

Provisional Record

104th Session, Geneva, June 2015

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First sitting

Monday, 1 June 2015, 12 p.m.

Presidents: Mr Correia, Chairperson of the Governing Body of the International Labour Office, and Ms Jaunzeme

OPENING OF THE SESSION

Original French: Mr CORREIA (Chairperson of the Governing Body of the International Labour Office)

In my capacity as Chairperson of the Governing Body of the International Labour Office, it is both an honour and a privilege for me to declare open the 104th Session of the International Labour Conference. I would like to take this opportunity to wish you all a very warm welcome to Geneva. This session of the Conference is taking place in a global context marked by widespread concern about issues such as rising unemployment, climate change and a lack of decent work.

You will therefore certainly have noted that the agenda of this session closely reflects these concerns. The subjects that we are going to discuss are all of critical importance to the world of work, and I have no doubt that the Conference will live up to the expectations that have been placed in it.

ELECTION OF THE PRESIDENT OF THE CONFERENCE

Original French: Mr CORREIA (Chairperson of the Governing Body of the International Labour Office)

Without further ado, we shall now proceed to our first task of the morning, which is the election of the President of the 104th Session of the International Labour Conference. I would ask you now to put forward your nominations.

Ms ARMELLIN (Government, Italy, speaking on behalf of the Government group)

On behalf of the Government group, and as its Chairperson, it gives me great pleasure to nominate Ms Ieva Jaunzeme, State Secretary, Ministry of Welfare of the Republic of Latvia, as President of the 104th Session of the International Labour Conference. Ms Jaunzeme, who is qualified as an economist and in business administration, has many years' experience in the public service and in social partner organizations. Her career has taken her, in particular, into fields that are of close relevance to the work and values of the ILO: those of social dialogue, and of labour and social affairs. In her current position as State Secretary at the Ministry of Welfare in her country, she is responsible for overseeing the elaboration and delivery of policy planning documents and legislation, notably in connection with social security, employment and labour relations. Earlier in her career, State Secretary

Jaunzeme was directly involved in the elaboration and implementation of a new social insurance system in her country. She has also worked extensively to bring labour relations and occupational health and safety standards in Latvia into line with the relevant European Union (EU) and ILO standards. Lastly, I should add that Ms Jaunzeme is well acquainted with our Organization, as she has in the past served as Government delegate of Latvia to the International Labour Conference. For all these reasons, the Government group is convinced that she will prove to be an exemplary President. With that, I submit Ms Ieva Jaunzeme's candidacy as President of the 104th Session of the Conference.

(The proposal is supported by the Employers' and the Workers' groups.)

Original French: Mr CORREIA (Chairperson of the Governing Body of the International Labour Office)

The proposal put forward by Ms Armellin on behalf of the Government group has been duly made and seconded by the Employers' and Workers' groups, exemplifying the tripartism that is characteristic of the ILO.

Are there any other proposals?

In the absence of other proposals, it is a great pleasure for me to declare Ms Ieva Jaunzeme, State Secretary, Ministry of Welfare of the Republic of Latvia, as President of the 104th Session of the International Labour Conference. I extend to her my congratulations and invite her to come and take the chair.

(Ms Jaunzeme, State Secretary, Ministry of Welfare of the Republic of Latvia, is elected President of the Conference and takes the President's chair.)

PRESIDENTIAL ADDRESS

The PRESIDENT

My election to the presidency of the 104th Session of the International Labour Conference is a great honour for me and for my country, the Republic of Latvia. I would like to express my profound gratitude to the governments of the European group that kindly proposed and supported my candidacy. For Latvia, which also currently holds the presidency of the Council of the European Union, 2015 has been a particularly interesting and challenging year. ILO standards and tripartite practices have inspired us in our work on, and in the implementation of, the

programme of the Latvian presidency. I am glad that we have ensured a strong focus at the EU level on inclusive employment, quality jobs, occupational safety and health, and the role of social dialogue in these policy fields. Retrospectively speaking, I am truly delighted that the Republic of Latvia was among the first members of the ILO, joining the Organization in 1921, two years after its establishment, and that we renewed our status in the ILO immediately after the restoration of independence in 1991. Furthermore, I believe that observation of ILO standards has significantly contributed to the improvement of working conditions in Latvia, and contributed to the fulfilment of the criteria for becoming an EU Member State in 2004.

