success as they perform their duties.

Having last year called for the appointment of a Caribbean person to head the subregional office at Trinidad and Tobago, we express our appreciation to the Director-General for having appointed Ms. Grace Strachan.

I welcome the Director-General's Report and am pleased to participate in this debate. The concept of *Working out of poverty* is a comprehensive one with an innovative and laudable approach to the reduction of poverty. It is recognized that this is a wide-ranging issue which requires a multifaceted approach to effectively bring about the positive change envisaged by the International Labour Organization. I also endorse the point made in the Report that work is the best way out of poverty.

The title of the Report *Working out of poverty* appears to be in conformity with the requirements of the ILO Employment Policy Convention, 1964 (No. 122). Article 1 of this Convention calls on members States to develop an employment policy that ensures there is productive work for all who are available and seeking work.

Recognizing that there is a difference between "work" and "decent work", the Director-General has chosen to focus on the working poor and the poor who are excluded from work.

He submits that decent work unites the international drive to wipe out poverty and identifies the four strategic objectives of the ILO's Decent Work Agenda as the ideal tools to help in the process of poverty elimination. As we all know, these are employment creation, fundamental rights, social protection and social dialogue.

On page 21 of the Report, it is noted that the focus of the international community is on extreme or absolute poverty and the conditions for survival. While this may be so, I would like to support the view that poverty must be seen as relative and that wherever inequalities exist in a society, strategies should be applied to address these inequalities.

It is for this reason that I am pleased to use this opportunity to draw attention to the challenges and concerns of the Government of Barbados.

As the Report rightly states, in spite of historical and cultural differences, people everywhere desire to work in safety, to have access to social protection, equality of treatment and all other work-related benefits.

In this respect, Barbados is no different. Barbados is a small developing island state with a fragile economy which is vulnerable to external economic shock. Notwithstanding this, however, successive governments have sought to ensure that decent conditions of work and adequate labour standards are applied. In spite of external pressure, the Government of Barbados is desirous of continuing the promotion

of a Decent Work Agenda. With the help of our social partners, much work has been done to stabilize our economy. The presence of a growing informal sector, coupled with the approximately 26,000 persons employed in elementary occupations, suggests that more has to be done to create decent work.

Some of the strategies suggested include promotion of the Decent Work Agenda at the national level. I believe now is as good a time as ever to remind the Director-General of the needs of Barbados for ILO support, as identified at our regional meeting in Lima, Peru, last year.

Barbados welcomes ILO assistance in the design and implementation of a national decent work programme aimed at: creating more decent work opportunities; addressing the decent work deficit in the informal sector; enhancing the occupational safety and health management system; and supporting the human resource development initiatives.

As you are aware, Barbados has ratified the Worst Forms of Child Labour Convention, 1999 (No. 182). I would like, therefore, to include a request for technical assistance to measure the extent to which there is child labour, especially in the light of a recent report. It is with great anticipation that my delegation looks forward to taking part in discussions on the Director-General's Report and I am hopeful that our deliberations will have considerable influence and bring about positive change for the working poor of the world, whose conditions can only be improved by "working out of poverty".

Original Spanish: Mr. MARÍ OLANO (*Government delegate, Spain*) — Let me start by congratulating Mr. Michael Wamalwa, Vice-President and Minister of National Reconstruction of Kenya, on his election as President of this 91st Session of the International Labour Conference. I would also like to congratulate Mr. Somavia on his re-election as Director-General of the International Labour Office, and thank him for his Report, which sets out significant ideas concerning the importance of work as a means to combat poverty.

The Spanish delegation endorses the Draft Programme and budget proposals for 2004-05, and, on behalf of the Minister of Labour and Social Affairs, I would like to indicate the willingness of my government to continue supporting the work of the International Labour Organization to the best of our ability.

In addition to our regular contributions to the ILO budget, where we are the eighth biggest provider of funds, we will continue our endeavours to improve our extra-budgetary contributions and technical cooperation, particularly in relation to the projects we support in Latin America.

Very briefly, I will now refer to reforms to Spanish labour laws we have implemented since the last Session of the Conference in June 2002. These reforms have been addressed within the context of social dialogue and following the recommendations of the European Employment Strategy. I would like to draw your attention to the new legislative measures designed to introduce a system of gradual and flexible retirement. Our objective has been to promote the active involvement of elderly persons, encouraging them to continue to work for as long as they wish to do so. To that end, we have made it possible to receive a pension and continue to work, while providing an exception to workers over 65 years of age from the payment of social security contributions.

We have also reformed the unemployment benefit system with a view to creating more incentives to look for work. When the 90th Session of the Conference took place in 2002, this initiative was still being discussed by trade union organizations and I am pleased to say that an agreement has now been reached. It is important to note that, in the context of a worldwide economic recession in 2002, of the half a million jobs created in the European Union, 256,000, or 51 per cent of them were created in Spain. The official unemployment rate currently stands at 8.6 per cent, having fallen to 7 per cent since 1996.

Also in the area of social dialogue, we have addressed a matter of deep concern, namely safety in the workplace. Last December, a significant agreement was reached with the social partners which, among other things, provides for the implementation of a system of social security contributions which rewards a reduction in the number of accidents in the workplace. This year, which the Council of the European Union has declared as the Year of People with Disabilities, we are focussing on measures to enhance equality of opportunities for the disabled.

Also last December, we signed an agreement with representatives of people with disabilities in Spain to set in place an ambitious employment plan. In line with the government's proposal to eliminate differences between men and women in the labour market, we have recently approved the Fourth Equal Opportunities Plan. The employment rate for women has risen steeply in the last few years, from 33.4 per cent in 1996, to 45.7 per cent in the first quarter of this year. But we have to continue to make progress and, consequently, the new plan provides for measures intended to get women into the labour market and to keep them there, as well as to eliminate wage discrepancies.

We would also like to point out that we will leave no stone unturned in our efforts to attain full employment. This is an objective which the member States of the European Union have set for 2010 and which, with the participation of social organizations, we hope to achieve a spirit of dialogue and cooperation.

Original Spanish: Mr. DAER (Workers' delegate, Argentina) — In referring to the Report of the Director-General, I would like to underscore the fairness and clarity with which it deals with the theme of the merciless scourge of poverty and the creation of decent jobs as the indispensable tool to overcome it. We agree, as the Report states, that the ILO's constituents have important roles to play in the creation of decent work.

We also agree with the importance that the Director-General attaches to the creation of sound mechanisms of social dialogue as a key element in building a fairer and more egalitarian society.

We reaffirm our unswerving commitment to building a tripartite consensus to overcome poverty, unemployment and social exclusion, in accordance with the mandate of the Millennium Summit. In this new century, the success of societies will have to be measured by different parameters and new paradigms. Social inclusion, human development, the eradication of the worst forms of child labour, the elimination of all types of discrimination, the fight against unemployment and the eradication of poverty — these are the new values that we must fight for. Turning the page of history, overcoming the past, is necessary in all societies, and in this process my country may be a useful mirror

in which other developing countries may see themselves, in the interests of avoiding serious social consequences.

Neo-liberal policies applied with unprecedented harshness in Argentina. The State minimized, natural resources, public services and social security systems were privatized, and employment contracts became more precarious, all for the sake of macroeconomic equilibrium. The edifice of neo-liberal orthodoxy was complete, and we waited in vain for the spread of wealth which was supposed to end poverty and social exclusion.

The collapse of the model based on indebtedness without growth, artificial parity of exchange rates, the indiscriminate opening up of the economy and, lastly, the seizure of the savings of our citizens, caused a social and institutional crisis whose heart-rending images were beamed around the world. We were on the brink of disintegration as a nation.

A year ago, in this same forum, we made an impassioned plea for mature and responsible social dialogue, as an essential tool to overcome so much inequality. Showing tremendous civil responsibility, the Government convened workers and employers.

Social dialogue and consultation were carried out without pettiness or sectarianism. The crisis began to be brought under control and specific problems were solved. The recovery of workers' income levels and the introduction of social programmes to help unemployed heads of households reduced poverty, boosted growth and led to modest but sustained economic recovery. Nevertheless, much remains to be done.

Just as the social partners took up the challenge of working for the recovery of the country, all our citizens on the 27th April 2003, in a massive show of democracy, went to the polls. We decided collectively to opt for change, for turning away from the past. Argentinian workers do not shirk their responsibilities and accept the challenge of the times, to be a part of this new phase, and act as an extra guarantor of governability. Governability is sustained with strong and representative social partners committed to democracy and national development. Democratic governability must focus on social inclusion and equality, thereby ensuring the full exercise of democratic rights by all. The creation of decent jobs and the establishment of principles of fairness are sources of social legitimacy, and the social, economic and political partners must be committed to the search for these objectives.

It is essential to develop a national strategy for economic development which improves the distribution of income and creates decent work to ensure social inclusion and the recovery of social cohesion in Argentina. We need to rehabilitate the concept of consultation and institutionalize social dialogue as the rightful means of developing a fair society, in which it will be possible to eradicate poverty quickly. The Government and social partners must build bridges, create a new consensus, which can be recognised by society as a whole, and will improve the quality of life of all Argentinians. We, the workers of Argentina put our faith in the future. We have to learn from our mistakes and act accordingly. We are sure that the country we deserve exists; the challenge is to find it.

(The Conference adjourned at 1.15 p.m.)

Fifth sitting

Tuesday, 10 June 2003, 3 p.m.

Presidents: Mr. Noakes, Mr. Muhaisin

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

The PRESIDENT (Mr. NOAKES) — We shall now return to the discussion on the Reports of the Chairperson of the Governing Body and of the Director-General.

Original French: Mr. DOUTOUM (*representative, African Union*) — It is a pleasant duty and a great privilege for me to take the floor before your august assembly on the occasion of this 91st Session of the International Labour Conference.

First of all, I would like to congratulate the President and all Officers on their election. It is an honour for our African continent and for the African Union to see someone from our continent presiding over this important session of the ILO.

I would also like to congratulate our great friend and brother, Mr. Juan Somavia, on his brilliant re-election to the position of Director-General of the ILO. This trust placed in him illustrates the interest and esteem that the whole world, and particularly the African continent, has for him. The African continent appreciates greatly the efforts that he is making to help Africa on the road to development.

Apart from the Director-General, we would like to thank the whole of the ILO for the technical and financial assistance that they provide to our continent, Africa, in implementing and carrying out programmes.

As you will know, the launching of the African Union took place in July 2002 at Durban, South Africa. This resulted in the transformation of the Organization of African Unity, after 39 years of existence, into the African Union, which will now be in an interim period until July 2003, in accordance with the decisions taken at the Summit of Heads of State and Government at Durban.

This will enable the African Union to put in place its bodies and structures. Some bodies are already operational, such as the Assembly of Heads of State and Government, the Executive Council and the Committee of Permanent Representatives.

The African Union was created with the aim of promoting sustainable development of African populations in order to improve their living standards, to integrate African economies and to redefine a clear vision of the future and consolidate the unity of the continent.

This cannot be achieved without the elimination of poverty on our continent. We are therefore very pleased to note that the ILO has undertaken to combat poverty by working actively to create decent jobs, especially in the developing countries.

The building of the African Union through integration is a long-term task, which will have to be pursued methodically, patiently, with faith, determination and the resolute and lucid vision of the leaders of the African peoples.

I would also like to remind you that in economic terms the former Organization of African Unity, which is now called the African Union, has always endeavoured to combat poverty and underdevelopment. In this respect, a number of strategies have been adopted, in particular the Lagos Action Plan, the Final Act of Lagos and the Abuja Treaty, establishing the African Economic Community — the pillars of which are the Regional Economic Communities; these Communities are constantly reinforcing themselves and acting as an engine in the process of integration.

The adoption of a New Partnership for Africa's Development by the OAU Summit held in Lusaka in 2001 has contributed not only to repositioning the continent in the context of a globalized world, but has also helped to privilege the partnership in the efforts initiated by Africa itself to reduce poverty and to improve the quality of life of all African peoples.

In social and cultural terms, Africa has been able to face up to the many challenges that were confronting it — be it environmental protection, the fight against diseases (particularly malaria and HIV/AIDS), the fight against drugs or the promotion of jobs, or again, the protection of the most vulnerable groups in society such as children, young people, women and the elderly. Whatever the field, the African Union offers Africa an appropriate framework for collective action. It is also helping to promote the role of young people and women at all levels.

In parallel to these activities which are being carried out with the support of the member States, the Commission of the African Union has undertaken actions in the economic, social and cultural field, and in that of human rights and the democratic process.

I would like to remind you that the example of Africa, the only region of the world where tripartism has become an ideal framework for consultation and dialogue among all the social partners, has become a bench-mark which honours our continent and our Labour and Social Affairs Commission.

To this end I would like to remind you that the first meeting of the Labour and Social Affairs Commission of the African Union was held at Grande Baie, Mauritius from 10 to 15 April 2003. This tripartite meeting is a statutory meeting and it is held every year in the month of April, like the International Labour Conference which is also tripartite and which meets each year in June.

The place and the maintenance of the Labour and Social Affairs Commission within the African Union were the subject of serious discussions at its 25th Session and at the summit of the heads of States and government meeting in July 2002. It was decided to maintain the Labour and Social Affairs Commission in its current tripartite form and to strengthen it in order to increase efficacy. The first session of the Labour and Social Affairs Commission of the African Union, which was held in Mauritius, reviewed several points, the most important ones of which were the draft rules of procedure of the Specialized Technical Committee on Labour and Social Affairs and the drafting of a framework for social policy in Africa.

As far as the first point is concerned, the meeting had stressed the necessity of setting up a specialized tripartite technical committee on labour, employment and social affairs in accordance with article 14 of the Founding Act of the African Union in order to guarantee observance of the principle of tripartism as decided by the Durban Summit.

The second point constitutes implementation of the Durban decision which calls for the preparation of a political and social framework for Africa, in order to address the socio-economic problems which are hindering the continent's development.

In this respect I would like to thank the ILO for the technical and financial assistance they have granted the African Union, for the recruitment of consultants in charge of drafting the document that will be examined by the Labour and Social Affairs Ministers at the next session of the Commission and which will be endorsed by a special summit which Burkina Faso proposes to host in 2004.

Original Chinese: Mr. CHEN (*Employers' delegate, China*) — Allow me, first of all, to express our warm congratulations to the President on his election to the presidency of this session of the International Labour Conference. My congratulations also go to the Vice-Presidents. I am convinced that under their guidance, this session of the Conference will surely be crowned with successes.

We are grateful to the Director-General for preparing the Report *Working out of poverty*, which has given us some new insights into the concept of decent work and laid a foundation for our discussion and for the formulation of ILO policy objectives to alleviate poverty and secure employment and decent work for all people. In the next five years the ILO will follow past effective practice and successful experience and will surely make great achievements in helping its member States to expand employment, alleviate poverty and strengthen social production, in consideration of different social systems, development pathways and values, while taking special account of the wishes and demands of the vast developing countries.

The China Enterprise Confederation and all employers fully agree with and support the Director-General in confirming that "work is the best route out of poverty". We believe that economic development and social progress are the prerequisites for poverty alleviation and realization of decent work. Economic globalization, multi-polarization in politics, diversities in cultures and the flow of information through the Internet have become the predominant features of our time. Enterprises, especially the big enterprises and multinationals, are producing an ever greater impact on the world economy and society, while

entrepreneurs are playing a larger and more important role. It has become a necessary merit for entrepreneurs to be human and undertake their social responsibility in an honest way, in their efforts to increase economic efficiency and international competitiveness. It is due to this that the China Enterprise Confederation took the lead in responding to the Global Compact advocated by the United Nations Secretary General, Kofi Annan, and has actively encouraged Chinese companies to attach importance to, support and participate in the initiative. This will help Chinese companies play an exemplary role in business ethics, respect for human rights, the abolition of employment discrimination, strengthening occupational safety and health and protection of the ecological environment, in line with ILO standards and internationally recognized norms. This will also help to show that Chinese companies are taking part in an active and responsible way in international economic cooperation and competition to a greater extent and in a more in-depth way. To this end we have taken some practical and effective measures to help enterprises in the work of employment and re-employment. The experience of successful enterprises in China is that, in the face of acute market competition after China's entry into the World Trade Organization and in the course of the streamlining and redirection of surplus labour force due to restructuring and adoption of new technologies, enterprises do not just put redundant workers into society, rather, they consider redundant workers as valuable wealth for the enterprise, and take measures to find employment for them, fully demonstrating the sense of social responsibility of entrepreneurs.

The China Enterprise Confederation will, as always, further strengthen exchanges and cooperation with the ILO and employer organizations in other countries so as to make joint efforts for world prosperity and development, for the alleviation of poverty and to realize the objective of full employment and decent work for all.

Original Spanish: Mr. MOREIRA SANDOVAL (*Minister of Labour and Social Welfare, Guatemala*) — The work of the State in labour relations in Guatemala, represented institutionally by the Ministry of Labour, is today experiencing great and varied challenges. First of all, on an institutional level, our main problem lies in the structural organization of the Ministry of Labour which dates back to the 1960s, a time when the basic idea of labour relations leads us to believe that workers would be wage earning, unionized, permanent workers and employers would be industrialized employers, mainly in urban centres. Today, reality is making a mockery of this vision. Most of our economically active population is rural, employed in temporary or seasonal work in the agricultural sector. Some seven out of ten new jobs in our country are, in fact, in situations of extreme precariousness within the informal sector. The gap between the original design of the Ministry for Labour and reality in which we have to work today constitutes the main explanation for the lack of attention to the requirements of workers and employers in our country.

On the legal level, we are struggling at a crossroads between a legal system which was practically inoperable during the decades of armed conflict, with its slow and progressive modernization, and the need to mete out swift and effective justice in a standardized

framework, in accordance with the most modern ethical, political and social standards. Here the gap between reality and our needs has been bridged fairly well, thanks, for the most part, to the technical support and assistance of the International Labour Organization. However, we still have a long and winding road ahead of us in restructuring our justice administration to make it prompt and effective.