The Conference is now obliged to spend a few minutes dealing with the administrative matters that enable it to operate – establishing the various bodies through which it carries out its work and approving or taking note of their composition. In its reform of the Conference, the Governing Body urged the Office to make all efforts to reduce the time spent on these administrative procedures, and I shall go as rapidly as I can. Brief explanations of the roles played by these bodies are given in the *Conference Guide*, which has been available on the Web for several weeks, and printed copies of which are available at the distribution desk.

ELECTION OF THE VICE-PRESIDENTS OF THE CONFERENCE

The PRESIDENT

The first task required of us by the Standing Orders of the Conference is the election of the Vice-Presidents of the Conference. I call on the Clerk of the Conference to read out the nominations for the various posts of Vice-President of the Conference.

Original French: The CLERK OF THE CONFERENCE

The nominations to the posts of Vice-President of the Conference are as follows: for the Government group, Mr Mero (*United Republic of Tanzania*); for the Employers' group, Ms Goldberg (*United States of America*); and for the Workers' group, Mr Thibault (*France*).

The PRESIDENT

If there are no objections, may I take it that these proposals are approved?

(The proposals are approved.)

CONSTITUTION AND COMPOSITION OF THE CREDENTIALS COMMITTEE

The PRESIDENT

The Conference shall now establish the Credentials Committee, in accordance with the prescribed procedure set out in article 5 of the Standing Orders. As I said, the important functions of this Committee are explained in the *Conference Guide*. The list of names of those nominated to serve on this Committee is displayed on the screen behind the podium.

If there are no objections, may I take it that the Conference wishes to establish the Credentials Committee and approves the Committee's composition as proposed?

(The proposals are approved.)

NOMINATION OF THE OFFICERS OF THE GROUPS

The PRESIDENT

We now move to the nomination of the Officers of the Employers' and Workers' groups. The groups are of course autonomous in their choices, and I should like to draw your attention once again to the screen, where the names of those concerned are displayed.

CONSTITUTION AND COMPOSITION OF THE CONFERENCE COMMITTEES

The PRESIDENT

Our next task concerns the constitution of standing committees and committees to consider items on the agenda of the Conference. The Conference may wish to establish the following committees: the Selection Committee; the Finance Committee of Government Representatives; the Committee on the Application of Standards; the Committee on Small and Medium-Sized Enterprises and Employment Creation; the Committee on the Transition from the Informal to the Formal Economy; and the Committee for the Recurrent Discussion on Social Protection (Labour Protection).

The initial composition of the committees, as proposed by the groups, was communicated to participants on the Conference website. *Provisional Record* No. 4, containing lists of this initial composition, as approved by the Conference, will be available tomorrow morning on the Web as well as in paper form at the distribution desk. The Government group has confirmed that the Government membership of the Selection Committee will as usual be the 28 regular and 28 deputy Government members of the Governing Body. This will be reflected in *Provisional Record* No. 4. The Finance Committee is, as you are aware, composed of one Government delegate from each Member of the Organization represented at the Conference.

If there are no objections, may I take it that these proposals are approved?

(The proposals are approved.)

PROPOSALS FOR SUSPENSION OF CERTAIN PROVISIONS OF THE STANDING ORDERS OF THE CONFERENCE

The PRESIDENT

Our next task concerns the suspension of certain provisions of the Standing Orders of the Conference. The purpose of these suspensions is to accommodate the various changes that are proposed to the format of the Conference to improve its functioning, in particular its shortened length. Some of the suspensions relate to the work in plenary, and others to the work of the committees. All the relevant suspensions of the Standing Orders of the Conference have been set out for our information in *Provisional Record* No. 2, which has been published on the Web and is also available at the distribution desk.

May I take it that the Conference wishes to suspend the various provisions of its Standing Orders for the purposes set out in *Provisional Record* No. 2?

(The proposal is approved.)

**DELEGATION OF AUTHORITY TO THE OFFICERS
OF THE CONFERENCE**

The PRESIDENT

We shall now take up the question of the delegation of authority to the Officers of the Conference. In accordance with our agenda, we will not meet in plenary again until Thursday, 4 June. Accordingly, if the Conference so agrees, the daily tasks relating to the organization of the Conference during the intervening period will be carried out by its Officers.

May I take it that this proposal is acceptable to the Conference?

(The delegation of authority is accepted.)

**PRESENTATION OF THE REPORT OF THE
DIRECTOR-GENERAL**

The PRESIDENT

With these necessary administrative and procedural tasks behind us, we can move on to questions of substance. It is therefore my honour to call on the Director-General of the International Labour Office, Mr Guy Ryder, to present his vision of the work to be achieved at this session of the Conference, and also to present his Report to the Conference, *The future of work centenary initiative*.

The SECRETARY-GENERAL OF THE CONFERENCE

Let me begin by welcoming you all to Geneva and to the 104th Session of the International Labour Conference. I would like to extend my congratulations to the President on her election – we are in good hands and my secretariat will offer her all the support she needs to fulfil her responsibilities. This unique global tripartite parliament of labour gathers as the world of work continues to confront challenges of formidable proportions. Your presence here today shows that you expect the ILO to respond effectively, with its member States, to these challenges and that you are ready to contribute to that work. And it is precisely because these challenges are formidable that the responsibilities before us are heavy.

The continuing reforms under way in the ILO, and the hard work of the Governing Body over the past year – on which its President, Ambassador Correia of Angola, will report to the Conference very shortly – show that our Organization is acting, and is acting decisively. Our Organization is changing and must continue to change to be more expert, more efficient, more visible, more useful and, in the end, more influential. The draft Programme and Budget for 2016–17, which the Governing Body has recommended for approval by this Conference, shows very concretely that we are determined to continue along that path and to use the resources that you place at our disposal to best effect, and I want to commend it to the Conference for adoption.

Appropriately, in these circumstances, we now embark upon a Conference that combines innovation with ambition. Innovation because we will be using new working methods, designed to shorten the length of the Conference session without loss of effectiveness; and ambition, because our agenda gives us the chance to address issues which affect the working lives of many millions in all parts of the world. That means that what we achieve in the

next two weeks can make a very significant, very important and very concrete difference.

We have the opportunity to adopt a Recommendation which, for the very first time, will provide an international framework for the transition from informality to the formal economy, which commands increasing tripartite support as a policy priority. With nearly half of the global workforce working in conditions of informality, our Organization cannot be credible if we do not address the circumstances that these workers face.

We have the chance as well to look more closely at how small and medium-sized enterprises (SMEs), which we all know are so crucial to the global jobs challenge, can be promoted as creators of decent and productive employment. The report presented for this general discussion is rigorous: it examines the true diversity of SME experience and the real evidence of ILO achievements to date, and how these can be built upon in the future. This is an important debate.

The latest in the series of recurrent discussions which, you will recall, began in 2010 under the terms of the 2008 ILO Declaration on Social Justice for a Fair Globalization, will this year be dedicated to core labour protection issues – wages, safety and health, working time, and maternity protection – each of which lies at the heart of the ILO's mandate and of policy debate in very many of your member States. Put all of this together, and it is clear that our technical agenda this year meets the criteria of topicality and relevance that we have set for our Conference and, if we work well, it will meet the criteria of usefulness and impact as well.

In the light of recent developments in the Governing Body, I think that we can all approach the work of the Committee on the Application of Standards not only with a shared commitment to have it complete its work successfully, but also with a renewed confidence that it will do so. We all know that, in recent Conference sessions, this Committee has witnessed serious controversy and, on occasions, breakdown. But even then, in all circumstances, all groups have consistently, and in my mind impressively, insisted on the fundamental importance of a strong, authoritative and well-functioning supervisory system. Now is the time to make that work in practice. To do so, nobody will need to step away from strongly held points of principle, but everybody is going to have to come to the task with a readiness to compromise and to seek consensus. That is how this house works, and there is nothing more important than this at stake at this year's session of the Conference.

I want also to join with the Committee of Experts on the Application of Conventions and Recommendations in applauding the decision to have the General Survey this year examine the situation of rural workers: here again, we have a good example of focus on a major ILO priority, and on a large part of the global workforce to which the ILO has pressing responsibilities.