Economically, Guatemala is going through a transition plagued with incertitude. Although the current model for exporting basic commodities in the agricultural sector with little processing generates poverty and exclusion and is slowly being abandoned, we do not know yet whether the new order we aspire to, involving the complete liberalization of trade, will enable us to resolve the problems of inequality and poverty which threaten the long-term viability of our country as a State and as a society. Poverty and exclusion are not merely economic and social problems. Solving them, a priority ever higher on our security agenda, is in addition to being an ethical responsibility — an urgent necessity for the democratic governability of our country.

Finally, to return to economic problems, we do not even know whether the new order, whatever name we give it, will enable us successfully to complete the transformation of our economy from one based on producing our materials to one which produces competitive finished products. Furthermore, our economy is no longer based on the export of coffee, sugar, bananas and cardamom — rather, we are exporting human beings as economic migrants. Most of them are illegal workers and the money they send back home in dollars more than doubles the country's income from all the traditional agricultural exports. We are experiencing and trying to overcome the modern dilemmas of underdevelopment and the dichotomies between poverty and decent work, and between underdevelopment and fair trade, especially with regard to the trade obstacles which lie before us and to agricultural subsidies in the industrialized world.

Nevertheless, in the midst of all of this uncertainty, which some believe is inherent and even beneficial, to change in the area of labour, at least, we know which path we must follow to reach our desired goal. We are convinced that for a country like Guatemala, it is coherence between the actions of the State and its institutions, together with the four main principles and eight fundamental Conventions of the ILO, that will guarantee sustainability and democratic governability in labour relations in the long term.

That is why, those who have preceded me in recent years have done and thank the ILO for its technical assistance and cooperation in areas as important as child labour, social dialogue and tripartism, but, at the same time, not only request that their efforts be maintained and strengthened, but also hope that they be extended into other areas, such as forced labour and discrimination, particularly in the case of indigenous peoples.

At this session of the Conference, in conclusion, it is even more important and timely that I should refer to these different issues because, as I have already said, the fight against poverty and discrimination are strategic points of the Guatemalan agenda for development and democratic governability and, at the same time, they are main themes in the Director-General's Report, which we saw presented yesterday, and the Global Report which will be presented to us on Friday.

Original Arabic: Mr. MANSOURI (*Minister of Employment, Social Affairs and Solidarity, Morocco*) — In the name of God, the Merciful, the Compassionate! It is a pleasure for me to congratulate the President most sincerely on his election as President of this session of the International Labour Conference and to wish him every success in his work. I would also like to reiterate my congratulations to Mr. Juan Somavia on his re-election to the position of Director-General of the International Labour Office for a second term, whilst thanking him for all the efforts he and the Office have made in the past, particularly as regards the issues that are of concern to us all. Among these issues, I would like to stress the elaboration of a strategy aimed at eliminating poverty while providing decent jobs for all employees and all workers in need. In this respect, I would also like to stress that Morocco considers that poverty is not irreversible. It is not inevitable. With a strong will and policy at the national level to combat poverty and, thanks to international efforts, we believe it is possible to uproot poverty as part of the democratic project which has been launched under the wise leadership of our King. Morocco has endeavoured to step up its efforts to eliminate poverty and to pursue a democratic methodology in order to manage public affairs. It has also tried to establish human rights while encouraging private initiative as a means of achieving sustainable development in our country. In opting for these strategic choices, Morocco is endeavouring to adopt a participatory approach to poverty, which calls on the open-mindedness of all social categories so that we all adopt local projects and plans and programmes in order to include all workers who are in difficulty by getting them to participate in society. I would like to take this opportunity to praise the achievements of the new project of assistance to small and micro-enterprises. This project is being implemented in co-operation with the International Labour Office, with the assistance of the Italian Government. There is also a programme aimed at eliminating poverty in urban and semi-urban environments, which is being implemented with the cooperation of the UNDP.

We believe that the elimination of poverty can only be achieved if we adopt a global approach which takes into account balanced and equitable distribution of national resources among the different sectors in order to create the greatest possible number of job opportunities for everybody, and in order to meet the most urgent social requirements. I am convinced that this approach will be successful only if we succeed in integrating and obtaining the participation of all the partners. Morocco has chosen the method of dialogue and negotiation with all the social partners who are an essential instrument for achieving this task.

On 30 April last, we signed a tripartite agreement which was regarded as historic in our country. It will help to eliminate all the obstacles that we have run into on some issues, such as the draft code of professional conduct. After years of disagreement we have now reached an agreement on all those issues. We have started to negotiate this agreement, and it is being submitted to Parliament for ratification. We have also adopted procedures for extending the scope of social protection for all wage earners.

We have also opened up a new prospect for workers by supporting the basic rights of workers. We have adopted a whole series of measures which are likely to provide us with the conditions that we need in order

to defend basic freedoms and freedom of association in order to strengthen the involvement of trade unions and participation by all workers in the execution of all programmes which are aimed at providing decent work and jobs needed by all the social categories.

We would also like to stress that the efforts made by all governments at the national level to overcome the scourge of poverty, particularly in the developing countries, must be supported at the international level, particularly as poverty and marginalization result in most cases in fundamentalism and violence.

In this respect, we consider that the elimination of poverty, and the elimination of all the resultant scourges cannot be accomplished individually, however developed a country may be. All these efforts must be joint and common efforts.

We agree with the Director-General of the International Labour Office when he calls for the establishment of an international economy which would involve integration of all the social partners. We are convinced that this can be achieved only if we see how to solve the problems and the negative aspects of globalization. We also have to give top priority to all the ways and means which are likely to achieve sustainable development, encourage foreign investment and promote international trade, and facilitate the transfer of technology.

I would also like to stress that Morocco is eagerly looking forward to the final report of the International Commission which was established set up by our Organization in order to debate the social dimensions of globalization.

Likewise I would like to stress the joint initiative which has been launched by Morocco and Belgium. These two countries have jointly contributed to strengthening the work of this Commission, setting the example for bilateral relations between countries in the North and those in the South.

This cooperation also highlights the role played by the ministries of employment and labour in the new economic and social environment. Such an example might help us to solve all the problems that result from poverty and associated scourges.

We would like to support the efforts of the ministries of employment and labour, and we hope that they will step up those efforts in order to meet the social and economic requirements imposed by the challenges with which we are confronted, particularly as regards the restructuring and resources of those ministries.

Once again, I would like to reaffirm our desire that the ILO should be more capable of supporting the positive values drawn up by this Committee, so that the ILO takes into account the social dimension of globalization in all the policies that it adopts.

We are pleased that this contribution is a source of interest on the part of all of you, and that it has received a good response in the final report of the Commission.

In conclusion, I would like to thank you for all the efforts that you are exerting for the achievement of the objectives of our Organization. I would also like to reiterate my words of thanks to you, Mr. President, for presiding over this session, and once again, we wish you every success.

Original French: Mr. YLIEFF (Deputy Prime Minister, Minister of Employment, Belgium) — I have the

honour to address this forum on behalf of the Deputy Prime Minister and Minister of Employment of Belgium, Ms. Laurette Onkelinx, who has been delayed in Brussels owing to negotiations for the establishment of a new government following the legislative elections held in May. She has asked the Belgian delegation to convey our ongoing commitment to the important contribution made by ILO to the social management of globalization.

In this regard, we are particularly concerned with social development, employment which allows people to work out of poverty, as the Director-General rightly highlights in his Report this year, and the need to promote international cooperation and partnerships between social ministers and organizations of employers and workers. If these partnerships fail to develop further, other alliances will jeopardize our objectives, of which we must remain vigilant.

I would like, on behalf of my delegation, to express some of our major concerns. With regard to the Governing Body, we are concerned for the sound financial management of the ILO. We do not feel that an excessive dependence on voluntary contributions by Members is a healthy development. The core programmes and those which provide services to Members need to have sufficient funding from the general budget, while voluntary contributions should be for enhancing the impact of these programmes in the regions.

The Director-General rightly states that many savings have already been made and that a critical threshold has now been reached. The Belgian delegation is looking forward with great interest to the final report of the World Commission on the Social Dimension of Globalization. I urge interested delegates to read the joint contribution of the Belgian and Moroccan delegates to the World Commission. This kind of joint action by a country from the northern hemisphere and one from the southern hemisphere should, in our view, arouse interest and be given support during and after the Conference.

This contribution drew attention to the following: the need to support social ministers, given the current economic situation, who must be able to provide a credible capacity for intervention, in view of the immense social challenges they face; the strategic importance of certain ILO programmes and the need to continue a systematic evaluation of their impact on women, and the importance of establishing an economic and social governance platform at global level, to allow the competent institutions to take action without competing with each other's mandates. Such competition is all too frequently evident throughout the world, and in this field in particular we need to make reconstruction or adjustment efforts. An important signal has been given in the recent World Bank report, recognizing the contribution of collective bargaining to social and economic development.

As regards employment and social protection, the ILO needs to focus on quality and rapid intervention capacity, and must be at the centre of cooperation and synergies.

In the light of these objectives, Belgium proposes to support regional cooperation for implementation of the Global Employment Agenda in the countries of south-eastern Europe. It was very interested in the launch of a Global Social Trust pilot scheme, designed to provide minimum social protection networks. We also continue also to support the STEP and

PRODIAF programmes, developing realistic, progressive methodologies.

With regard to labour standards, our position is based on the following considerations: we need to continue the campaign for mandatory implementation of international labour Conventions to establish sustainable social development. The Johannesburg Summit addressed this, and we supported the Officers of the Conference.

The unflinching support for the 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up should not distract us from wider activities related to standards, which should be pursued in a spirit of modernization and flexibility. We support the integrated steps to reinforce the visibility, coherence and efficiency of current standards which, this year have focused on health and safety at work, and will soon focus on maritime transport. We need to re-examine labour relations, given the new forms of labour organization developing in the modern economy. Nevertheless, this is a delicate issue because of the need to set boundaries between salary earners and self-employed workers. We are not in favour of a total overhaul of the Committee on the Application of Standards, which we feel offers the necessary guarantees for choosing national situations of particular concern.

I hereby conclude this overview of our position, which bears witness to our interest in the Conference and our ongoing faith in its Officers.

Original Italian: Mr. VENTURINI (*Minister of Labour and Cooperation, San Marino*) — Allow me first of all to congratulate the President and Vice-Presidents on their election to preside over the deliberations of the 91st Session of the International Labour Conference.

On behalf of the Government of San Marino, and in my own name, I would like to express our satisfaction with the decision of the Governing Body to have Mr. Juan Somavía continue in his functions as Director-General of our Organization. We recognize his competence in this undertaking to the service of the ILO and we are certain that under his guidance the Organization will be able to fulfil take on its essential role, that is to say, the promotion of international standards for the protection of workers, as well as the implementation of social policies which are indispensable in the world today.

It is our conviction that anyone physically and mentally able to work should have the opportunity to cover his needs through his own work, to be able to get a job and have access to an appropriate occupation in keeping with his own physical and intellectual abilities and technical skills.

Moreover, we are making every effort to ensure that this human experience, given the importance that it has in the lives of each and every one of us, can offer us an opportunity to live well, to live ever better, which would appear to be the only appropriate path to follow. In this respect we think that work should represent an access route towards a culture and an awareness as a citizen of the world, towards a culture of sharing, of solidarity and of freedom for each and every individual.

While we support this principle of the primacy of the human being defined as a series of initiatives aimed at placing the individual at the centre of the development of our societies and economies, and

therefore to assume the social role of labour, we must also ask questions about the way in which we are to promote the favourable development of labour policies and about the ways and means of making a success of global liberalism. We also have to take into account those policies that are aimed at protecting and enhancing the demands of workers taken individually or workers in the future.

The usual dialectic which is centred on the concepts of flexibility and guarantees and which is often regarded as polarising different and irreconcilable demands on the parts of the different components of society, this dialectic cannot be confined to individual adaptation to the compromise measures taken by governments on the occasion of tripartite agreements, and to the practices of the entrepreneurial world.

Confrontation must, if necessary, be emancipated, and direct reflection towards a new social compact offering the various parties the concrete possibility of taking a step towards the achievement of a society in which the world of work has, as one of its objectives, the satisfaction of persons who contribute in various respects to its prosperity. Furthermore, it should enable workers to enjoy the conditions which, from their own point of view, enable them to feel that their work is a valuable opportunity to improve themselves and to improve the society in which we live.

What would therefore be the essential conditions to fulfil and what would be the modalities for fulfilling them? As is clear from the numerous positions that are constantly being voiced in international agencies it is reforms, investment and training that together constitute the ways and means of achieving these objectives.

The Republic of San Marino has started to reflect on the new model of economic development that it would like to see implemented over the next few decades and it is in the process of revising its own labour and training standards although it knows that this is an ongoing process, not an end in itself.

San Marino has thus adopted a framework law which is brief and which contains the major principles capable of directing our dynamic in this field over the coming years. At the same time, this law will enable us to take new legislative and regulatory measures and to conclude tripartite agreements which will give rise to a periodic adaptation of market forces and to functional adjustments, in accordance with current requirements and dynamics.

The fundamental binomial enterprises/workers, which also extends in reality to those who do not actually work but who might have to work in the near future has been reinterpreted in a new light, that of creating a society in which one wants to live and work.

Investments are aimed at favouring research, improving infrastructure and making available to everyone the information that they need and the resources that are necessary for their development. Investments are also aimed at enhancing the potential of each individual so that they can make the most of their skills.

The Republic of San Marino will focus a lot of its efforts on this route, the enrichment of personal potential, at the same time as undertaking the review of its standards currently in progress. Occupational training and guidance, based on a system of providing support to companies and on social regulation, will aim to promote the abilities that each and every individual possesses.

Such a system of value enhancement will enable workers to rise higher within a society which is raising with them and to develop in the context of the companies in which they can express themselves professionally.

Original German: Mr. NORDMANN (Secretary of State, Directorate of Labour, Federal Department of Economy, Switzerland) — I would like first to congratulate the President and the Vice-Presidents on their chairmanship of this year's International Labour Conference.

As this is the first International Labour Conference after the re-election of the Director-General, I would like to convey our best wishes to him. Our delegation is convinced that prestige and credibility of the ILO will be further enhanced under his leadership.

Please allow me to express our satisfaction with the Report produced by the Director-General. This Report must be seen in close conjunction with his proposals for a Programme and Budget for 2004-05, which clearly establish the political and strategic guidelines for ILO's activities in the coming two years. The Swiss Government delegation supports these proposals.

The Report highlights the real challenges facing us on account of the alarming figures. Switzerland supports the historic mandate of the ILO, which makes it the duty of our tripartite organization to combat poverty. The ILO has the decisive role to play in finding a consensus in favour of the measures which need to be adopted. Its central strength lies in social dialogue.

The ILO is successfully pursuing an integrating approach at a multilateral level and fosters close partnerships among the public, the private and voluntary sectors which link them to partnerships with national and international agencies. We are pleased to note that our Organization is also concentrating on clear coordination with the international financial institutions and is aiming at establishing more sustainable development policies. In this way the ILO is succeeding in harmonizing its activities with the Millennium Development Goals. We are therefore, convinced that our Organization will make a very important contribution to attaining the goal of halving poverty by the year 2015.

The Report of the Director-General suggests that we make decent work the driving force behind the proposed measures. The work of the tripartite member groups on the social dimension of globalization is the only way to achieve greater acceptance for the process of globalization in our society. Switzerland therefore very much looks forward to the report of the World Commission set up by the Director-General and hopes that this will provide additional food for the discussions which will take place during the WTO Ministerial Conference.

As I mentioned at the beginning, in recent years the credibility of the ILO has steadily increased on the international stage. Let me just give two examples: The ILO has launched the Decent Work Agenda, based on an integrating approach. An important component of this Agenda had been the drawing up of a worldwide employment strategy. The promotion of fundamental principles and rights at work, chiefly through the successful transposition of the relevant Declaration from 1998, has led to an unparalleled increase in the signing of fundamental international labour standards.

I would like to congratulate the ILO on these successes. At the same time, they should serve as a spur to meeting further challenges in the future. Hence we consider the following areas to be still of central importance and we are confident that the ILO will be successful in these areas as well. First of all, the reforms of standards must be continued. It should follow an integrated approach which permits more rational action and greater transparency and efficiency in the process. Switzerland therefore welcomes the resultant examination of the ILO instruments concerning health and safety at work during the International Labour Conference. This action will make it possible to regroup all ILO instruments according to various pillars and this permits new synergies within the ILO.

Secondly, the ILO's work on the social dimension of globalization must be stepped up. Solutions must follow visions.

Thirdly, technical cooperation should be increased. The core concepts of this year's Report, such as giving people and communities a say in social economic and political decisions, a training policy geared to sustainable results and providing developing countries with easier access to export markets are also important goals of and pioneering measures forming part of Switzerland's constantly growing commitment to the ILO projects.

All these reforms are aimed at making the ILO a strong and lean institution and hence an internationally respected and a much sought after partner. We assure you, that Switzerland will continue actively and staunchly to support our Organization and its goals.

Original German: Mr. ANDRES (Parliamentary Secretary of State, Federal Ministry of Economics and Labour, Germany) — This being the second day of the plenary of the Conference I think it is not too late to congratulate the Conference on the election of its President and I am very happy to do that.

Working out of poverty is the title the Director-General's Report and this a the statement or perhaps even a message, which is of great significance in this day and age, throughout the world. In fact, however necessary measures may be to relieve the consequences of poverty once it has come into being, poverty can only be sustainably overcome by giving everyone who is capable the opportunity to take up a job and in this way to achieve a regular income for themselves and their families. But one cannot say that just any job can be the way out of poverty, otherwise one might think that even child labour — the elimination of which is one of the most significant targets of the ILO — could even be considered as such.