An important consideration in the process of reform of the International Labour Conference evidenced at this session has been how to make best use of our debates here in the plenary session. This year, we are truly fortunate that the World of Work Summit on 11 June will be honoured by the participation of our four invited guests of honour: President Mahama of Ghana, President Hollande of France and President Varela of Panama, as well as

the Nobel Peace Prize laureate, child labour activist and close and long-standing friend of the ILO, Kailash Satyarthi. Their presence means that we have a fantastic opportunity and a real platform to discuss the theme of climate change and the world of work in an interactive tripartite summit. What better contribution can we make to the campaign by the United Nations to promote 2015 as a year for global action that will address, in Addis Ababa in July, financing for development; in September, the post-2015 development agenda; and then culminate, in Paris in December, in the crucial Climate Change Conference? All of this is definitely ILO business and we must and will take our proper part in all of these elements.

This plenary is also where the Appendix to my Report *The situation of workers of the occupied Arab territories* is discussed every year, and I give you due notice. There is no good news in this document; rather the opposite. At a time when there are so many competing claims on the attention of the international community, I trust it will serve to keep in the minds of every one of us our collective responsibilities here in the ILO and within the mandate of the ILO to bring improvement to the lives of working people who continue to bear the full weight of occupation.

My main Report to the Conference is dedicated to the future of work, and more specifically to the centenary initiative that I suggested on taking up office and which has since gathered, I have to say, very wide support and interest among and beyond the ILO's constituency. The basic idea behind this initiative is simple, but its significance can be very great indeed – if we get it right. The idea is that, in a world of work being transformed by changes of unprecedented speed and scale, it is generally difficult for the ILO and you, its Members, to step back from those immediate and specific policy challenges that are our permanent preoccupation to look at the longer-term drivers of change, the transformational mega-trends which generally operate beyond the periods and time frames of normal political mandates, and at what they imply for the goals that we pursue here in the ILO. The centenary in 2019 gives us an unprecedented opportunity to do just that. We would be negligent if we used it only to look back on 100 years of history and achievement. Instead, let us use it to work out what we need to do to equip our Organization to fulfil its mandate for social justice in the years ahead, in the second 100 years of its existence. This is the significance of what is proposed. I hope that this ambition is one that you can share and – more importantly – that will count on your active support and engagement, because without you it cannot be realized.

To facilitate our joint efforts, I am proposing a three-stage process of implementation for this initiative. The first stage is an outreach to all interested parties – those in this room but others too: an invitation to get involved in a major process of reflection on developments in the world of work and an invitation to share knowledge, insights, ideas and proposals. We have everything to gain by extending this invitation as widely as possible. By so doing, tripartism will be strengthened, not weakened. I propose as well to structure this outreach around four future of work conversations: the first, on work and society; the second, on decent jobs for all (looking at where the jobs of the future are coming from); the third, on the organization of work and

production; and the fourth, on the governance of work (examining which rules and regulations will ensure that work is made decent). Taken together, these conversations should allow for a comprehensive set of inputs to a second stage, which could be in the form of a global high-level commission on the future of work. There is precedent for this type of commission here at the ILO and I believe that it is a good precedent. It would be the commission's task to process – and where necessary supplement – the material emerging from the centenary conversations and to produce a report which, in the third stage of the initiative, would be submitted to the International Labour Conference at its 2019 centenary session: this moment four years on.

We will still have to decide how the Conference would examine that report and with what result in mind. If we share a determination – and I hope that we will – that this initiative should have real and operable consequences for the ILO and for the world of work, then consideration I think should be given to the possible adoption of a solemn centenary declaration. The occasion would seem to demand such a declaration. But if it is not to fall below the level of ambition that we should set for it, it will need to be very carefully prepared and a clear understanding developed of its political, rather than ceremonial, purpose.

The issues of jobs, equity, sustainability, human security, labour mobility and social dialogue, and much more, which will need to be tackled in a future of work initiative, are almost a definition of the key policy issues of our time. These are the issues that governments and social partners everywhere in the world are grappling with. Equally these are the issues that lie at the heart of the ILO's mandate and are the collective responsibilities, of which I spoke at the outset, of all of us in this room. It seems to be that it is absolutely for our Organization to take the lead on them. If we do not, we can be sure that others will. And without the perspectives that tripartism alone can bring to them, they will not do the same job that we can and, I put it to you, that we must do.