In your first Report to the Conference, four years ago, Director-General, you described what sort of work you were talking about — decent work. That means that the work and the person carrying out the job must be suited to one another. That does not necessarily mean that work can be made to measure for each person. No, the person must also be willing, of course, to adapt to new developments in work through such possibilities as life-long learning. It would be utopian to believe that there is any kind of job which will provide joy and satisfaction all the time.

Just as work is a way out of poverty, of course long-term unemployment can often be the first step on the way into poverty. And that is not only true for developing countries, which often have insufficient systems

of social security, but it is increasingly true also for developed countries. There too — and this is something we have experienced in my country — the possibilities of the social security systems which are aimed at reducing the consequences of unemployment, come up against their own limits. The main thrust in the fight against poverty therefore must be the effort to create new and long lasting jobs.

The ILO is organized in a tripartite fashion and I am, therefore, happy to take advantage of this forum of the annual Conference to emphasize that, in the efforts to obtain a larger number of more secure jobs, governments, enterprise and trade unions bear joint responsibility. In this connection I should like to refer to the reforms introduced by the German federal Government with regard to the labour market. First, we replaced the a primarily reactive approach of the job promotion law with a new, more preventive approach in order to reduce long-term unemployed or perhaps to be able to avoid it all together. Now we are not pursuing this approach in transposing the proposals from the Hartz Commission on new approaches in labour market policy and in opening up new employment possibilities for the unemployment in a consistent fashion. Now what we are trying to do is to optimize the structures for carrying out a job in line with the requirements of a service provider on the labour market, and to eliminate ineffective dual structures through the consolidation of unemployment and welfare and to find a quick and appropriate adjustment to the workplace.

Let me just cast a glance over the limits here. Director-General, your Report rightly mentions the need for international solidarity. The conclusions bear the very interesting heading “Mobilizing the community of work to end poverty” and in the overview the target of “fair globalization” is mentioned. What I did miss rather in this connection was any reference to the activity of the World Commission on the Social Dimension of Globalization. We expect this Commission to indicate what the structural changes are which occur for the interweaving of the labour markets of developing and industrialized countries and that they will set some guidelines for the operational approach which will include actors at all levels, nationally, internationally and supranationally under the heading “The social dimension of globalization”.

In order to make it possible for all to make use of the opportunities of globalization and in order to fight poverty effectively, we need to concentrate the discussion even more on labour markets and employment policy aspects of globalization. To my mind here, this is a clear signal of how the communications structure between international institutions can be expanded. The question of how we can succeed in adjusting the working community in society in industrialized and threshold countries to the requirements under globalized conditions will be decisive for a fair division of labour, internationally.

In Berlin, accompanying the work of the World Commission, we were able to present our expectations to the World Commission and I am certainly looking forward to the Report from the Director-General to next year's Conference, which is to give a lot of space to the work of this Commission. Of course, they cannot come up with worldwide panaceas, but it will certainly be able to make important suggestions of what can be done together and Germany is willing to make its contribution to that end.

Mr. GEORGE (*Government delegate, Trinidad and Tobago*) — First of all, on behalf of the delegation of the Republic of Trinidad and Tobago, I would like to congratulate the President and the Vice-Presidents on their election to these esteemed positions, and on the impeccable manner in which they have been conducting the affairs of the Conference during these plenary sittings. We are also pleased that the Director-General is serving a second term at the helm of the ILO, and we would like to place on record our appreciation of the good job he did during his first term of office.

The Government of Trinidad and Tobago remains firm in its support of the Decent Work Agenda that the Director-General so tirelessly promotes. This year's Report, in our view, further elucidates the decent work concept and seeks to provide member States with practical guidelines for working out of poverty. We fully accept the view that the world of work holds the key for solid, progressive and long-lasting eradication of poverty. But, we also accept that one cannot legislate employment in and poverty out. It is, indeed, a long and complex process that requires all elements of society to work together. Mindful of this, I am pleased to inform you that the Government of Trinidad and Tobago has embarked on precisely such a process of consultation within our country to determine the best strategies and programmes of action for achieving a decent life for every citizen by the year 2020.

Our process is inclusive, engaging not only the tripartite partners but also all key stakeholders in civil society. We recognize the central role of employment in any poverty eradication strategy, and our 2020 consultative process includes one group whose activities are dedicated solely to determining strategies for employment and social security improvements in the country. I must point out that, alongside this longer term strategic approach, the Government of Trinidad and Tobago continues to undertake other critical actions for reducing the decent work deficit in the country. To this end, we have instituted a comprehensive programme of action to encourage the growth of small and micro-enterprises which, by extension, would result in a real growth in jobs.

I am also pleased to announce that earlier this year the national minimum wage was increased. Moreover, in April, Trinidad and Tobago ratified the Worst Forms of Child Labour Convention, 1999 (No. 182); this is a clear indication of the country's commitment to the objectives of the ILO. We are already working closely with the ILO Port-of-Spain Office in activities aimed at the total eradication of the worst forms of child labour that exist in our country.

We must place on record our appreciation of the sterling work of the ILO Caribbean Office in providing assistance to Trinidad and Tobago and other countries in the region, particularly in the areas of child labour, youth unemployment, labour-management relations, HIV/AIDS and labour market information systems. Much work remains to be done in the region if the decent work deficit is to be eliminated. For instance, significant research is required to improve our understanding of the situation of workers in the informal economy.

In a world of work that is fast becoming unrecognizable from the one that we traditionally had been accustomed to, we need to have a comprehensive picture of the nature of employment relationships at

the national level, as well as from a regional perspective. In this regard, capacity building in the ministries of labour in the Caribbean region and among the social partners is still a significant area of need. We therefore urge the Office to continue to consider our concerns in the region as expressed in various forums, including this Conference and the Governing Body.

We trust also that due consideration will be given to the views, concerns and recommendations that were addressed at the regional consultation of the World Commission on the Social Dimension of Globalization held earlier this year in Barbados. Again, we would like to commend the Director-General for his foresight in the establishment of the World Commission and for engaging the multilateral community in this discourse. We look forward to the authoritative report of the Commission that will provide, firmly and unambiguously, a framework for integrating a social dimension into the globalization discourse.

Before concluding, I would like to express the full support of the Government of Trinidad and Tobago for the programme and budget for the next biennium, as detailed by the Director-General, and for the proposed use of surplus funds.

And, ending on a proud note, we acknowledge with pride that our esteemed Caribbean brother, Mr. Roy Trotman, leads the Workers' group in the Governing Body and that our Caribbean sister, Ms. Grace Strachan, now serves as the Director of the ILO Caribbean Office.

Mr. RYDER (*representative, International Confederation of Free Trade Unions*) — Our congratulations go to the President, on his election and to the Director-General on his re-election and for having targeted in his Report so crucial a challenge for the ILO and for the international community as is the struggle to end world poverty.

Having welcomed the United Nations Millennium Development Goals and their anti-poverty focus as ambitious but realistic, the International Confederation of Free Trade Unions (ICFTU) has been strongly critical of the failure of policy-makers to act effectively to realize them.

The most recent opportunity was lost by G8 leaders in Evian and the Report before us provides another chance to do better and to show that this Organization and its tripartite constituency at least is not content to accept that poverty and its consequences — so vividly set out by the Director-General — are an inevitable or acceptable by-product of a global economy capable of generating spectacular wealth but also massive human misery.

The ICFTU has made the ending of poverty a key theme of its campaign on globalization, which was launched on 1 May 2003 and is designed to bring respect to workers everywhere. In this, we look to the ILO, not just as a partner in the international system, but for leadership. 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.

Above all, the ILO's essence is that it recognizes human beings as active subjects and not passive objects, and so it is with trade unions too. They are indispensable tools that allow working women and

men to participate in society and to get out and stay out of poverty. They change power relationships, challenge injustices and deepen democracy; that role can prove inconvenient for some and it has always been contested. When unions first began and were hardly more fashionable in some quarters that they are today, "opinion makers" were already preaching the virtues of individual initiative and entrepreneurship, to the exclusion of collective action and regulation, claiming them to be sufficient to bring wealth and accomplishment to individuals and societies alike.

Today, the vast majority of the world's workers are trapped in the margins of society, without rights or the minimum for decent lives, in what we know as the "informal economy". As the Director-General says, they are not there by choice, but of necessity, the necessity imposed by the imperative of survival. He also argues, and we agree, that informality is a governance issue and this is crucial to our approach to ending poverty.

Governance is a threshold issue for progress. No matter how many social and economic ambulances are dispatched to assist those in the grip of deprivation, they can never substitute the absence of governance through a responsible and responsive state and everything that that implies.

To work out of poverty, people need to be able to assert their rights and to exercise them, above all the right to organize. A form of governance that is void of informality presents formidable obstacles to this and also make it easier for the more affluent to ignore, tolerate and finally forget the conditions in which so many of their fellow beings exist.

The very rationale of trade unionism commits our organizations to tackle poverty everywhere. The ICFTU stands firmly by that commitment. The misconception that trade unionism can have no role in the informal economy can be sustained by the notion that informality is permanent — our poverty and powerlessness too.

And the accompanying myth that trade unions are, and have to be, defenders of privilege is itself most frequently broadcast from the high ground of privilege.

The Director-General has done a great deal in his report to remind us of our responsibilities and also our opportunities to put an end to poverty. It can mark a new beginning, but only if we are all ready to take up the challenge of bringing hope to the world's poor so that they, too, can move forward and live decent lives in freedom, justice and dignity.

Mr. MOGAMI (*Minister of Labour and Home Affairs, Botswana*) — Allow me to preface my remarks by extending, on behalf of the Botswana delegation and on my own behalf, my warmest congratulations to the President and the Vice-Presidents on their election to preside over the 91st Session of the International Labour Conference. Please accept my best wishes in the task ahead.

I appreciate the opportunity to participate in the discussion of the Director-General's comprehensive report *Working out of poverty*. It is noteworthy that the report puts a lot of emphasis on the world of work as "the key for solid, progressive and long-lasting eradication of poverty". Indeed, a couple of years' ago, we adopted the Decent Work Agenda as the best route to eradicate poverty. This session of the Conference presents us with yet another opportunity to reflect on the validity of this approach. The Report of

the Director-General serves to facilitate the pursuit of our objectives. It is yet another reminder of the obligations of the ILO and hence our obligations, as the constituents of the ILO, to rescue mankind from the poverty trap and to pave the way for the prevalence of social justice and peace in the world.

Reference to “the persistence of poverty as a moral indictment of our times” in the Director-General’s Report is befitting in the modern world where an abundance of wealth exists side by side with abject poverty. There is consensus among those affected and the interested parties that the level of poverty in the world today is unacceptable. Much has been said about the need to reduce, if not eradicate, poverty in the world. Promises have been made by those who have the power and the means to make a difference. What is lacking is meaningful action, and a commitment to bridge the gap between promises and action.

Botswana is committed to the eradication of poverty. Poverty in Botswana is, in many respects, a structural problem, traceable to the country’s narrow economic base, a small domestic market and limited income-generating opportunities through wage and self-employment. Other frequently cited causes of poverty include drought, lack of education and skills, lack of productive assets, the decline of traditional support mechanisms such as the extended family and problems related to market access and low producer price.

We perceive poverty as a major obstacle to the attainment of the objectives of our National Vision 2016 which, among other things, envisages a society free from the ravages of absolute poverty. Consequently, several direct and supportive programmes to address the incidence of poverty have been undertaken. The focus of most of these programmes has been the creation of employment opportunities, empowerment of citizens to enable them to seize economic opportunities in the country, provision of assistance to citizens who are unable to earn their livelihood on their own, and the creation of rural-based social and economic infrastructure. In addition, our Government commissioned the preparation of a National Poverty Reduction Strategy in April 2002 in order to provide focus for action to tackle poverty by the Government and stakeholders.

Substantial investment in education and health has resulted in some progress against poverty. However, the advent of HIV/AIDS is threatening to derail the achievements pertaining to health. Another effort in the fight against poverty is the launching of the Citizen Entrepreneurial Development Agency (CEDA) programme two years ago. This programme provides financial assistance to citizens for the purposes of investment and development of entrepreneurial and management skills. Botswana also has a long tradition of participative governance, with structures which are potentially geared towards allowing citizens to participate effectively in policy formulation and implementation. These structures, which exist right down to the village level, augur well for building partnerships and for enhancing ownership and commitment to the implementation of poverty reduction programmes.

Some onerous challenges, however, remain to be overcome. Botswana’s capacity for attracting direct investment and mobilizing private domestic investment has come under intense pressure as a result of the globalization of the world economy. This is so

notwithstanding the country’s substantial investment in the creation of a macroeconomic and political environment that is conducive to foreign direct investment and economic expansion and diversification. However, with the introduction of CEDA, prospects for mobilizing domestic investment to spur economic activities and generate the level and types of employment required for reducing poverty are promising. Concerning social protection schemes and social safety nets, issues of their efficiency, adequacy and eligibility require attention as they tend to have an impact on their effectiveness.

The debate on poverty reduction must recognize that whilst poverty may be a common phenomenon across the world, its magnitude and the challenges it presents differ from region to region. In some parts of this world, close to half the population lives in poverty, which is concentrated in rural areas where the majority live and affects female-headed households the most. It therefore remains a challenge for the ILO to devise strategies for intervention to address these problems if it is to remain relevant to its constituents. For this reason, we share the view that there is a need to debate further the policy on budget growth, given the increasing demands on the mandate of the ILO. Indeed the current disproportion between the regular budget and extra-budgetary sources is worrisome.

Finally, for those of us who come from developing countries, human resource development is an important aspect of a meaningful approach to combat poverty. I am therefore hopeful that the debate on learning and training for work in the knowledge society, which is under way in one of the committees of this session of the Conference, will benefit our efforts in this regard.

Ms. FILATOV (*Minister of Labour, Finland*) — First of all, I wish to present my sincere congratulations to the President on his election. I also warmly welcome the re-election of Director-General Somavia to his second term in office.

Once again the Director-General has presented to the Conference a remarkable, very thought-provoking Report that merits detailed study. In “working out of poverty” on the road to stable growth and more equal well-being, the development of a firm knowledge base and skills of the individual is a key issue, both in developing and developed countries.

The Report reminds us that, despite progress made, there is still an urgent need to deepen ILO’s cooperation within the United Nations family and with the international financial institutions.

I welcome the ILO’s Global Employment Agenda. It aims to place employment at the heart of economic and social policy at both national and international level. Hopefully, it signals a coordinated approach by the ILO and the international financial, development and trade institutions.

In the Finnish Government’s new programme we reiterate our commitment to promote the values of human rights, equality, equity and security that lie at the heart of our society and the ILO. The main objective of our Government is to develop our welfare society by creating new employment opportunities that will reduce unemployment by improving the provision of basic services and income security.

Alongside improved preconditions for an active employment policy and entrepreneurship, the achievement of our set employment targets requires

that cooperation based on collective agreements be continued and intensified, particularly with labour market organizations.

In our society, the security of individuals and families, traditionally resting on the notion of stable employment relationships, is somewhat eroding. This is reflected, *inter alia*, in the increase of fixed term and temporary work. There is a tendency for women to be over represented in temporary employment.

I recognize that flexibility is needed in the world of work but, if carried out in a summary manner, it may lead to daunting consequences. It may create an atmosphere of constant worry and insecurity affecting the worker's well-being, health and productivity.

Occasional work will not secure an adequate basis for living or pensions in old age either. Social security schemes at their best can, but only barely cover the needs. It is — once again — women in particular who will be hit hardest if this development is not kept in check.

I also have doubts that occasional work will serve to boost the dedication to employment, innovation and creativity so urgently needed in the global set-up of the information society. To achieve a more sustainable course, national policies will have to be developed accordingly, but to support national policies in this regard international cooperation is also called for. The ILO is the natural forum for such work.

Mr. President, the Director-General reminds us that acceptance of poverty is an expression of a loss of fundamental human values. This observation strikes me deeply. The respect for core labour standards and equality in working life are matters of fundamental importance. These we have agreed upon and yet poverty is not declining.

Poverty is a multidimensional problem, needing multidimensional solutions. The Millennium Development Goals form a comprehensive framework for development and poverty reduction. The ILO has a crucial role in promoting and implementing these goals. Poverty Reduction Strategy papers offer an operational tool for development. We welcome the ILO's active participation in this process.

Original French: Mr. THYS (*representative, World Confederation of Labour*) — We are currently witnessing an unprecedented deterioration in the human condition. Poverty and social exclusion are on the increase, social and labour laws have been weakened, the gap between the rich and the poor is growing, poverty is becoming more and more prevalent among women, the role of the State as a social safety net is disappearing and the quality of employment is deteriorating rapidly. At the same time, multinational companies and international financial and economic institutions are acquiring more and more power to the detriment of the States. Citizens are gradually losing the sovereign and democratic power to take their own decisions. Economic, financial and trade laws take precedence over human rights. The World Confederation of Labour considers that this situation must be reversed by establishing genuine social justice, capable of restoring human beings to their rightful place. This new order should be established with respect for pluralism, identities, cultures, and ideological, political or religious convictions. The World Confederation of Labour is convinced of the need to create decent jobs which provide all persons with their rightful dignity. We believe that global gover-

nance 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. The world of work should receive special and differential treatment, given the importance of employment for the welfare of all men and women.

Once again, we would like to highlight the importance and necessity of promoting international labour standards as a paramount and indispensable element in the fight against poverty and promotion of sustainable development. The World Confederation of Labour considers that poverty is a challenge for all advocates of social justice and sustainable development. We believe that genuine social justice is the only means of maintaining lasting and stable peace. The World Confederation of Labour rejects neo-liberal policies which neglect and even try to eliminate the social dimension of globalization.

We propose the creation, within the United Nations system, of an economic and social security council, whose brief would be to regulate globalization at the socio-economic level. The World Confederation of Labour is opposed to the diktats and policies of international financial institutions and demands, at the same time, a counter weight designed to address the social dimension of globalization. We believe this role should be played by the ILO.