So, on all of these matters, the guidance of governments and of Employer and Worker representatives in the plenary is crucially important. This has to be your initiative because without your ownership and support and involvement it cannot and it will not work. You will find that my Report is mercifully concise, easy to read and is an invitation to debate aimed at eliciting your ideas and your interest, rather than being an attempt to provide an answer to the many and complex questions it raises. So please do read the Report, do give us the benefit of your views, and get involved in making our centenary not just a historic milestone but a real signpost that signals the way forward along the continuing road to social justice.

I want to close by wishing you success in the work that lies ahead. There can be no doubting the importance of the work that we have before us. But it will take your commitment and your skills to ensure that to those ingredients of innovation and ambition with which this Conference begins is added that of achievement in its results. So, good luck – and thank you for your attention and for everything that you will be doing in the next two weeks.

The PRESIDENT

Let me thank you, Director-General, for giving us a clear overview of the work before us and for mentioning what will be crucial elements of our future work, namely innovation, ambition and timeliness. The three groups will be guided by the very interesting ideas and perspectives that you have put forward.

**PRESENTATION OF THE REPORT OF THE
CHAIRPERSON OF THE GOVERNING BODY**

The PRESIDENT

It is now my honour to call on the Chairperson of the Governing Body for 2014–15, Mr Apolinário Jorge Correia, Ambassador of the Republic of Angola, to present his report on the activities of the Governing Body for the period of his tenure, which is set out in *Provisional Record* No. 1.

Original French: Mr CORREIA (Chairperson of the Governing Body of the International Labour Office)

It is an honour to present my report on the work of the Governing Body for the biennium 2014–15, during which I have had the privilege of holding the post of Chairperson. You will find the report in *Provisional Record* No. 1 and, as you know, together with the Report of the Director-General, this is one of the subjects for discussion during the current session.

The report speaks for itself, in as much as it contains a detailed account of the subjects taken up by the Governing Body in the three sessions concerned: the short 321st Session (June 2014), and the two substantive sessions, the 322nd Session (November 2014), and the 323rd (March 2015). I shall therefore not repeat what is already in the report but restrict myself to a few salient remarks in attempting to give you a flavour of the subjects taken up and the manner in which the work went ahead.

I would like to begin by paying tribute to the three groups of the Governing Body for the constructive spirit which they have displayed continuously throughout my term of office. The Governing Body was consistently dynamic, industrious and thoughtful where it had to be, and to a degree open-minded. A number of subjects taken up were complicated and very sensitive – among other questions, I am thinking of the complaints made under article 26 of the Constitution, and of the article 24 representations that were on our agenda for sessions during 2014–15. The Governing Body approached these issues through open, tripartite dialogue and in almost all cases managed to achieve consensus-based solutions to them. On this issue, in reviewing the progress made in the four areas of critical importance and regarding the post-2015 development agenda, the Governing Body fulfilled its role of oversight of the Organization's activities.

The Governing Body also took a number of decisions concerning the annual session of the Conference, the most obvious of which will certainly affect the conduct of this session: the format, on trial this year, of a shortened session of two weeks, rather than the customary three. Much discussion and thought has gone into planning for a shorter Conference session that in no way loses substance, but maintains its purpose as the global parliament of labour. I am sure that the President of the Conference will also speak to you about this. However, if the shortened session is to be a success, the support

of all its participants is required, in particular through punctuality, allowing meetings to start on time, and in the form of precision and brevity so as to observe the time limit for speaking.

The Governing Body also reviewed its own reform and I am pleased to report that I noted strong support for the measures that were instituted in November 2011, such that the Office was requested only to make fine adjustments to the Standing Orders of the Governing Body and to the presentation and content of some of its documents.

In similar vein, the Governing Body decided to adopt a strategic and coherent approach to setting the Conference agenda in the lead-up to the 100th anniversary of our Organization in 2019. The long-term aim is to build up the linkages between the Conference agenda and the ILO's Strategic Policy Framework for 2018–21, at the same time ensuring coherence with the Director-General's centenary initiatives, presented in his Report to the Conference in 2013. The Report encountered the broad support of the Governing Body.

As regards the Conference agenda, the Governing Body has given clear instructions to the Office on how to organize the discussion of the evaluation of the impact of the ILO Declaration on Social Justice for a Fair Globalization, which will take place at the 105th Session of the Conference in 2016. Some of you have also noted the Office's quick reactions since it has already dispatched to the member States the questionnaires designed to facilitate the preparation of that session of the Conference.