We hope that the conclusions of the World Commission on the Social Dimension of Globalization will help steer us towards global governance. We would like to express our conviction of the need to enhance the ILO standards activities with a view to achieving a new, flexible and strengthened model, designed to streamline the workings of the various control and monitoring mechanisms for the Conventions and Recommendations.

Our Organization is convinced that only by strengthening the standard-setting and monitoring mechanisms of the ILO will it become possible to establish a new equilibrium, in which economic, trade and financial laws, are subordinate to basic human rights.

I urge the ILO to step up its efforts to raise its profile in relation to the institutions currently leading the globalization process, and to establish tighter monitoring mechanisms on the economic and financial policies of these institutions, which, directly or indirectly, affect the lives of millions of workers all over the world.

Finally, I would like to conclude by stating that our Organization absolutely rejects all forms of terrorism, and by asserting that no war can be just when it is designed to protect economic interests. For justice to become a reality, basic human rights and freedoms must be respected. Respect for internationally agreed rules is essential in order to guarantee those basic rights and freedoms, and in order to ensure a better world, in which people might live in lasting peace.

Original Russian: Mr. NAGHIYEV (*Minister of Labour and Social Protection of Population, Azerbaijan*) — I would like to express my appreciation for the Report presented to us and the subjects for discussion which, once again, confirm that the ILO's activities have the specific objective of promoting social justice. I also join previous speakers in congratulating Mr. Somavia on his re-election as Director-General of the ILO.

The question of how to reduce unemployment by creating productive and decent jobs is one of the key elements in solving employment problems. These problems have recently become more acute in many countries.

As a result of government decisions over recent years which have been aimed at achieving macroeconomic stability, improvements in the socio-economic situation in Azerbaijan have begun to be seen. At the same time, Azerbaijan has some unique features which are not shared by other countries. The political and socio-economic changes are taking place against a backdrop of over 12 years' continuing aggression by Armenia which has led to the occupation of over 20 per cent of Azerbaijan's territory, the loss of some 4,000 industrial and agricultural enterprises and over 300,000 jobs. As a result of this aggression, one in eight people in Azerbaijan is a refugee or a displaced person. This naturally compounds the country's employment problems.

The Government is taking many measures to develop the employment system, in terms both of legislation and administrative procedures, in order to reduce poverty by stimulating the creation of productive and sustainable employment. The National Programme for Poverty Reduction and Economic Development, which was adopted this year and also aims at economic development, is devoted mainly to employment issues. How fully and effectively these problems are addressed will largely determine the future development of our country.

This problem in our country is increasingly receiving attention from international organizations. Jointly with the UNDP and the ILO, we have begun to develop an employment strategy which will define new government initiatives in this area. Employment policy in Azerbaijan is based on a range of economic, social, demographic and other factors impacting on the level and effectiveness of employment. In order to increase employment and enhance its quality, policies must be geared to maintaining macroeconomic stability. A particular focus is on development of the non-petroleum sector, labour market institutions, job fairs, labour exchange development, and employment for disabled workers, young people, refugees and displaced persons. In order to ensure coordination of employment measures with other aspects of economic and social policy, the Government is working more closely with trade unions and employers.

This Conference gives a new political impetus to, and trains a spotlight on, issues requiring international cooperation and steps taken at the national level to develop employment.

It was once assumed that globalization would benefit all peoples. However, despite real progress in terms of average growth and other indicators, the benefits of this progress remain unequally distributed. Enormous progress in certain developed countries has been accompanied by growing poverty and inequality in less developed regions. This is hardly likely to lead to social harmony or productive prosperity, which is so vital for social development.

In the light of this, I would like to draw your attention to the following. As a result of the increasing interdependence of countries, the international economic situation must promote employment and poverty reduction. In this context, donor states and international organizations must review the social costs of restructuring and seek ways of providing support to

longer-term projects to facilitate the development of employment in transition countries.

The increase in productive employment must take place in a context of globalization. The efforts of developed countries must be directed at improving the transition countries' access to their export markets. For example, Azerbaijan produces many things for which there might be a demand in developed countries. We must continue to increase investment in the quality of the workforce, diversify exports and constantly adapt to the changing economic conditions of the world market.

It is essential that country programmes take account of national characteristics expressed notably in ethnic and cultural values which impact on the effectiveness of implementation of such programmes. Under these conditions, on the basis of national priorities and the potential for solving employment problems, it is essential to take into account the state of development of the main employment decision-making mechanisms and the global experience.

In conclusion, I once more thank the organizers of this Conference for the excellent working conditions.

I also thank the ILO leadership and the Director-General, Mr Juan Somavia, for their support and increasing cooperation with Azerbaijan to ensure the implementation of ILO principles and development of social foundations in my country.

Mr. SWEENEY (*Workers' adviser and substitute delegate, United States*) — At the AFL-CIO in the United States, we are pleased that the Director-General has focused his Report on reducing and eliminating poverty by the most effective way now, and that is by making sure that every human being who wants and needs a good job can find one. The Report is factual and forthright, noting candidly, and I quote, "never have we seen so much wealth while so many continue to live in abject poverty", and the Report artfully catalogues our mutual failures: ineffective economic and social systems, inadequate political responses, bankrupt policies and insufficient international support.

Tackling the scourge of poverty requires a range of policies, resources and, above all, a determined political will. The Director-General's Report underscores the ugly fact that while globalization has created some very wealthy winners, it has resulted in a dramatic increase in poverty and this demands dramatic action.

Even in the United States, the richest nation in the world, poverty is increasing; our wage and wealth gap is wider than ever and this gulf is bigger than in any of the industrialized countries. In my home town of New York, for instance, there are 25,000 people who earn more than US\$20,000 a week and 4 million people trying to raise families on less than US\$20,000 per year. Because of the low road our economy has been driven down, unemployment in the United States is at 6.1 per cent, the highest it has been in eight years. Many have lost health care as well as jobs — 41 million people have no health insurance and 75 million people in America lacked health care coverage at some point in the last two years. We have lost more jobs than at any other time in the past 50 years — 2.4 million jobs in the past two years. Many millions of people have given up looking for work. In New York, there are 200,000 young men of colour under the age of 23 who are out of work, and our crime rate is climbing accordingly.

It is axiomatic that people cannot work out of poverty without work. The Director-General's Report appropriately outlines the approaches needed to eliminate poverty and reinforce the kind of sustainable development that creates good jobs, for example, through micro-financing credits for the poor, simplifying legal systems to help give small enterprises and self-employed workers access to titles and rights, rural and cooperative health and social initiatives, basic education and eliminating discrimination.

The Report also properly encourages the ILO to work with other United Nations agencies to utilize the special strengths of each organization. I also stresses 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.

I will add that the AFL-CIO also notes the importance of the ILO's unique and potentially potent contribution to the social dimension of globalization in the form of international labour standards. Nothing is more important in the struggle to eliminate poverty than the Declaration on Fundamental Principles and Rights at Work, because the freedom to organize together with others is still the most effective way for workers to guarantee their families an equitable portion of the wealth they help create.

We believe that the most difficult challenge to eradicating poverty lies in providing an environment where workers can freely organize in associations of their own choosing, where they can gain a voice at work, as well as in their communities and their government, through collective bargaining. All too often, and in all too many countries — including the United States — workers who try to form or join unions are intimidated, harassed, threatened, dismissed from their jobs, and worse.

Next year, the Global Report under the follow-up to the Declaration on Fundamental Principles and Rights at Work will focus on freedom of association, the right to organize and the need for more collective bargaining. We look forward to the impact of this Report.

The AFL-CIO especially commends the Director-General for highlighting the role that government corruption and unregulated business practices play in perpetuating chronic poverty. Such corruption is a danger to development everywhere. We must intensify our struggle to toughen ineffective regulations that allow top executives to loot their own companies, steal the pensions of the workers they employ and devastate entire communities.

We thank the Director-General for his Report and for his leadership, and we pledge our support for the Report's implementation.

Original Spanish: Mr. PALACIO BETANCOURT (*Minister of Social Protection, Colombia*) — Yesterday was our first opportunity to listen to the Report presented by the Director-General in which decent work and poverty were the main issues addressed. These issues, which are central and permanent issues on the agenda of developing countries, including my own, can be looked at from several different points of view. All of these are legitimate points of view. Nevertheless, there is no doubt in my mind that it is very different indeed to talk about poverty here in Geneva or in countries of the North than it is to live with pov-

erty in developing countries. What I am trying to say is that if our objective is not to hold long and unproductive discussions, but to undertake work so that we can effectively reduce poverty, the countries of the South as well as the North will have to be better, further and more equally integrated. Furthermore, multilateral organizations, amongst them the ILO, must become more horizontal, that is to say be more proactive and more effective in dialogue with institutions such as the World Bank and the International Monetary Fund.

It is true that in this age of globalization, we Ministers of Labour must play an active role in the discussions that are carried out with regard to treaties or trade agreements. For every treaty we discuss or sign, we must have a social balance allowing us to analyse its true impact on society and, logically, on the world of work. We must understand that treaties are signed not for themselves alone, but within the context of globalization which demands better coordination and communication between governments, employers and workers. This also requires better coordination in the length and breadth of our own continents.

All of this means that bodies such as the ILO need to understand that change also befalls their organizations and that, in this accelerated process of globalization, they have to develop and apply flexible and effective tools which will enable us to move from talk to action.

As the Director-General said yesterday, the main strategy to reduce poverty in the world is undoubtedly to create decent work. This means we have to have a great deal of imagination, creativity and above all the capability to act. Workers, employers and governments are involved in and committed to action and can, through bodies such as the ILO, flexibly against the background of the accelerating changes of globalization.

Moving away from the general subject addressed here, I would like to pass on to all of you the greetings of the Government of Colombia. The President and his Government are totally committed to social and economic development in our country. We know that we have serious and complex structural problems in Colombia, which are reflected in the social situation. This demands a great effort from all the players in society: We all — governments, unions, employers — need to be stronger and more democratic in order to find new ways to cooperate which, based on productive social dialogue, will lead to effective and efficient alternatives, enabling us to raise the standard of living of all Colombians.

Finally, I would like to publicly reiterate the commitment of the Colombian Government to its country, and recall that Colombia, as a country, is aware of its commitment to the international community and logically to bodies such as the ILO. This has been demonstrated, among other ways, by the presence of the Vice-President of the Republic who, among others, is here today at this assembly of the ILO. The results which we will be presenting to the Committee on the Application of Standards on Thursday will show the efforts of a Government committed to the present and the future of our country. To you, Mr. President, to unions and to workers in Colombia, we would like to make an appeal so that together we can all understand the responsibility we have and respond to it. Only in this way can we leave a better world to our children.

Mr. FONG (*Minister of Human Resources, Malaysia*) — At the outset, allow me to congratulate the President on his unanimous election to preside over the 91st Session of the International Labour Conference. Allow me also to extend my congratulations to the Employer and Worker Vice-Presidents on their election. I am confident that under their wise and able leadership, this session will complete its business in a fruitful and efficient manner.

I would also like to join the speakers before me expressing my warmest congratulations to Mr. Juan Somavia, the Director-General of the ILO, on his unanimous re-election for a second term. We commend the Director-General for his excellent work and substantive accomplishment.

My delegation is pleased that for three consecutive years the Director-General has come up with very innovative Reports that are visionary and long-term in outlook. The first Report was on decent work, which includes promoting rights at work, employment and enterprise creation, social protection and social dialogue, all of which are undeniably fundamental to decent living. Malaysia fully supports that the Decent Work Agenda be continued. In fact, it needs to be aggressively pursued, as it is an essential part of the solution to break the cycle of poverty. However, States must be allowed to set their priorities and the speed at which each of these components can be achieved.

The Director-General's second Report on reducing the decent work deficit raised our awareness by examining the gap between people's aspirations about work and reality. At this 91st Session the Director-General has laid out the ways for us to eliminate and eradicate poverty.

The eradication of poverty through sustained and accelerated economic growth and the empowerment of our people through education remains the overriding priority for developing countries. This would in turn create much needed work in developing countries, which would serve as the best route out of poverty, a view shared by the Director-General in his Report. Malaysia believes that skills and knowledge are essential to improve productivity, income and access to employment opportunities. Continuous retraining of the workforce is indeed an imperative for survival in today's globalized trading environment. It cannot be emphasized enough that knowledge and skills are essential commodities that empower an individual to stay competitive and be employable and enable him or her to stand up for his or her rights.

In this regard, the Malaysian delegation welcomes the efforts undertaken by the ILO to replace the present Human Resources Development Recommendation, 1975 (No. 150), with a more dynamic instrument that is more applicable and more useful to member States and their social partners. This is most appropriate in the wake of globalization and associated developments in the economy, in labour markets and in the world of work. However, it is hoped that this process of replacement will take into consideration the suggestions raised by members of the Committee on Human Resources under the fourth item on the agenda.

The report *Time for equality at work* warns that failure to tackle widening socio-economic inequalities in the world of work not only amounts to accepting a waste of human talent and resources but could have

disastrous effects on national social cohesion, political stability and hence growth in the years to come. This is the most challenging task of contemporary society and it is essential for social peace and democracy.

The Malaysian delegation agrees that this gap must be closed. Failure to deal with discrimination at work will mean greater difficulty in dealing with challenges, especially the social dimension of globalization and the need to accommodate diversity. Discrimination can also perpetuate poverty, stifle development, productivity and competitiveness, and ignite political instability.

Malaysia regrets that discrimination against vulnerable groups, such as women and people with disabilities, still exists. To show its commitment to protecting these groups, the Government of Malaysia has established the Ministry of Women and Family Development to enhance the role of women in nation building in Malaysia.

Globalization will radically change the social, political and economic order of things as we know them. Certainly it will have a tremendous impact on the life that we lead as workers and employers and also as governments. For this reason, globalization must be guided so that it can benefit everyone. Efforts must be directed at assisting the least developed parts of the world to manage the negative effects of globalization. Globalization should not be about business only, but it should be about the well-being of everyone.

Taking into account the difficult and uncertain economic environment in many countries, the call for support from the ILO is increasing. In this context, Malaysia hopes more technical assistance will be extended to the Asian region in the future.

Original Russian: Mr. MILOVANOVIC (*Minister of Labour and Employment of the Republic of Serbia, Serbia and Montenegro*) — At the outset I would like to express our warmest congratulations to Mr. Somavia on his re-election to the post of Director-General of the International Labour Organization.

Two years ago, I had the honour to address the International Labour Conference as representative of the new democratic authorities of the then Federal Republic of Yugoslavia.

Today, I have particular pleasure to speak before you as the Serbian Minister of Labour and Employment, representing our new State, the State Union of Serbia and Montenegro.

We have formed a fully-fledged tripartite delegation, equally represented by the representatives of the social partners and the Government.

Today, we discuss the Report of the Director-General, Mr. Somavia, entitled *Working out of poverty*. To work out of poverty is a tremendous task for a country such as mine, which has embarked so lately on the transition process and is having to struggle with problems of political and social stabilization.

This struggle became ever more obvious with the assassination of Serbian Prime Minister, Mr. Zoran Djindjic in March this year. After this tragic event, Serbian people gathered even more tightly around the democratic forces in the country. I can assure you that there will be no retreat from the path of reforms and transition we have embarked upon.

Poverty is indeed a big problem in our country, and our Government is therefore working on a Poverty-

Reduction Strategy Paper. The Director-General's Report tells of the complexity of this task, and I agree that "all elements of society will have to work together" in order to solve this complex issue.

But, as Minister of Labour and Employment, let me stress the importance of providing decent work to all persons seeking employment. We in the Government will, however, invest all our efforts to improve working conditions and provide more and better employment. I think we can fully rely on the tripartite cooperation we established towards that end.

Our task is particularly difficult within an international economic environment of low growth and stagnation. These are hardly favourable conditions for transition to the market economy and implementation of the structural changes in our country. Over the next two years, we are planning to privatize all our publicly owned enterprises. However, these steps will certainly aggravate the problem of unemployment.

To respond to these challenges, we are planning to set up a national employment strategy in line with the European Union Employment Strategy, especially focusing on combating youth and long-term unemployment and on the problems of restructuring big enterprises during and after privatization. We want to attract more private foreign direct investment, encourage domestic investment into our economy and support the creation of new enterprises.

Another big challenge is the large informal sector of our economy. The policy of the Government of the Republic of Serbia is directed towards creating incentives for enterprises and workers to get out of the grey economy. At the same time, we are stepping up the fight against black labour. We are aiming to establish an integrated labour inspection, including all occupational health and safety services.

In this connection, I would like to thank the International Labour Organization for assisting us in drafting the concept of this modern inspection. The United States has agreed to fund this project, and I very much hope that the ILO services will participate in the tendering procedure.

Two years ago, I expressed my hopes for deepening cooperation with the ILO in the field of normative, scientific and practical methods to improve economic and social development. Today, I am very happy to inform you that our cooperation with the ILO has developed successfully. We have established not only the cooperation mentioned in the field of labour inspection but also deepened our cooperation in law drafting to establish tripartite cooperation in Serbia. The newest example of this cooperation is the ILO assistance in our common project with the Austrian Government on improving the employment of disabled persons in Serbia.

Allow me, therefore, to thank you, Mr. Somavia and your staff, for the great commitment to our country, and I can assure you that Serbia and Montenegro are determined in their efforts to preserve the fundamental principles of social justice and tripartite cooperation in the spirit of the ILO Constitution.

(Mr. Muhaisin takes the Chair.)

Mr. LIPTAPANLOP (*Minister of Labour, Thailand*) — I am very pleased to be here at this distinguished gathering. First, I would like to congratulate the President on his election. I am sure that he will

guide us through our deliberations at this forum with diplomacy and grace.

I wish to thank the Director-General for his Report to the Conference. Linking efforts to reduce poverty and stimulate the economy with the world of work are critical to globalization and development.