Finally, I should like to mention the question of the Committee on the Application of Standards, which has met with difficulties over the past three years of its existence. The Director-General instructed the Office to make as much time as possible available for the discussion of this question within the Governing Body, to allow a full exploration of all points of view. In this context, outside the Governing Body framework a tripartite meeting was held in February 2015 to lay the foundations for the progress made subsequently by the Governing Body in March 2015.

I am pleased to say that social dialogue did lead to a way forward: a common understanding was found that should allow the Committee to operate successfully in the future.

I should add that the Governing Body also achieved one of the most important functions in the work of the Organization, by approving its Programme and Budget for 2016–17. The very strong support on all sides of the Governing Body for the Director-General's proposals was a clear indication of constituents' trust in him and their support for his action. The programme and budget is now submitted to the Conference for adoption.

You can see from this that the Governing Body fully played its role in the governance of the ILO. I have been impressed, and uplifted, by the spirit of consensus and dialogue that has prevailed in the Governing Body sittings, and I am sure that if this spirit is distilled into the current Conference, then our work over the next two weeks will be rewarding and successful. My report shows that the Governing Body tackled complex and even difficult issues, and it did so with considerable dynamism. For this I am deeply grateful to my two fellow Officers of the Governing Body, Mr Jorgen Rønne, Chairperson of the Employers' group, and Mr Luc Cortebecq, Chairperson of the Workers' group. I am also grate-

ful to Ms Marilina Armellini of Italy who successfully coordinated the Government group. All three led their respective groups with gusto and were very cooperative. Thank you to them once again for their loyalty. Likewise, I am most grateful to the Director-General, Mr Guy Ryder, who has spared no efforts in providing support in the course of our work.

In conclusion, I reiterate the thanks expressed by the Government of the Republic of Angola for the trust placed in it by the ILO Members in electing me as Chairperson of the Governing Body for 2014–15. I dare to hope that the trust placed in my country has not been in vain, in view of the report just presented. As a member of the Governing Body, the Government of the Republic of Angola will continue to make its small contribution to achieving the aims of the ILO at a time when the world of work is faced with numerous challenges, in particular the promotion of decent work.

The Director-General visited Angola in May 2015 and was able to observe, on the ground, the Government's efforts to combat poverty and to create jobs for young people.

With these words, I have the honour to submit the report on the work of the Governing Body for 2014–15 to the Conference.

The PRESIDENT

Thank you, Ambassador, for your presentation. As you say, the Governing Body was faced with many difficult and serious issues, not least with the task of designing a new, shorter format for the Conference. A common understanding has also been reached which should allow the Committee on the Application of Standards to operate correctly this year, and lay the foundations for a secure future for that Committee, which is so central to ILO standards-related activities. Your presentation shows the extent to which the Governing Body has acted both decisively and dynamically, and I should like to congratulate you, on behalf of the Conference, on the degree of consensus achieved under your guidance.

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

The PRESIDENT

We now move to the opening statements by the Chairpersons of the Employers' and Workers' groups, in which they will put forward their groups' views of the work before the Conference, including with regard to the Director-General's programme and budget proposals, on which the Conference is due to vote next week.

I therefore give the floor to Mr Rønne, the Chairperson of the Employers' group.

Mr RØNNE (Employer, Denmark, Chairperson of the Employers' group)

Allow me to begin by congratulating Ms Ieva Jaunzeme on her election as President of the 104th Session of the International Labour Conference. On behalf of the Employers' group, I wish her the very best for the task ahead. We look forward to working with her, as well as with Luc Cortebeeck and the Workers' group, and of course with governments. This will be the first two-week session of the Conference and we will all have to make an effort to use our time efficiently and to be more deliv-

ery-oriented in our discussions. We really believe that success in this new format will reinforce the credibility of the ILO.

I will turn briefly to the items on this session's agenda. The Conference will be called upon to approve the programme and budget linked to the strategic plan for 2016–17. We had a very intensive discussion during the 323rd Session of the Governing Body: we wanted to insist on how important it was for the Employers that the programme and budget address the main challenges in the world of work, and set clear priorities for the work of the Organization that reflect constituents' needs. The proposal put forward has the support of the Employers' group.