In Asia, millions of workers are not able to find decent work. Governments are trying to promote rights at work and encourage a wider social dialogue — the necessary foundation for decent work within the broader development agenda.

There are two points I would like to make. First, following up on the Thirteenth Asian Regional Meeting, national action plans for decent work need to be created, put into action and monitored. Information sharing must be transparent and up to date, both on labour and employment issues and on the impact of policies, programmes and activities at all levels.

Second, a globalized economy requires improved national competitiveness. The world of work and the business sector need better human resource management, understanding of the knowledge economy, and quality and productivity improvement.

Thailand has made efforts to promote decent work. Through programmes such as the Expansion of Employment Opportunity for Women (funded by the Government of Japan), the ILO has given us strong support. My Government is now planning a joint project with UNIDO and the ILO to develop entrepreneurship in micro- and small enterprises, to promote job creation and self-employment for our workforce and to increase income for our people. Development of this informal sector requires new skills, such as modern management techniques.

Promoting safety in the workplace, providing social protection for workers, and helping enterprises gain acceptance in society are priorities of the Thai Government. We are preparing to set up an institute to promote occupational safety and health and a proper environment in the workplace. Social agents and local-level groups will be encouraged to join the partnership in this effort.

In addition to job creation, the Government of Thailand is concerned about social protection. Recently, the Cabinet decided to launch an unemployment insurance scheme.

On the issue of rights at work, the Minimum Age Convention, 1973 (No. 138), is awaiting Cabinet approval, and we are seriously considering ratification of the Occupational Safety and Health Convention, 1981 (No. 155), the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). The Thai Government has set aside about 5 million baht to study the readiness of Thailand to ratify Conventions Nos. 87 and 98 to bring our law and practice into conformity with international labour standards.

New forms of labour management relations are being developed to strengthen and encourage the relationship between workers and employers. Gender equality has been given increased priority in social and economic policy and development projects.

The migrant worker is an issue of growing concern. Globalization and the liberalization of trade and investment have led to the freer movement of workers within and across borders. Attention is being paid both to the needs of migrant workers and foreign workers in Thailand and of Thai workers going

abroad. We are currently negotiating with receiving countries to improve working conditions and protect our Thai workers. We are also ensuring that foreign workers in Thailand are properly documented and employed under the agreed terms and conditions.

We ask that the ILO help us to study this issue and provide support to both sending and receiving countries on the issue of migration for employment.

The Thai Government is committed to the promotion of decent work for all, to reduce poverty and to enhance economic and social benefits. There is still much work to be done. We ask the ILO to provide technical support and secure the necessary financial resources to plan, implement and monitor decent work strategies to fight poverty and exclusion.

Success in our efforts cannot be achieved without the close cooperation of all stakeholders. We must raise awareness in society and encourage broad participation. I urge the member States, through the ILO, to find creative ways to share experience and best practices and to network more effectively so that we can achieve common understanding for mutual benefit.

On behalf of the Government of Thailand I wish to express our sincere gratitude to the ILO for its active role and commitment to improving the lives of all working people and the development of our countries.

Original Russian: Mr. SHMAKOV (Workers' delegate, Russian Federation) — First of all I would like to congratulate the Director-General of the ILO on his Report's reflection of the profound and multifaceted nature of the important global problem represented by the interaction of decent work, sustainable development and poverty eradication.

The Director-General is entirely right in saying that poverty cannot be eliminated by decree, or any kind of legislation, and that the road to prosperity is the result of sustained efforts by society as a whole. Within the framework of the ILO the international community is represented by three components of social dialogue which are, in the first instance, responsible for successfully combating poverty through universal implementation of decent work and sustainable development as well as social and economic development.

We are convinced that this can be achieved only when all the three constituents of social dialogue and, above all, governments and employers, who take the main economic and social decisions, assume their full responsibility to rise to this global challenge.

Poverty has many causes, it can be a lack of resources, a low level of development, dependent on objective or subjective factors, or inadequately developed production relations.

In the Russian Federation poverty has been a pressing issue for over ten years and poverty in the Russian Federation has a special national characteristic: some 30 per cent of Russian workers are the working poor, since their salary level not only fails to provide them and their families with a decent standard of living but is below the subsistence wage in the country. Yet, Russia has natural and human resources that make it one of the world's richest countries. The wasteful distribution of produce and violations of workers' rights leads to a situation where most workers have an income lower than the minimum survival level, which worsens the disintegration of society. The

situation of single pensioners and unemployed people is even more serious. Today the ratio of the legal minimum wage to the minimum survival wage in the Russian Federation is only 25 per cent. The Russian Federation's trade unions believe that this situation cannot be allowed to continue; however, despite workers' protests, the Government and the legislators are in no hurry to find a solution, although the cost of living continues to rise.

The European Union recommends that the minimum wage be 60 per cent of the average, yet in the Russian Federation this ratio is only about 10 per cent. The situation of the Russian workers is also worsening because the minimum wage does not take into account family responsibilities, as recommended by the ILO, and the monthly state child benefit is extremely low.

In such a situation, social security takes on particular significance. However, the reforms being carried out by the Government of the Russian Federation now are very liberally oriented which threatens the entire social guarantee system in the country and this gives rise to serious concern in the Russian trade unions.

A significant problem in the Russian Federation is the generally low level of salaries. Even in transnational corporations in the Russian Federation, which sell their products on the world markets, pay levels are several times lower than in similar companies in developed countries.

In addition, the problem of arrears in wages has not yet been fully overcome even though salaries are the only source of income for most of the population, although, over recent years, two-thirds of wage debts have been paid off as a result of joint efforts by the trade unions, the Government and the employers, and this is in many ways thanks to assistance by the ILO under whose auspices the problem was considered several times at meetings of the Committee on the Application of Standards.

In the Russian Federation there is a saying that poverty is not a sin. The Russian trade unions disagree. We believe that poverty is a sin not on the part of the individual in economic difficulties, but a sin on the part of society as a whole, since it represents a barrier blocking the way to sustainable development for all peoples and for the human race as a whole. For this reason poverty must be eliminated universally and for all.

Original French: Mr. AKOUETE (representative, Democratic Organization of African Workers' Trade Unions) — I would like, on behalf of all African workers affiliated to the Democratic Organization of African Workers' Trade Unions, to congratulate the Director-General on his re-election to a second term and to congratulate the President of this session of the International Labour Conference on his election.

The Report of the Director-General covers a subject which is of interest on more than one front for our organization because it relates to a scourge which we are trying to tackle and eradicate every day in our capacity as an organization of African workers. Poverty and its consequences are vicious and pernicious and affect African workers very hard. This state of affairs will probably go on for many years if a long-term solution is not found. So it is worth noting that the remedies proposed by the financial institutions have not been adequate to eliminate poverty in Africa because

very often they are applied without taking into account the human factor and the realities of life in Africa. Furthermore, it is edifying to see that globalization only benefits a minority made up essentially of multinationals from the northern countries which amass wealth, whereas the workers in the southern countries where they are located become mired ever deeper in poverty.

The economic and social divide which already exists between northern and southern countries is widening every day and in this way exacerbating social inequality, and if nothing is done the entire world will suffer because we have to bear in mind one of the edicts of the Declaration of Philadelphia “poverty anywhere constitutes a danger to prosperity everywhere”. Working out of poverty, therefore, is the daily “bread and butter”, as it were, of African workers who have a great deal of initiative, but the problem is linked to the financing of their initiatives, because financial establishments only lend to the rich not the poor. These initiatives are also blocked by the absence of state policies for micro enterprises.

As an organization defending the rights of African workers, we believe that the eradication of poverty can only be achieved through respect for the rights of workers and this respect requires that States should ratify and apply Conventions, especially the core Conventions. Financial institutions should set up economic policies with a human face, taking into account the realities and especially the genuine needs of the population in Africa. North/South cooperation and regional integration should allow the African States in to alleviate poverty. It is with this aim in mind that we feel that subregional organizations and the New Partnership for Africa's Development (NEPAD) should set up economic policies, taking into account social issues and the rights of workers. Total and unconditional debt forgiveness for poor countries is one effective way to eradicate poverty. We are convinced of that.

We cannot talk about poverty without mentioning the war in Iraq and its consequences for Iraqi workers. Everybody will appreciate that war breeds extreme poverty and this is why we demand that the Iraqi people and the United Nations be involved in restoring peace in Iraq.

The situation of Palestinian workers in the occupied Arab territories is extremely worrying, particularly with regard to the conflict that is dragging on in this region, and we should all be involved in a definitive resolution to this conflict.

We could not finish this speech without mentioning the scourge of AIDS, which was raised in the Report but not from the point of view of the drugs and treatment issue, which is of particular concern to African workers. The fact is that in the case of AIDS today, the drugs are in the north and the patients are in the south. To allow southern countries in general, and Africa in particular, to fight this disease we need access to cheaper drugs.

Original Spanish: Mr. DEL RÍO (*Workers delegate, Dominican Republic*) — Allow me to begin by congratulating the Director-General for his excellent Report and for his re-election, on behalf of the National Council of Trade Union Unity (CNUS), which comprises the four main trade unions of the Dominican Republic, namely the Single Confederation of Workers (CTU), the General Confederation

of Workers (CGT), the National Confederation of Dominican Workers (CNTD) and the Autonomous Confederation of Class Unions (CASC) — which is affiliated to the Latin American Central of Workers (CLAT) and the World Confederation of Labour (WCL) — and of which I am the Secretary-General.

Five years have passed since the adoption by the ILO of the excellent Declaration on Fundamental Principles and Rights at Work which restates the need for the respect of these rights to guarantee social justice in the world.

Despite the fact that our country has signed the eight Conventions that underpin this Declaration, many of these rights continue to be violated by sectors that have still not accepted the rights of men and women workers and especially the right to freedom of association.

The dramatic fall in the number of trade unions and, therefore, in collective bargaining continues to be a source of concern. It is proof that we need greater commitment from all the social partners in order to put an end to this basic violation of our rights.

Child labour continues to be an insult to our society, despite the huge efforts that we recognize are being made by the Government and by the Secretary of State for Labour, trade union organizations, business organizations and civil society, efforts that have received the help and cooperation of the ILO, through its IPEC programme, to eradicate this scourge at least its worst forms. However, the increased level of poverty in which the majority of our people are living, which contrasts with the figures provided by international financial organizations, brings its whole weight to bear on this vulnerable sector of our population, and means that thousands of our boys, girls and adolescents are becoming involved in the worst forms of labour instead of going to school and engaging in the recreational activities suited to their age.

This situation, which originated from the neo-liberal model which is encouraging the globalization of the economy, is not improving; in fact, it is getting worse as a result of the existence of an anti-trade union policy which is posing an obstacle to collective bargaining and therefore preventing the achievement of better living and working conditions. This has led to the closure of small and micro-enterprises and, in turn, to unemployment and the creation of assistentialist policies aimed partially at combating poverty instead of creating decent and dignified work. This difficult situation increases work in the informal sector, and consequently brings with it all the problems and lack of protection this entails.

Although equal opportunities and equal treatment are guaranteed in legal terms, in practice, women continue to join the labour force in more difficult and vulnerable situations than men and fragmentation is becoming more evident every day.

Despite all of these difficulties, we continue to progress along the path of dialogue and consultation and, as a result of this process, we are making progress in the implementation of the new law No. 87.01, which creates the Dominican system of social security which we hope to develop gradually in the hope that the whole population will be covered within a few years.

The subject of training is crucial for us, especially vocational training. With the employment sector, we are fostering a project on the recognition of qualifications, for which we will need the cooperation of the ILO.

Before concluding, I would like to say on behalf of my organization that I strongly oppose the flagrant violation of trade union rights that is taking place under the current regime in Cuba, namely the imprisonment and sentencing, together with other freedom fighters, of trade union leaders Pedro Pablo Alvarez Ramos, Secretary-General of the United Council of Cuban Workers and sentenced to 25 years' imprisonment; and Oscar Espinosa Chepe, sentenced to 20 years; Carmelo Fernández, sentenced to 15 years and Alfredo Felipe Fuentes, sentenced to 26 years — all condemned for demanding their rights in accordance with the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87). We formally request the mediation of the ILO so that Cuba will apply Convention No. 87 on trade union rights in practice and so that these people, who have been unjustly sentenced, will be released.

The world of today needs more institutions like the ILO to ensure and promote trade union freedom and peace as the result of social justice.

The Preamble to the ILO Constitution of 1919 is more present and necessary than ever before. Universal and permanent peace can be based only on social justice.

Original Arabic: Mr. AL KUHLANI (*Workers' delegate, Yemen*) — In the name of God the Merciful, the Compassionate! I would like on behalf of the Yemeni trade unions to congratulate the president most warmly on his election as President of this important session. A session different from the others because it takes up one of the most important social questions of all, the eradication of poverty, as well as other questions which are equally important.

I would also like to congratulate the Director-General of the ILO on his election to a second term, the first having been characterized by a high standard of performance and development of its operating mechanism.

I would also like to mention the content of the Director-General's Report with regard to working out of poverty. Poverty is one of the most complex social problems that afflict our society, particularly developing societies. It is indeed a nightmare.

Poverty has spread during the last decades and has affected many of the world's peoples, including children who are the young people of the future and the generations of the future. The main reason for this phenomenon can be found in the effects of globalization, which has neglected the social and human dimension and curtailed much of the economic development and national resources. This has led to increased illiteracy among young people, rising unemployment rates, demographic explosions and exacerbation of the phenomenon of child labour. The Report addresses all these issues and many others as well. It proposes various solutions, taking into account the social dimension, economic development, job creation and reduction of the phenomenon of child labour.

The adoption of strategies for the years to come is extremely important, and this will be particularly relevant for economic and social networks in developing countries. We need to create jobs and encourage investment and strengthen the role of the trade unions so that they can defend the need for education and social rights, among others.

A tripartite dialogue is essential to tackle these problems. Trade unions must be represented as a proper social partner and be involved in decision-making in all matters concerning the various economic and social aspects. There cannot be any economic development without social partnership.

Yemen has made progress with regard to the development of democracy and human rights. The parliamentary elections of 27 April 2003, were unprecedented in terms of transparency and performance. The Yemeni trade unions played a very prominent role in monitoring the elections. The total number of local observers was about 30,000 persons, 20 per cent of whom were trade unionists from various regions. This helps us to build a country founded on institutions and increases the scope of participation. The Yemeni trade union movement has achieved much. Laws have been promulgated governing trade unions, taking into consideration international labour norms, human rights conventions, freedom of association, freedom of expression and collective negotiation. We are working closely with the employers and the Government to develop legislation on labour, social security, retirement and pensions.

I would like to thank the Director-General of the Organization, the Governing Body and the Beirut Regional Office, particularly the department which covers workers' activities, for the technical assistance that they have afforded us. This has allowed us to develop the capacities of the trade unionists, particularly of female trade unionists.

We attach great importance to the rights of workers in the occupied Arab territories because of the difficult circumstances created by the Israeli occupation. We have witnessed the demolition of houses and forced migration of workers. We have seen this in south Lebanon, Iraq and Syria as well. This situation cannot lead to future security or stability, but is in fact exacerbating the conflict. It is a flagrant violation of all international norms and human rights.

Original Spanish: Mr. ECHEVARRÍA SALDARRIAGA (*Employers' adviser and substitute delegate, Colombia*) — On behalf of the Colombian delegation, I would like to join those congratulating the President on his election to preside over this session of the Conference, and I would like to extend these congratulations to all the Officers of the Conference. I would also like to congratulate the Director-General on his re-election at the March session of the Governing Body — he can count on our full cooperation when carrying out his mandate.

We see the Report submitted by the Director-General this year as a continuation of the two Reports looked at during the last two sessions of the Conference. The fight against poverty has to be looked at in a holistic fashion and discussed particularly in a tripartite manner, according to the constituents and objectives of the ILO.

Furthermore the search for better living conditions for people with precarious incomes is an objective that must be developed not only by the ILO, but by all of the organizations within the United Nations system, particularly through their various programmes and special activities.

Poverty reduction is a human objective and as such we should join efforts to achieve this goal. The ILO must help to achieve this, but this does not mean that

the Organization should be called upon to save the world from poverty.

The Director-General makes reference to many ways of combating poverty, but given the limitations of time I will only refer to one in particular, namely the support that this house can give to various governments to remove the obstacles which exclude countries from the globalized world. There is no doubt that technical cooperation and social dialogue are fundamentally important tools for reinforcing governance, eliminating corruption, cutting through red tape when setting up businesses and improving qualifications, productivity and training in the workplace.

The ILO should cooperate in initiatives which encourage governments to establish policies which will lead to an improvement in physical and communication infrastructures; better use of fiscal resources through a combination of appropriate discipline in public spending and tax reductions; the recognition of the right to private property and private initiative; the promotion of employment and enterprise policies; and facilities for credit, particularly for small and medium-sized enterprises. I could mention other activities, but these are in themselves a great task for this Organization to take on, based on the idea that decent work results from creating suitable conditions for productive investment, which is obtained when the activities I have mentioned are carried out.

In addition, in Colombia we very much have to bear in mind one factor which is fundamental for economic growth and social welfare. Here, I am referring to security, not just personal security but also economic and legal security. Important progress has been made recently in this direction.

In the monthly survey carried out by ANDI among Colombian entrepreneurs, when asked about insecurity, this issue went from being the second biggest problem to being the fourth biggest problem they were faced with last year. There is a greater feeling of state presence which has generated more confidence, not just in domestic consumption but also in productive investment. Violence has decreased across the board, even as regards the murder of trade unionists. These effects have been reflected in the rise in GDP, which went up by 3.8 per cent in the first quarter of this year; we have not seen such growth in our country for more than eight years.

It is very important to emphasize that it has not only been the State and the legal reforms that have strengthened public finances and increased employment opportunities.