At this year's session of the Conference, we will have to prove our ability to overcome the serious situation that we experienced last year in the work of the Committee on the Application of Standards. We are pleased to have been able to establish a solid common understanding based on statements approved by the 323rd Session of the Governing Body: one statement by the Employers' and Workers' groups, which provides us with new elements to solve the existing challenges, and another by governments, which offers very valuable input regarding the right to strike. These contributions have been crucially important, as has been the visible clarification of the mandate of the Committee of Experts on the Application of Conventions and Recommendations on the legally non-binding nature of its opinions and recommendations.

We are now in a place where we can build trust, and we need to do so. Neither the Employers nor the Workers have abandoned their different perspectives in relation to the recognition or lack thereof of the right to strike under the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87). However, we have the will and commitment to ensure that the Committee on the Application of Standards operates adequately. This commitment must also be understood within the wider area of engagement that the three groups have achieved to improve the entire ILO supervisory system and make it more credible and efficient. We firmly believe that the status quo is no longer an option.

We will be undertaking this year a second discussion for a Recommendation on measures to promote the transition from the informal to the formal economy. The Employers, who suggested this topic for the agenda, attach great importance to this discussion. The content of the Recommendation will provide key guidance on dealing more efficiently with one of the most important challenges affecting the world of work. Informality represents the biggest barrier to improvement of the employment situation in many countries. The Employers' group supports efforts by all parties to recognize in this future Recommendation that the key elements for success in achieving transition are an enabling business and investment environment, entrepreneurship, access to education and financial services, investment in infrastructure, and the removal of unnecessary administrative and fiscal barriers.

Our agenda also includes a recurrent discussion on labour protection. It is important to be mindful that these debates are not intended to be general policy discussions. The goal of cyclical recurrent discussions, initiated as a follow-up to the ILO Declaration on Social Justice for a Fair Globalization

(2008), is to identify the extent to which ILO action has been successful, based on the experiences of both the Office and constituents, with a view to building on successes and learning lessons for future action. The goal is not to position ourselves on the variety of topics included within the concept of “labour protection”, such as working time, health and safety, maternity leave and wage policies, among others. We acknowledge and recognize that there are important challenges in the world of work where we need effective ILO action to improve labour protection. But in order to succeed, we now need a practical and realistic approach based on whether action undertaken has been successful.

Allow me to refer to the important discussion proposed by the Employers on SMEs and employment creation. The vast majority of workers are employed in SMEs. SMEs are the backbone of practically all economies around the world and key to economic development and social progress. However, SMEs still face many constraints at the national level, as well as in the global market. It is important to overcome the barriers they face for growth and increased employment to take place. Moreover, the needs of SMEs are not sufficiently taken into account in the work of the ILO. The policy recommendations of this house need a “think-small-first approach”, which requires the potential impact on SMEs to be fully analysed in advance of any policy recommendation. This general discussion should therefore build on the Conclusions concerning the promotion of sustainable enterprises adopted by the Conference in June 2007 as well as on the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189).

The Appendix to the Director-General’s Report, on the situation of workers of the occupied Arab territories, expresses pessimism in its pages, as the short but devastating war in Gaza in July–August 2014 adds further levels of uncertainty to the overall dramatic situation of employment in these territories. Restrictions on economic activity need to be lifted and donor support reinforced, following the commitments of the Cairo Conference on Palestine: Reconstructing Gaza, held in October 2014. With the lifting of such restrictions, the ILO can and should embark on large-scale technical assistance within the framework of the newly established flagship programme on fragile States and disaster response.

Finally, I would like to thank the Director-General for his Report to this Conference, which we are looking forward to discussing in the plenary in the coming days.

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

At the beginning of this session of the Conference, let me briefly touch on the items on our agenda and some of the priorities of the Workers’ group.

Further to the incidents in the Committee on the Application of Standards in 2012, several important and difficult discussions were held in the Governing Body – and informally outside of it – in order to resolve the deadlock in the supervisory system. At its 323rd Session (March 2015), building on a joint statement from the Workers’ and the Employers’ groups and thanks to the content of two statements from the Government group, the Governing Body was able to agree on a package of measures in respect of the Standards Initiative which should allow

the ILO to resume the supervision of standards unimpeded. I am confident that the Committee on the Application of Standards will be in a position to adopt a short list of cases as well as consensual conclusions on all the cases that will be discussed.