The ILO has also played an important role through the technical cooperation programme established by the Governing Body two years ago. In the business sector, we have always maintained that instead of sanctions Colombia needs support from the international communities so as to strengthen democratic institutions and combat the problem of armed internal conflict, which indiscriminately affects all sectors of society. As part of this cooperation programme, the employers have held meetings in various cities of the country to raise awareness in the ILO Declaration on Fundamental Principles and Rights at World. During the course of this year we have organized various regional workshops among employers to discuss alternative methods for resolving labour disputes. With the support of the ILO, we hope, in the second quarter of the year to present a proposal on arbitration to the Tripartite Labour Coordination Committee.

The idea is to find rapid solutions to individual or collective disputes. Maybe in this area we need to improve the effectiveness of the Inter-Institutional Committee for resolving cases presented before the ILO. By working together, we workers and employers, with the support of the Government, could avoid the need to have rulings from Geneva on many matters that we could have settled in Colombia.

Lastly, I would like to say that we, as social partners, are called upon to strengthen democratic institutions and to reject violence, and dialogue is the best way to achieve this.

Original Spanish: Mr. GURDIÁN CASTELLÓN (*Minister of Labour, Nicaragua*) — The Report of the Director-General this year confirms that the ILO shares the concern of all of us at the major threat posed to the sustainable development of many peoples by poverty.

We must start by recognizing that there is a social crisis and show a commitment to overcome it. There is generalized poverty, hunger, malnutrition, child labour. Some 2.2 million Nicaraguans, almost 40 per cent of our population, have less than US\$1 a day to pay for their basic food requirements. The main objective of the Poverty Reduction Strategy poses a considerable challenge: to reduce extreme poverty by half by the year 2015. This will be possible only if we manage to reverse the declining trend in investment over recent years by raising public investment from 11.5 per cent of GDP during 2003-05 to over 13 per cent. It is necessary to stop looking at public investment as a variable for adjusting the endemic fiscal deficit, and instead make it an instrument for leveraging private investment and a driving force of economic growth and development.

For the wages of the low paid to increase and be stabilized, we need an integrated approach that will increase productivity and pay, boost purchasing power and consolidate our social structure. It is also very important to raise awareness among all the actors in the productive process about this new economic reality. Their resolute support in our efforts to improve the living conditions of our people, and the joint adoption of a national employment policy by workers, employers and government, confirm that the eradication of poverty is a concern for the whole of society. There is undoubtedly a tripartite commitment to end poverty.

There are other aspects concerning efforts to improve the link between work and national development. Labour productivity is closely linked to the level of workers skills, which depend on formal education but also on the training received on the job.

In short, our economic growth is not yet dynamic enough to generate productive employment for all which is well paid and undertaken in conditions of freedom, equity, security and human dignity. Nevertheless, the challenge taken up by the Government of Enrique Bolaños Geyer is to create decent work through domestic and foreign investment.

The modernization of the State, its legislation and institutions, is absolutely imperative to guarantee stability and the possibility of sustainable human development. Modernization must go beyond instrumental and operational changes. Its nature and scope must be reviewed, with all its limitations, but must also allow State to play a coordinating role, to allow the individual to be at the centre of the development process.

I wish to conclude by reiterating my appeal to make joint efforts to generate productive employment. My appeal is addressed especially to the ILO and other friendly governments, to prevent more deaths of the poor and indigent because poverty *still* persists.

Mr. OTANG (*Chairman, Council of State, Kiribati*) — I would like to associate myself with previous speakers in congratulating the President and Vice-Presidents on their election to their respective offices. I should also take this opportunity to express my gratitude to the Chairperson of the Governing Body, Bill Brett for the report on the Governing Body's activities during the period June 2002 to June 2003. The Governing Body has done an excellent job in the period under review. Allow me to express, on behalf of Kiribati's Government, my thanks to Lord Brett for having served the ILO with dedication and commitment for a considerable number of years. As he is leaving the ILO in the near future I wish him well in his future endeavours.

Let me also extend my congratulations to the Director-General, Mr. Somavia, on his appointment for another term of five years. His excellent work in streamlining ILO activities and combining them in one package, while abiding by the principle that human beings' interests must be at the forefront of development and budgeting that allows for a substantial increase in allocations to our regions, has convinced me more than ever that his appointment is in the interests of the world of labour and deserves the support of all delegates to this Conference.

I must say that Kiribati supports the Decent Work Agenda, the principal objective of which is the eradication of poverty. To achieve this objective Kiribati wants to see fundamental principles and rights at work realized. Decent employment must be created. Social protection must be improved and parties must engage in social dialogue when deciding on all matters of interest to them. This creates harmonious industrial relations, balanced development and substantial growth. However, given our uniqueness as a small developing nation, with development challenges that differ from those of other countries, Kiribati will approach decent work strategically and will develop the relevant policies and measures to translate it into reality within the Kiribati context.

Translating the Decent Work Agenda into practice calls for a multidisciplinary approach requiring economic, social and political inputs. This, of course, requires knowledge, expertise, dedication and commitment so that the Agenda is developed and implemented with vigour in a highly professional manner.

The ILO possesses the knowledge and expertise required for the development and implementation of the Decent Work Agenda in Kiribati. I therefore call upon the ILO to keep abreast of the development of decent work in Kiribati and to render assistance as required from time to time. Our position on this question has been voiced very clearly to the Regional Office for Asia and the Pacific and I look forward to ILO assistance in the coming months.

It is incumbent upon me, at this stage, to express my thanks to the ILO for the decent work report, *An agenda for development and dignity*, that highlighted the decent work deficits of the South Pacific countries. This report was examined in a subregional seminar that took place in Fiji, as a result of which Kiribati is now engaged in drawing up a decent work plan of

action. ILO also wrote two specific reports on Kiribati, which are now helping us to broaden and strengthen our activities on the decent work plan of action. Those reports were on decent work in the maritime sector, the conditions of work and the life of seafarers in Kiribati and on social protection/security.

I must commend at this stage, the ILO Office in Suva and the multidisciplinary team in Manila for their constant support to our work generally. The assistance of these two offices has been invaluable to Kiribati and I look forward to their continued support in the coming years.

Let me conclude by bestowing the Kiribati traditional blessing of Te Mauri (Health), Te Raoi (Peace), ao Te Tabomoa (and Prosperity).

Mr. MAGAYA (*Minister of Labour and Administrative Reform, Sudan*) — Allow me to congratulate Mr. Wamalwa on his election to preside over the 91st Session of the International Labour Conference. It is an honour for all of us. We are confident that his wisdom and experience will help steer the Conference to fruitful conclusions.

I would like to start by commending the Director-General for his Report, which is devoted to the relationship between decent work, poverty reduction and development. Through the adoption of decent work, the basic principles of the ILO came to the front and were given due value and weight. We believe that promotion and realization of basic rights at work, employment security, provision of protection and promotion of social dialogue are key factors to development and poverty reduction.

Widespread poverty, unemployment and under employment compromise the basic human rights and dignity of individuals and communities affected, while their widespread occurrence represents a threat to social and political stability. We believe that the eradication of poverty and the promotion of increased production opportunities should be a major priority of economic and social policy of governments in the developing countries in general and African countries in particular. We are of the opinion that this could be achieved if the following issues were given due attention: one, continuous review and modernization of human resources development strategies to make individuals employable and informed. Continuous development of training contributes to economic development and helps achieve full employment and promote social inclusion. It helps individuals to gain access to decent work and good jobs, and escape poverty and marginalization. Two, extending support and providing incentives to agricultural exports, as the bulk of the labour force in LDCs are employed in the agricultural sector. Three, encouraging and developing small and medium-sized enterprises and self-employment projects. Four, development and expansion of safety networks and social security to reduce the effects of unemployment and poverty. Efforts in this regard are to be geared towards launching in-focus programmes to contain the damaging effects of HIV/AIDS pandemics and malaria. Five, strengthening the social dialogue on the programmes of economic reform and promotion of cooperation between the workers and administrations when reviewing structural adjustments, with the ultimate objective of improving labour market performance and protecting workers' rights.

We believe that the ILO has a major role to play to reduce poverty and enhance development through realizing the values of decent work and implementing the four basic objectives. In this context we stress that technical cooperation is highly needed by the African countries. Since the ILO is not a funding agency, it is encouraged to develop policies and programmes with international financial institutions in areas relating to employment creation and poverty alleviation and to look for extra-budgetary resources to support the technical cooperation programmes.

Looking back to the Sudan, in relation to decent work we find that many positive steps were accomplished. This includes: one, the 1998 Constitution of the Sudan embodies the basic human and fundamental rights including the right of organization. Two, the adoption of a policy to promote agriculture to absorb most of the labour force and establish self-employment and labour-intensive projects. Three, vocational training is supported and developed to cover all the States. Four, the ratification of seven Conventions out of the eight core Conventions of the ILO. This year, the ILO registered the ratification of the Sudan of the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention 1999 (No. 182). Five, the pension and social security systems have been extended to cover more workers, services and areas. Pensions are highly increased to compensate any deterioration resulting from the adverse effects of inflation. Six, in the area of safety the Sudan has taken positive steps to ratify the Safety and Health in Agriculture Convention, 2001 (No. 184).

The social and economic development in the Sudan is negatively affected by the prolonged civil war which has gone on for decades. The war has caused displacement, refugees, loss of lives and increased poverty. The Government of the Sudan responded positively to many initiatives to reach peace and stop the war. One of those initiatives is the IGAD initiative which is led by the Kenyan Government. Under this initiative a protocol for detailed negotiation by both side that would lead eventually to a negotiated comprehensive peace agreement was concluded. The agreement led to the signing of an agreement on ceasing hostilities that would provide confidence-building measures. Right now negotiations are continuing on issues of difference within the context of the protocol. We are confident that a final peace agreement will be concluded soon to put an end to the civil war in the Sudan. At this juncture we highly commend the efforts of all the friendly countries representing the friends of IGAD in assisting the two sides to reach a peaceful resolution to the conflict.

We look forward for assistance from the ILO and the international community to assist the Sudan in rehabilitation, resettlement and reconstruction. We look forward also to discussing the situation of workers in Palestine in a special sitting.

Original Spanish: Mr. ORTEGA NADAL (*Employers' delegate, Dominican Republic*) — The Employers' delegation from the Dominican Republic is pleased to greet the delegations here at this 91st Session of the International Labour Conference and welcomes the Report presented by the Director-General, which presents the harsh reality that faces we who make up the ILO, particularly developing countries.

Fighting poverty is the duty not just of those who make public policy but also of society as a whole. To

overcome poverty we need to improve primary education, safety and health at work, occupational training and policies promoting employment. We need to take better advantage of free trade agreements and of scientific and technological developments, which are essential for making our societies more competitive and more productive.

Reducing poverty requires a serious and consistent attitude on the part of governments, cooperation from multinational agencies, democratic participation on the part of our peoples and the legitimacy bestowed by effective tripartite discussions. It is also the reason for the standards in force in some of our international bodies and the reason that it is important that national resources be allocated in sufficient quantities to education, health and professional training among other important priorities.

We should not hide the fact that the creation of opportunities and decent work depends on the proper environment for productive investment and on the development of proper entrepreneurial spirit and social responsibility on the part of business people.

In the Dominican Republic, we have ratified the eight core Conventions of the ILO and we are following these up so as to ensure that they are implemented in the best possible way. We have been giving priority to updating our national industrial infrastructure to globalization, the WTO agreements, the process of construction of the Free Trade Area of the Americas, the implications of the new association agreement between the African, Caribbean and Pacific States (ACP) and the European Union and the matters that hinder the effectiveness of the labour force such as HIV/AIDS, child labour, the informal economy, the problems that micro-small and medium-sized enterprises face and strengthen a culture of dialogue and harmonization.

In the Dominican Republic, we are carrying out social and entrepreneurial investment programmes, with the support of the World Bank and other international agencies, with a view to tackling poverty on the basis of corporate citizen ship.

We have a tripartite consultative labour council, which discusses labour policies with a view to maintaining a harmonious environment in which to work.

The administration offers a social office in which the business sector takes part and this is a setting for opportunities to promote decent work and an increase in national employment. Likewise, in various parts of the country we have had an effective programme which has returned children who have been made to work to school. These children were mainly made to work by their families to help provide food.

However, we believe that the business sector faces obstacles mainly in exchange rate volatility, high interest rates and financial policy that lowers living standards as a result of external shocks and misguided national policies.

Finally, we believe that the ILO is the competent international forum for all matters relating to principles and rights at work, that trade agreements should not include social clauses and that we do not need other regional forums for these issues. We call upon the ILO, the United Nations system and the Bretton Woods institutions to work together to coordinate coherent policies that are consistent with domestic policies, in order to ensure that unemployment, inflation, noticeable depreciation of exchange

rates, high interest rates, the external debt problem, the integration of our countries in the international economy and the creation of decent work are made central to the ILO's technical and financial assistance programmes in order to serve those who belong to this worthy and humanist International Labour Organization.

Mr. MLANGA (*Minister of Labour and Vocational Training, Malawi*) — First of all, I should like to convey the greetings of the Government of Malawi, the warm heart of Africa. Others have also called it the Switzerland of Africa.

It is a great honour and pleasure for me to address this session of the International Labour Conference on behalf of the Government of Malawi, which is under the democratic leadership of His Excellency President Dr. Bakili Muluzi, who would like to wish this Conference every success in its deliberations and conclusions.

Turning to the Director-General's Report, *Working out of poverty*, I wish to commend the Director-General, Mr. Juan Somavia, for providing this Conference with yet another rich, passionate, deep and brilliant report on the question of poverty and how it can be effectively eliminated through work.

Indeed, poverty continues to remain the greatest challenge faced by humankind. It is not only the most shameful problem to human society, but it is also dehumanizing, degrading and, above all, a real threat to human life. I therefore entirely agree with the Director-General's observation in Chapter 1, page 1, in relation to the decent work dividend, that poverty is the result of ineffective economic and social systems.

We are all aware that poverty somewhere constitutes a threat to prosperity everywhere. Today, this philosophy is as relevant as it was in 1919, when the Constitution of our noble Organization was first written. The world today continues to be highly unsafe to live in, merely because poverty is arising from the current economic order of exclusion, whether at the national or international levels.

This is why I would like to agree with the Director-General's observations at the bottom of page 68 of the Report, that "the decent work strategy offers an integrated framework for promoting institutional change" for the inclusion of marginalized groups. Indeed, there is no question of a straightjacket formula, where one size fits all, when introducing decent work approaches in our countries.

We come from different corners of this world, with different economic, social, cultural and technological backgrounds. It must be appreciated that poverty may mean different things in these different corners of the world. Hence, the need to come up with country specific approaches to the Decent Work Agenda if the social dividend is indeed going to be realized and enjoyed by everybody in our society. Otherwise, the decent work dividend will remain just a mouth-watering dream for many of us, especially for those of us who come from the developing world.

To this effect, my country, with the support of the International Labour Organization, has left no stone unturned in its efforts to promote the Decent Work Agenda. For example, just recently, the Government, through tripartite consultations, has developed a draft tenancy labour bill, which aims at addressing relationship problems between employers and employees.

The envisaged act will, therefore, help to remove most of the unfair practices that take place between landlords and their tenant farmers, whose concerns are not adequately addressed by the existing legislation.

In Malawi, poverty alleviation continues to be a national priority for economic development. Since the adoption of multipartite democracy in 1994, a number of policies have changed dramatically, so that any public expenditure which does not directly benefit the poor has been changed or discontinued. However, due to the harsh world economic order and the limited market opportunities for Malawi's agricultural products, the social dividends of our pro-poor spending seem to be slow in being felt by the people.

We believe that a great potential for harvesting rich social dividends from decent work in Malawi is slowly but surely being realized. However, we need a lot of capacity building for decent work. As in pages 80 and 101 of his report the Director-General pledges continued ILO assistance to its constituents in preparing labour laws and designing institutions, it is my humble prayer that Malawi will be considered one of these days, for one of the Decent Work Pilot programmes.

Let me conclude by thanking the ILO most sincerely for the assistance it has rendered to our Government in a number of activities in the field of labour administration for the benefit of the entire population of Malawi.

Original Spanish: Ms. VILDOSO CHIRINOS (*Vice-Minister of Employment Promotion, Peru*) — I shall address three points in my contribution: the development of qualifications; investment in jobs and local environment; and small and micro enterprises.

These and other points pointed to the Director-General's Report as strategies for overcoming poverty are part of the employment promotion policy contained in the national agreement signed by the Government, political parties and civil society in Peru.

My first point concerns small and micro-enterprises: linking employment with rights. On the basis of a draft drawn up by the Ministry of Labour and the Promotion of Employment in Peru, Congress approved the Promotion and Formalization of Micro and Small Enterprises Act, designed to facilitate the integration of these enterprises into the most modern part of the economy and to reorient public institutions towards the needs and potential of this sector. The Act sets up a national council for the promotion of micro and small enterprises, commits the State to developing support mechanisms for both micro and small enterprises, and sets up a special labour law regime on a temporary basis for micro enterprises only.

Micro enterprises are defined by the Act as an economic unit with no more than ten workers and selling goods worth an annual total of up to US\$150,000. Their productivity is insufficient to meet the economic criteria applicable under general labour legislation for the private sector. Forty per cent of workers in Peru work in this sector, nearly all of them on an unofficial basis and without social security. To facilitate the acquisition of labour rights for these workers, the level of profits allowed for was estimated with regard for the effort micro-enterprises may make in establishing their position on more stable markets. The project is designed to foster the development of enterprises participating in export-oriented sectors; to

enhance their role as providers for the State; to extend business development service, and improve access to loans.

It will be a challenge to apply the new labour regime in Peru, because the people who run and work in micro enterprises will need to be made aware of the new regime, the work of labour inspectorates under the Ministry of Labour will have to be strengthened to avoid fraud by larger companies trying to take advantage of the regime, and dissemination, information and even inspection activities will have to be decentralized in cooperation with local governments.