The Committee on the Transition from the Informal to the Formal Economy will hold its second and final discussion this year. We are confident that in two weeks the Conference will adopt a Recommendation providing comprehensive guidance on strategies to facilitate transitions based on the four areas of the Decent Work Agenda. This is urgently required as the informal economy is where major decent work deficits crystallize, such as serious abuses of workers’ rights, low wages and lack of social security coverage, to mention but a few. Activities in the informal economy tend to be characterized by very low productivity and represent a form of underemployment. Transforming informal economic activities into formal activities in accordance with the right set of economic and social policies is therefore necessary to enhance both economic efficiency and employment prospects as well as the welfare, working and living conditions of the workers concerned.

The recurrent discussion on labour protection under the follow-up to the ILO Declaration on Social Justice for a Fair Globalization (2008) is of critical importance to the Workers’ group. It provides an opportunity to discuss progress and challenges in respect of wage policies, working-time arrangements, occupational safety and health, and maternity protection with a view to setting a policy agenda for the ILO and its constituents for the coming years using all the means of action available to the Organization. Many of the issues that the Committee will discuss lie at the heart of the ILO’s constitutional mandate. Yet, as we approach the Organization’s centenary, too many policy interventions and business practices seek to avoid or reduce labour costs arising from labour protection with the argument that the economy needs it and that this allows more jobs to be created.

But less protection does not help the economy and does not create jobs. On the contrary, it creates high costs for enterprises and societies. Millions of workers earn poverty wages, fall victim to accidents and occupational diseases, work insufficient hours leading to income insecurity, or work excessive hours and, in the case of women, are deprived of maternity protection. This discussion should therefore make it possible to identify the role to be played by the ILO in influencing the policies of member States, through the promotion of relevant international labour standards, with a view to achieving, in law and in practice, better coverage by means of labour protection. Building on the sound conclusions of the Meeting of Experts on Non-standard Forms of Employment held in February 2015, the discussion should also take stock of how these forms of work deprive workers of labour protection and identify strategies – including through standard setting – to ensure that workers are not deprived of their rights and can have decent jobs.

When it comes to the general discussion on SMEs and decent and productive employment creation, it is worth recalling that in 2007 the Conference held a discussion on sustainable enterprises resulting in conclusions recognizing that the social dimension was an area where the ILO could add essential added-value to the debate. This meant that ILO work on

enterprise promotion should look at the economic viability of an enterprise and also address the social and environmental pillars. Therefore, for our group the discussion this year should allow an assessment of how SMEs contribute to the creation of decent employment. We know that several decent work deficits exist in SMEs in areas such as organizing and collective bargaining, wages, job security, occupational safety and health, and social security coverage, and the discussion should identify strategies to tackle these.

The discussion should also look at the contribution that cooperatives and the social economy make to decent and productive employment creation. Cooperatives have the potential to employ a large number of people, have a proven record in the realization of decent work and also play an important role in the formalization of the informal economy. Importantly, this discussion cannot be uncoupled from the set of macroeconomic policies oriented towards employment-intensive growth that is essential in order to create an environment where enterprises can grow.

This year the Conference will be called upon to adopt the Programme and Budget for the 2016–17 biennium. After the good debate at the 323rd Ses-

sion of the Governing Body in March 2015, I am confident that the programme and budget will be adopted. The Workers' group supports the proposals put forward by the Director-General. We welcome the continued commitment to the goal of decent work as well as the new framework centred on the ten policy outcomes.

Our group also welcomes the Report of the Director-General, *The future of work centenary initiative*, and we look forward to its discussion on Thursday. Let me also thank the Director-General for the Appendix to this Report, *The situation of workers of the occupied Arab territories*. As rightly stated in this Appendix, the lives of Palestinian workers and their families remain marked by uncertain employment, tensions and high levels of deprivation. Serious efforts must be exerted by all to bring about an end to the occupation, with the establishment of an independent and viable Palestinian state, living side by side with Israel in peace and security and where decent work can become a reality for Palestinian workers.

I wish you all a fruitful Conference session and let us be ambitious in the results we will achieve.

(The Conference adjourned at 1.15 p.m.)

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