My second point refers to the development of qualifications. The fight against unemployment and underemployment needs us to bridge the divide between training and employment. A lot of the investment carried out by the State and by families in vocational training are wasted because the qualifications that young people acquire are not in line with the market requirements. On the other hand, a lack of formal qualifications is often the basis for discrimination against people who may have gained valuable on-the-job experience. In response to this situation, the Ministry of Labour and the Promotion of Employment in Peru has supported the setting up of a tripartite committee for the standardization and certification of labour skills, particularly for the textile and clothing sector. This Committee has carried out a study on the skills genuinely required by enterprises and is working on standards for the provision of training in the textiles and clothing sector, which will also form the basis for certification of skills learned through on-the-job experience. The scheme will then be extended into the construction sector. The National Labour Council of Peru has also adopted a set of broader rules concerning skills of certification and standardization.

My final point relates to investment in jobs and the local environment. During the first two years of the government of President Toledo, a temporary employment programme, called *A Trabaja*, or "Get to Work", has been implemented.

In line with the Director-General's comments in his Report "care is taken to ensure that the wage is set at a level to help lift workers' families out of severe poverty but avoid attracting employed workers away from other income-generating activities". The work carried out under the programme is in the interest of the whole community. In the urban component of the programme, the selection of projects is done through a competition in which various objective criteria are used for selection. An interinstitutional committee comprising representatives of the central Government, local government and civil society is in charge of selection.

Original Russian: Mr. SHYLOV (Workers' adviser and substitute delegate, Ukraine) — Let me start by congratulating the President on his election to this important post and wish him every success in conducting the meeting.

The Report of the Director-General on the eradication of poverty and its connection with decent work and development is very profound and reflects the realities of today's multi-polar world in which the gulf is increasing both between rich and poor countries and between the rich and poor within those countries. We support the Director-General's views that combating

poverty requires the concerted effort of all social partners.

The socio-economic phenomenon of poverty is present in every society and is a serious problem. Alleviation of poverty is important not just for humanitarian considerations but also to increase and improve the physical, labour and intellectual potential of any country. Therefore I would like to share with you our views of the problems facing Ukraine and establish the historic challenges concerning the alleviation of poverty which we as trade unions must tackle together with our social partners.

The problem of poverty is at the centre of trade union attention in Ukraine and we want people to become aware of the rate of growth of GDP not through statistics, but through real effects for their families, towns and villages.

Despite the fact that from 2000-02 our GDP grew by 20.9 per cent and our real wages by 39.7 per cent, around 28 per cent of our population is below the poverty line, defined as 192 grivni or US\$36.

It is not just the traditionally vulnerable groups such as pensioners, the disabled, large families and one parent families, who are below the poverty line but also the so called "new poor" low-paid workers, the unemployed, and workers who experience a significant delay in receiving their wages.

We are particularly concerned about the fact that there are chronic outbreaks of poverty in specific industries and regions of Ukraine. So in health or education or culture, 80-90 per cent of workers are paid a wage which is below the poverty line. On the initiative of the unions, a reform of the wage system was begun at the end of 2000, but it is proceeding too slowly.

It is particularly difficult for the unemployed whose average level of benefit is only 59 per cent of the minimum wage, and despite the fact that unemployment in Ukraine is officially quite low, around 4 per cent, nevertheless, there are at least eight people — and as many as 20 in some regions — for every vacancy.

At the insistence of the trade unions, every general agreement now carries a quota of jobs to be created by the Government or by enterprises. This year we are hoping for 300 to 320 thousand jobs to be created in this way. In order to provide jobs for all those who are willing and able to work, and thereby reduce the extent of poverty, the Federation of Trade Unions of Ukraine has secured from the Government the development of a job creation scheme, which should help reduce poverty in the country to a minimum.

In order to eradicate poverty, it is extremely important to increase wages. Thanks to economic growth and the initiative and tenacity of the trade unions, laws have been passed increasing the monthly minimum wage to \$35 as of 1 January 2003 and further to \$51 as of 1 December 2003. This equates to 65 per cent of the legally defined subsistence level.

We also need to tackle the question of payment of wage arrears. Two million people still have not received all their wages, and that is 18 per cent of the working population. The Federation of Trade Unions is demanding that all the back-pay should be paid.

Another problem is that a quarter of all people who die in Ukraine are of working age. This may well double in the next few years, reducing the size of the economically active population. If the brain-drain continues at the present rate, then there will be nobody to build the Ukrainian economy. There is also a decline in urbanization. We would therefore support

a national programme to alleviate poverty and a plan to implement a national demographic policy up to 2005 to combat poverty and improve the well-being of workers.

The fundamental factor which knits a society together is its striving to survive and prosper, and selection criterion for whether changes are positive or negative for a society is their social effectiveness. Societies that survive are those that can welcome change which will be effective and will help in growth and production. It is the job of the ILO to help humanity to recognize this selection mechanism, which will lead to a more just distribution of the fruits of globalization.

Original French: Mr. DIAKITE (Minister of Labour and Public Services, Mali) — I would also like to join all those who have congratulated the President on his brilliant election to chair the 91st Session of the International Labour Conference. I wish him every success in carrying out the tasks entrusted to him.

This session, whose main topic is mainstreaming decent work into development policies and programmes with a view to reducing poverty, is of extraordinary importance to a country like mine.

In fact, during this Conference, we will have to define a strong social, economic and institutional framework for the implementation of the integrated approach to economic growth and promoting employment advocated by our Organization.

My congratulations also go to the other Officers of the Conference for the trust placed in them. Allow me to take this opportunity to congratulate the Director-General of the International Labour Office for his excellent Report and for his determination constantly to remind the international community about all the social challenges facing the developing countries.

The richness of this year's Report and the eminently practical solutions it proposes will certainly constitute a frame of reference for all upcoming discussions in the ILO about development issues.

Decent work is a universal aspiration. The wish of every worker, man or woman, wherever he or she may be, is to find a sufficiently well-paid job to meet the basic needs of his or her family and to offer it dignity and security. In Africa, however, intolerable levels of poverty are still rife. Decent work deficits are visible at all levels. The number of workers who lose their jobs or who are unable to find work particularly women and young people, are reaching worrying levels.

Ninety per cent of workers have virtually no adequate social protection. The spread of HIV/AIDS is likely to prove an irreversible setback to the development of the African continent.

In order to promote decent work and social integration, the Government of the Republic of Mali is convinced that the action to be taken must give priority to the development of firms and the improvement of skills at all levels, the implementation of labour-intensive investment programmes to create more jobs and the formulation of policies designed to make it easier for the most disadvantaged members of the population, in other words those in the informal economy, to obtain access to credit.

In many countries, finding work in the informal sector is the sole alternative to unemployment. Given that any strategy targeting this sector gives a substantial fill up to the creation of jobs and goes a long way

towards meeting the basic needs of the population, its fundamental aim should be to give economic units the requisite technical and financial resources to boost their production and productivity levels and to improve the income of the various categories of workers employed in them. Reducing the decent work deficit is certainly the best way to reduce poverty and to offer firms the biggest opportunities for development.

The ongoing shortage of productive jobs throughout the world, especially in Africa, therefore means that we must review our call for more effective, all-round strategies.

In order to break the spiral of poverty, a thorough reform of macroeconomic structures, which concentrates above all on the promotion of employment, improving the productivity of the poorest workers and extending social protection, is necessary among other things.

As the Director-General so aptly stated in his Report, the fight against extreme poverty cannot be won, if national economies are unable to create a sufficient number of jobs and sustainable livelihoods for all.

This is why my delegation takes this opportunity to reaffirm its profound attachment to the implementation of the Global Employment Agenda which makes full productive employment in the job of one's choice the focal point of economic and social policies.

The implementation of this comprehensive integral framework for development will flounder without the real participation of the traditional social partners and the other components of civil society.

In my country, the Government, workers and employers very quickly realized all the benefits that they can derive from this participative process. In the struggle against unemployment, we have also devised an active concerted policy based on sustainable human development.

Furthermore, the partners' full participation in drawing up the Poverty Reduction Strategy, made it possible to take employment into account when defining development policies.

Lastly, the National Strategy for Combating Poverty, the National Action Plan to Reduce Poverty and the Solidarity Part for Growth and Development are considered today by all socio-economic actors to be policies and measures which might well encourage the creation of jobs and improve the living conditions of workers.

Consequently, I would like to end my statement by inviting the international institutions concerned to redefine the rules of international trade so that poor countries can at long last obtain more substantial income from their natural resources in order to finance their development.

I wish our deliberations every success.

Original Chinese: Mr. XU (Workers' delegate, China) — First of all, please allow me to congratulate the President on his election to preside over this 91st Session of the International Labour Conference. My congratulations also go to the other three Vice-Presidents. I believe that under their guidance this Conference will be a sure success.

The Report *Working out of poverty* submitted by the Director-General of the ILO to this session reflects reality and visions, with comprehensive and in-depth analysis, setting forth the common concern of the international community about poverty.

Poverty has long plagued the world of work. This is particularly true in the developing countries where about 1.2 billion people were living on US\$1 a day or less in 1999. As the Report points out, “poverty is a complex, deep-seated, pervasive reality”.

Behind poverty, there are many factors — historic, economic, political and social, and since the irrational international economic order remains unchanged, economic globalization has made the problem even worse. We believe that poverty alleviation must be based on sustainable development and social integration. This is a long-term task of the international community.

Since 1995, the United Nations family has reoriented its development approach to focus on poverty reduction with coordinated actions. The ILO should also join hands with its tripartite constituents in the member States, to integrate a poverty alleviation strategy into the coherent international framework. With unemployment, we often see poverty. Therefore, creating and expanding job opportunities is the most effective way to reduce poverty. At present, the ILO should provide more technical assistance to developing countries to help them address their problems and challenges in the course of developing their economies, increasing employment, fighting against poverty and achieving decent work. All this is of great importance to the ILO in realizing its purposes and aims. We believe that trade unions across the world have had fruitful experiences during the process of implementing poverty alleviation strategies, gaining decent work and protecting the legitimate rights and interests of their members and workers. Poverty alleviation and full employment need effective government action and, moreover, the active participation and cooperation of the social partners, including trade unions.

The ILO should continue to promote social dialogue and tripartism, and emphasize the importance of decent work in expanding employment, eliminating poverty, developing social justice and achieving social progress. At the same time, the ILO should provide adequate technical assistance to trade unions, in particular those in the developing countries, and pay due attention to their irreplaceable role in poverty alleviation and decent work.

We note that in his Report the Director-General has confirmed the achievements that China has made in poverty alleviation since the 1990s. We are proud of what we have achieved, but we are also fully aware that there are still many poor people in our country and we still have a long way to go.

Given these new circumstances, the Chinese trade unions have made it their mission to protect the legitimate rights and interests of their workers. We have implemented the Warmth Project for 11 years — a project designed to create job opportunities for needy workers, help improve their employability and meet their basic needs. Over the past two years, we have strengthened cooperation with the ILO and the UNDP in respect of poverty alleviation and employment generation. We provide the laid-off and unemployed with micro-loans, with which they are able to create self-employment or set up their own businesses, thus improving their employability. In this way, the Chinese trade unions have played their part in poverty reduction and they will, as always, strengthen cooperation with the ILO and make due contributions to the lofty cause.

Original Arabic: Mr. AL-RABAIE (Employers' delegate, Oman) — It is my pleasure, in my name and on behalf of the delegation and the Chamber of Commerce and Industry of Oman and the Council of Businessmen, to congratulate the President on his election and to congratulate the Vice-Presidents, and express our hope that the work of this Conference will be very successful thanks to your constructive efforts and widely-recognized wisdom.

I would also like to congratulate the Director-General on his re-election and wish him every success.

We were very pleased to receive the Director-General's Report on *Working out of poverty*, which address various aspects of sustainable development and decent work as ways of eradicating poverty. We support his view on the need to mobilize efforts in support of workers to eliminate poverty, through a process of dialogue. Poverty is a scourge that destroys peoples' lives and deprives the majority of the means to live in dignity.

The Sultanate of Oman has adopted an economic development and social development policy with the participation of all three partners in the production process, and has adopted a number of policies and measures as a basis to combat poverty, ignorance and disease.

Our people enjoy a dignified life of security and well-being. The employers' organizations have played a vital and pivotal role in the conception of programmes to combat poverty through job creation and working towards the achievement of sustainable development.

The manifold risks of poverty threaten all humankind with increased instability and loss of security which exacerbate poverty. The ILO through its Constitution and the achievement of its objectives is called upon to play a vital role in developing programmes to help people, particularly employees and workers. It is important at this point to mention two vital issues in our Arab region which require particular attention by our Conference. The first concerns the tragic situation of the employers and workers in Palestine and the occupied territories. The second issue is that of the situation of the employees and workers in Iraq, which has prevented our colleagues and partners from attending this Conference.

We hope that the International Labour Office will give us concrete expression to the objectives of our Organization by helping the social partners in Iraq and assisting with the post-crisis reconstruction effort, to enable the three partners in Iraq to play a vital role, as they should, in all these matters which are of concern to us, and to take part in future sessions of the conference.

Following the declarations of the Director-General, I will invite you all to pray with me to the almighty that peace and security based on justice and equality will prevail all over the world, that humankind may enjoy the blessings of living in security and prosperity.

Mr. GAJDOS (Workers' adviser and substitute delegate, Slovakia) — I am deeply honoured to speak before you on behalf of the Slovak trade union members at this international labour forum focusing on poverty and ways of eradicating it.

Unfortunately, poverty is an increasingly extended phenomenon in our country — several statistics say

from about 12 up to 20 per cent of people are poor. We have a large number of unemployed, poor and precariously employed people. Real labour and social incomes are being constantly reduced, and material shortcoming and uncertainty increased.

Based on this unfavourable development, we have to rather speak about social downfall and destruction than about social progress in our country.

There are many causes underlying such development's. We consider the most significant to be the ineffective and passive economic policy of governments in the period of transition towards market economy. Further causes are globalization and, since last year, economic and social policy of the neo-liberal Government.

Recently implemented and drafted measures concerning amendments to salary and social acts, the act on employment, pension security and sickness insurance, as well as taxation acts and the Labour Code, all go against the principles of social justice and solidarity and further decrease social and labour protection. Such measures, along with a massive increase in prices, are expected to continue to increase the number of poor people in our country.

We are proud of being one of the few countries where tripartite social dialogue is stipulated by law. This law is, nevertheless, permanently breached by the Government. Draft acts have serious impacts on the rights of employees and their families. The Government, contrary to the law, does not submit some of them to be discussed at all and discussion on the submitted acts are run in a very formal way without achieving any consensus between social partners.

Naturally, Slovak trade unions cannot view such a policy and take an inactive approach. We are using, and will use, any type of social struggle to promote the economic, social and labour interests of all employees and trade union members.

It is more than useful that the International Labour Organization is dealing with social justice and that this discussion is focused on new roads to eradicate poverty. Poverty is a global disease of the world. In the past, its unlimited spread caused many tragedies, therefore, let us learn lessons.

It is a challenge for all of us, for social partners and world institutions, to seek efficient tools for eliminating negative impacts of economic and political systems.

Mr. KEARNEY (*representative, International Textile, Garment and Leather Workers' Federation*) — Work is the best route out of poverty; but — as we see in the textile, clothing and footwear industries unregulated and unprotected work can also be a passport to permanent poverty.

China and Mexico now dominate the North American clothing market, each supplying around 15 per cent of all apparel imports. However, the surge in jobs this has created has not meant higher wages or rising labour standards for the millions of migrant workers concerned. On the contrary, in Mexico, the value of the legal minimum wage fell by almost half during the 1990s. In China, footwear workers toil for 11 hours a day, often seven days a week. Unpaid wages are a huge problem, with 8,000 cases recorded in Shenzhen alone in nine months in 2001. Acute and chronic health and safety hazards abound, with more than 10,000 cases of severed limbs and fingers recorded in Shenzhen in 1999.

China and Mexico are trendsetters for the world's textile, clothing and footwear industries. Today, real wages in the industries are falling and working conditions worsening everywhere in a desperate race to the bottom, as core labour standards are jettisoned in the name of competitiveness.

When unionized workers at Gina Form in Thailand tried to resist this trend, their employer began a campaign of intimidation and harassment to destroy the union by moving supporters from job to job and laying off its leaders. Little help was forthcoming from those charged with implementing the country's labour legislation.

In Sri Lanka's export processing firms freedom of association is largely non-existent, with government agencies promoting company-run employee's councils to thwart efforts to unionize.

Being "footloose and fancy free" is all the rage in the sector. Like loggers who exploit resources, lay waste to an area and then move on, sports goods companies which for the past 15 years have exploited the low-wage haven of Indonesia are now fleeing the country in search of cheaper and more compliant workforces. As soon as workers start demanding their rights, jobs disappear as quickly as they came.

In Cambodia, workers at Gold Fame Enterprises have often worked 17 hours a day, seven days a week in busy periods, being told by their supervisors, "this will not kill you, and if it does, we will just carry you outside."

While unemployment runs high in many countries like Lesotho, companies are importing cheaper migrant labour mainly from China. Such workers are often subjected to the most appalling exploitation.

Since the legal minimum wage for Bangladesh's garment workers was last raised in 1994, its value has halved to US\$17 a month, putting many of the country's 1.5 million garment workers among the 1 billion of the world's poorest people who are unable to think, plan or dream beyond the daily struggle to survive.

The absence of internationally binding enforcement mechanisms to protect workers' rights is weighing heavily on those employed in the textile, clothing and footwear industries. The ILO's reliance on persuasion to enforce its Conventions is just not working, and it is poor workers, mainly women in the poorest countries, who are being condemned to perpetual poverty.

This cannot continue. Governments everywhere must confront this challenge. In particular, governments in the South must recognize that they are competing among themselves in ways that threaten their economies, and are themselves largely responsible for the decline in wages and labour standards imperilling their workers. China is a key player here and must be persuaded to join with others to put an international floor on wages and working conditions in industries such as textiles, clothing and footwear.

Only through enforceable international labour standards can China and other countries in the South prevent multinational manufacturers, merchandisers and retailers playing them off against each other in a desperate race to the bottom. Governments therefore need to insist that the ILO and the WTO join forces to devise a regulatory trade and labour regime to deter abuses of workers' rights and reward national labour law enforcement.

This is the only real route out of poverty and towards decent work for all. The alternative of doing

nothing will ensure that the bottom will continue to fall, with tens of millions working deeper into poverty and confirming the view of the cynics that poverty will always be with us. It is neither an attractive nor an acceptable alternative.

Original Spanish: Mr. PARRA GAONA (*Workers' delegate, Paraguay*) — For the workers of the world, the ILO continues to be the great parliament where year after year we voice our grievances, our worries and some of our hopes.

The twenty-first century presents unprecedented contradictions: on the one hand, the rampant progress of certain very rich countries, and on the other, the majority of countries condemned to poverty, unemployment, insecurity and backwardness.

We are impoverished countries because of foreign debt and international social injustice. We therefore support the ILO Director-General in his proposal to combat poverty through decent employment and social justice.

Neo-liberalism, with its central strategy of globalization, aims to impose through any means the tyranny of the market. Workers, and in particular the trade union movement, suffer the impacts of change in the world of work. We are victims of globalization, deregulation, privatization, flexibilization and the greater scarcity of employment.

From an economic point of view the crisis continues to deteriorate without any growth. Indeed, there is permanent and progressive destruction of the productive apparatus, massive outflows of capital through financial speculation, the payment of foreign debt, earnings accrued to transnational corporation, and payments for patents and franchises, such as MacDonald's, Pizza Hut, Coca Cola or Brahma. In the absence of any state policy that would improve the economic situation, this generates only unemployment, poverty and hunger in our country.

The permanent closure of factories that has been occurring on account of the financial crisis has left thousands of workers in the streets, swelling the ranks of the unemployed and underemployed that characterize the labour market. About 2 million people are already in employment difficulties, and of these about 900,000 have no jobs and no possibility of getting one. It is thought that by the middle of this year 300 businesses will close with the loss of 20,000 jobs.

But change will come only at a price. It will come only if we, the working class, become organized and stand up to the Government to make it backtrack in its corrupt policy of hunger, as in the 16-day struggle against privatization which cost the life of our comrade Calixto Carbel Benito, murdered by the police during a demonstration. Under such circumstances, our struggle, our organizations, our solidarity are more difficult but also more necessary. We hope that Paraguay will ratify the Minimum Age Convention, 1973 (No. 138).

I represent all workers in Paraguay and speak as leader of the National Confederation of Workers (CNT), which is affiliated to the CLAT/CMT. In our country, as in the whole MERCOSUR region, we are experiencing a profound crisis and turmoil. Economic recession, high levels of unemployment, critical poverty, scandalous inequalities generalized corruption and a failure of neo-liberal policies have pushed us to the verge of despair.

In Paraguay, the political class has demonstrated spectacular inability to govern honestly, while the financial sector has become entrapped in speculation, seeking high yields at public expense. Wages are below subsistence level. Agriculture and forestry underpin our economy production, but the Paraguayan rural worker has become increasingly stripped of land ownership. Five per cent of owners control 64 per cent of land which could grow crops. Poverty is on the increase in rural areas, and every year sees a renewal of the organized struggle for agrarian reform.

In the urban industrial and services sectors, the closure of companies is an ongoing thing, and there is a policy of complicity between employers and certain sections of the Government, in a war against trade union movement. Even if the current Ministry of Labour pursues a policy of dialogue, it lacks the capacity to transform social and labour conflicts into respect for labour standards.

Some of the more alarming cases include the following. In transport, 14 to 16-hour working days, harassment of unions in metal and textiles, many factories closed by smuggling and unfair competition. Other examples: in the sugar plant Eturbe, more than 200 workers were sacked following a strike; in the Paraguay a Tebicuary sugar plant, dismissals of union leaders, refusal to recognise the union. One of the directors is businessman Juan Bosch, the Honorary Consul of the Netherlands, who was prosecuted for smuggling sugar. We also had a strike of workers in Ciudad del Este, with 400 people sacked. In Puerto Casado a dispute over land involving the sale by Casado of 700,000 hectares to Atenil and Victoria SA, two companies linked to the Moonies sect, in violation of Conventions Nos. 87, 98, 169 and others. There was a strike at the sports club of Puerto Sajonia with reprisals from the police including torture of strikers. There were mass dismissals of unionized workers at Cervepar following a merger with the transnational Brahm. There has been harassment of trade unions at the Yacyretà binational power company. Construction, timer, commercial and food companies are paralyzed, while the public sector is fighting for funds for health care and education, and for an end to the persecution of unions. All these incidents are grave violations, increase the precarity of employment and undermine new collective agreements. However, recent events in the Southern Cone have raised hopes. The new President of Brazil is a tough union fighter who has our respect and support. The president of Argentina is also a new man of the seventies generation, who has undertaken to tackle Argentina's severe crisis.

Our struggle will go on. We workers will continue to work in more difficult and complex conditions. We demand profound and radical changes in economic and social policy. We call on the authorities to implement policies to restart the economy, combat corruption, create jobs, improve training and carry out structural reform.

On behalf of Paraguayan worker, we wish to express our support for the ILO and the Millennium Employment Programme which has been promoted by the United Nations. We condemn any violation of ILO Conventions and of human rights in general. We also condemn the warmongering policies, armaments trade, terrorism, invasion, wars and usurping of natural resources of our countries. We endorse, as a National Confederation of Workers, the option of

genuine democracy, and affirm our commitment to work tirelessly for social justice and world peace.

Mr. BARAK (*Employers' adviser and substitute delegate, Israel*) — I would like, first, to congratulate the President on his election as President of this Conference. I am sure that, under his guidance, we shall have a successful and fruitful Conference. May I also congratulate the Director-General on his excellent and much appreciated Report, entitled *Working out of poverty*. The Report describes a wide range of means to combat the vicious circle of poverty. All the plans of action outlined by the Director-General are important and there is no one prevailing or exclusive pathway on which to stride. Still, I would like to emphasize that, in order to advance towards generating decent employment as the most crucial step in this arena, the efforts of governments alone in many cases are not enough. It requires the converted pull of all the social partners — governments, employers and workers — to carry out this task.

There is no universal model of social dialogue. It is a flexible process that must be adapted to diverse situations. It can take the form of bipartite negotiations or that of tripartite dialogue, which is usually more efficient in matters of national scope. This is the best strategy and experience has shown that there has been no efficient alternative to the combined strength of consensus.

As I indicated before, social dialogue can take many forms and shapes. In Israel we had begun to promote, on a national scale, another variation of social dialogue, namely the resolution of labour disputes through methods of alternative dispute resolution (ADR), mainly by voluntary mediation which may be exercised by private or public mediators. The aim is to apply the process of mediation before the outbreak of a labour dispute and not, as usually is the case, after a strike has started. To this end, representatives of employers' organizations and prominent business figures, and in the presence of the President of the State of Israel, Mr. Moshe Katsav, the President of the Israeli Supreme Court and the Minister of Justice, publicly signed a mediation pledge in January of this year.

Among the signatory organizations there is the Manufacturers' Association of Israel, the Federation of Israeli Chambers of Commerce, the Association of Insurance Brokers and Agents, Kibbutz Industries Association, Association of Electronics and Information Industries, the Israeli Association of Civil Engineers and many others. On the other hand, it may be pointed out that the Histadrut has not yet joined the pledge and we hope that it will do so in the near future.

The main principles contained in the pledge are that the organizations joining it undertake to initiate referral to the process of mediation and promote such referral in disputes between their members. Furthermore, the signatory organizations agreed to include in collective and other agreements a clause suggesting referral to mediation whenever it may be appropriate. Mediation shall thus become a tool for dispute resolution both as regards internal management and external relations between organizations and their members, and hopefully between workers and employers at the workshop.

In this connection, it is interesting to note that the ILO has already adopted the Voluntary Conciliation and Arbitration Recommendation, 1951 (No. 92). We

urge the ILO to continue its work on this subject, perhaps in an upgrading manner.

Social dialogue can form a major part of the solution to another question that is on the agenda of this Conference, which is "the scope of employment relationship". This is another case for which solutions are needed to a variety of problems that cannot be regulated by an ILO instrument such as a Convention or Recommendation. Again, social dialogue, which is essentially a negotiating process, is the only practical and reasonable answer.

In Israel we have put this sort of solution into practice. The Government did its share by introducing to Parliament a bill regulating the relations between labour contractors and their workers, taking into account the role of the user, and the employers' and workers' organizations signed collective agreements providing for wages, social insurance and other conditions of work for the employees of labour contractors.

This is what social dialogue is all about.

Mr. SANDRASEKERE (*Workers' delegate, Sri Lanka*) — Let me first of all congratulate the President on his election to preside over this 91st Session of the International Labour Conference. I share the views expressed by other speakers before me that his background and experience will ensure that the deliberations of this Conference are carried out and concluded successfully.

I also wish to make use of this opportunity to compliment the Director-General and the Office for the superlative nature of the Report that has been prepared which is actually a departure from the previous Reports and encapsulates the gamut of factors that have a bearing on the lives of the working people in the world.

The Director-General has appropriately touched upon the decent work strategy and the various aspects that have become collateral to the globalization process.

It had been rightly pointed out that competitiveness by itself is not an exclusive answer to rapid economic and social development. In point of fact globalization and the search for the Holy Grail to kick-start economies brings along with it contradictions that are difficult to reconcile with the decent work strategy for the reason that competitiveness results in deregulating not only the market but also protective legislation in respect of workers, particularly in the developing countries.

In other words, globalization and competitiveness meet at the apex of laissez-faire and the inevitable downsizing leading to more and more workers being pushed into a process of casualization, contract labour, etc.

A natural corollary to such a situation is that such workers go outside the pale of trade union penetration. In such a situation if certain fundamental regulations to give effect to international labour standards are dismantled, the whole concept of the decent work strategy loses its validity as such workers are prey to exploitation. Therefore, there must be a mechanism by which self-employed persons can join and form trade unions in order to protect and promote their interests.

Another important topic touched upon by the Director-General is so-called social dialogue. As far as we, as a major trade union, are concerned, we have put in place well-defined labour management

dialogue mechanisms covering not only employer-employee relations but also other social aspects through collective agreements.

Against this background, the social dialogue that is propounded by the ILO is not only difficult to comprehend but also has a tendency to erode the bargaining power of trade unions. Therefore, it is imperative to consult the representative trade unions before any other medium than collective bargaining is to be introduced.

In this context, I would like to mention that in Sri Lanka, the Ministry of Employment and Labour is headed by an innovative and dynamic young Minister who has put in place job creating systems and introduced labour law reforms after accepting the amendments made by representative trade unions to the original draft. In the current scenario, the Ministry of Employment and Labour has emerged from its hitherto peripheral position to reach a status of national prominence.

In conclusion, I wish to restate the obvious, that the ILO and international labour standards will continue to act as a buffer against the onrush of globalization and the ILO and its instruments will retain their relevance at all times and help scale down the exploitation of the working people.

Mr. SUKHBAATAR (*Workers' adviser and substitute delegate, Mongolia*) — First of all, on behalf of Mongolian workers, I would like to congratulate the President and the Vice-Presidents for their election to preside over this 91st Session of the International Labour Conference. It is a great honour for me to convey the warm greetings of Mongolian workers to all the delegates of the Conference.

Our delegation considers that the comprehensive Report of the Director-General, *Working out of poverty*, which has been submitted to the Conference, clearly reflects the attention paid to the world of work.

Poverty alleviation is a vitally important issue, to be tackled by tripartite constituents. We fully agree with the Director—General, who highlighted in his Report that the ILO and its constituents - workers, employers and governments — can better respond together to the aspirations and everyday needs of people living in poverty. Poverty has become a reality and a danger in Mongolia. According to national estimates and those of the United Nations Development Programme, about 36 per cent of the total population is currently living below the poverty line. Wage and pensions increases are lagging far behind the price increases of main consumer products and services. Mongolian trade unions could not accept the rigid monetary policy of the international financial institutions and their position on freezing wages. However, in spite of such differences in opinion, the Confederation of Mongolian Trade Unions has entered into a dialogue with international financial institutions such as the World Bank, the International Monetary Fund and the Asian Development Bank as well as with the Government on broader involvement of trade unions and civil society in the process of developing and implementing the poverty reduction strategy papers (PRSPs). We highly appreciate the fact that the ILO has undertaken PRSP-related activities in some countries and hope that it will expand to involve more of the developing countries, such as Mongolia.

Our delegation fully supports the discussion on the scope of the employment relationship. For the last decade, many types of employment relationship have emerged in Mongolia and a large number of workers have been sidelined from social protection. The scope of the labour laws' coverage has been too narrow and only part of the working population has been able legally to enjoy the right to social protection.

Therefore, we fully support the idea to develop the international instruments on employment relations within the context of the Conference in the form of a Convention or Recommendation. It will benefit both working people and society as a whole. This issue also raises concerns with regard to the informal economy, which, rather than diminishing, is constantly spreading. According to some sources, workers in the informal economy account for approximately 10 per cent of the labour force in our country. In view of this reality, social partners have to cooperate in order to develop and implement the appropriate national policy with the technical assistance of the ILO. The objectives of such a policy should be the transformation of informal sector activities into more highly productive, organized and socially responsible enterprises. We consider that one of the most efficient ways of formalizing the informal sector is cooperative development. Cooperative development is significant to the promotion of employment, income generation and the overall economic growth of the country.

It has been a major challenge for us to participate actively in the implementation and promotion of the ILO Decent Work Agenda in Mongolia. We could achieve more with the close cooperation of the tripartite constituents and with ILO support.

I wish this session of the International Labour Conference every success.

Mr. TILAHUN (*Employers' delegate, Ethiopia*) — I would like to congratulate the President and members of the high table, for the trust given to them by this august body to chair and direct us to the fruitful and successful conclusion of our historic deliberations. I have no doubt that Mr. Wamalwa will discharge the responsibilities entrusted to him by the social partners to our full satisfaction. This is what we are witnessing since the beginning of this Session of the Conference.

We are holding this historic event at a very difficult and challenging time for the world, whatever part of the globe we come from in particular for us in the least developed countries, where the conditions are even harsher in all aspects.

What is however encouraging for us as Employers' representative of Ethiopia, is that these high-level discussions on key global issues of employment relations, new human resources development needs, application of standards, and occupational safety and health measures are taking place at a time when my country is in the middle of a meaningful economic, social and political transformation process from a highly regulated economy to a deregulated economy, with the exception of key strategic sectors that the government kept for itself, and when substantive democratization of the government structures that used to serve the highly centralized and regulated system are taking place. I would like to mention that we, the Employers' delegates from Ethiopia, are picking up a lot of skills from this Conference that will help us to effectively discharge our responsibilities in our social dialogue engagement with our partners.

The representatives gathered here come from different countries, which are at varying stages of development, so obviously the needs of their respective constituents also vary, though they could be common in nature.

In this respect, the Employers' association in my country faces multifaceted problems. As corporate citizens we are trying to make our contribution to salvage the lives of millions of starving people. As business enterprises, we are trying to develop sustainable businesses that will also create as many jobs as possible for millions of people to be engaged in gainful employment whilst meeting the needs of all our other stakeholders.

To be modest, both of our above-mentioned responsibilities/tasks are very complex and challenging for the employers, as they are for our social partners. In this respect, we, the social partners in Ethiopia, deserve some kind of encouragement and motivation for us to be successful in our respective roles in our road map for the transformation journey.

What is perhaps encouraging is that, if I have to speak for all of the social partners in Ethiopia, we have in principle aligned to pursue our key roles, on which we are very good. That is for the government to develop the infrastructure, create the enabling environment including change of world government structure for the Employers' association to promote the development of as many enterprises as possible and thereby to create as many jobs as possible and for the Workers' association to promote and focus on work discipline and productivity.

I am pleased to report that some of the steps taken so far are encouraging, though the speed of the change process is yet to be improved:

The Government, in consultation with its social partners and all other stakeholders, has formulated a sustainable Poverty Reduction Strategy (PRSP), which received positive support from many credible international funding institutions. Some of these programmes/projects have been launched.

The Government has issued new investment codes which is an improvement on what used to exist, but we still believe it can be improved further.

The labour law, which has been okayed by the social partners, is at its final stage.

The social partners have very much focused on combating the HIV/AIDS pandemic. This is a big liability for the country on top of the poverty issue.

The Government has now publicly declared its desire to engage in an open and transparent dialogue on key economic, social and political issues. At this point, I would like to highlight the important role the ILO Office in Addis Ababa is playing in terms of support it gives us in our endeavour to make our social dialogue more effective.

During our last week's deliberation, we were encouraged to witness the kind of focus being given to disadvantaged groups like gender, the disabled and on any sort of exclusion. In this respect, the Employers' group of Ethiopia, being at its infant stage, requests for special and continued ILO technical support in areas of awareness raising, capacity-building of its Members for it to be equipped with the necessary tools for it to effectively engage with its powerful partners.

As I said earlier, for us to help our members to create as many enterprises as possible and benefit from it, whilst engaging millions of people as envisaged in the PRSP of the Government, which is also part of our corporate governance responsibility to contribute to the country's sustainable development effort, the Ethiopian Employers' Federation seeks special technical support for it to contribute to the development of an enabling environment for business to grow, for its current and future members.

The country has what it takes to grow, be it natural resources, climate and workforce. We would wish that the world stop giving the country wheat, but help the business and workers grow the wheat themselves on a sustainable basis.

(The Conference adjourned at 7.20 p.m.)

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