



First sitting

Monday, 30 May 2016, 11.15 a.m.

Presidents: Ms Kaji, Chairperson of the Governing Body of the International Labour Office, and Ms Oliphant

OPENING OF THE SESSION

Ms KAJI (*Chairperson of the Governing Body of the International Labour Office*)

It is my honour, as Chairperson of the Governing Body of the International Labour Office for 2015–16, to declare open this 105th Session of the International Labour Conference. May I also take the opportunity to extend to all of you a very warm welcome to Geneva and to the Conference. I have no doubt that this year's session will live up to the expectations and trust that have been placed in it.

ELECTION OF THE PRESIDENT OF THE CONFERENCE

Ms KAJI (*Chairperson of the Governing Body of the International Labour Office*)

Without further ado, let us move to the first item on our agenda of this morning, under which the Conference is called on to elect its President.

Mr EDDICO (*Government, Ghana, speaking on behalf of the Government group*)

It is my honour, as Chairperson of the Government group, to propose on behalf of the group the candidature of Ms Mildred Oliphant, Minister of Labour of South Africa, as President of the 105th Session of the International Labour Conference. Ms Oliphant's candidature was unanimously endorsed by the Government group at its meeting this morning.

Ms Oliphant has dedicated her life to the service of her people, beginning her career as a trade unionist working in a variety of fields. She became a member of a provincial legislature in 1994, with the arrival of democracy, and then joined the National Assembly in 1999 as a Member of Parliament working on the Housing Committee. Her taste for hard work led to her appointment first as House Chairperson of Committees in the National Council of Provinces and then, in 2009, as House Chairperson for International Relations and Public Education. She was appointed Minister of Labour at the end of 2010 and was elected to the National Executive Committee of the African National Congress in 2012, serving on various presidential advisory committees and councils. I should also add that Ms Oliphant chaired the 12th African Regional Meeting of the International Labour Organization (ILO), held in Johannesburg, South Africa, in October 2011. She is therefore very well acquainted with ILO issues and with the functioning of the Organization. For these reasons, combined with her political

qualities, the Government group believes that Ms Oliphant of South Africa has all the skills necessary to take on the tasks of President of this 105th Session of the International Labour Conference. The group is indeed confident that she will lead our work through to a successful conclusion.

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

Ms KAJI (*Chairperson of the Governing Body of the International Labour Office*)

The nomination put forward unanimously by Mr Eddico on behalf of the Government group has met with the support of the Employers' and Workers' groups.

Are there any other proposals?

I see none and therefore have great pleasure in declaring Ms Oliphant, Minister of Labour of the Republic of South Africa, President of the 105th Session of the International Labour Conference. I offer her my warmest congratulations and invite her to come up to the podium to take the chair.

(Ms Oliphant, Minister of Labour of South Africa, is elected President of the Conference and takes the President's chair.)

PRESIDENTIAL ADDRESS

The PRESIDENT

It is Africa's, South Africa's, the Southern African Development Community's (SADC) and my personal honour to have been elected to formally chair this 105th Session of the International Labour Conference. I am also very grateful to the African continent and the SADC for the vote of confidence and for assigning us such a huge responsibility to chair this Conference. We convene in an environment in which the global community is faced with projected economic stagnation and/or slow growth. Potential growth has slowed in a number of countries and for us actors in the world of work, this can only mean heightened job creation challenges as sluggish aggregate demand has produced inadequate employment. We are witnessing jobs being shed in a number of countries with over 197 million people globally unemployed, a significant number of these being women and youth. Lower economic growth and persistent unemployment can only be addressed through a sharing of ideas by real economy actors and we remain convinced that the tripartite constituents of the ILO present a unique forum that gives a voice to all labour market players. We should

seize this opportunity to raise our voices in unison, proclaiming that economic recovery without jobs or jobless growth will be meaningless to all of us. It is estimated that over 300 million of our people in developing countries remain in poverty without quality jobs and social protection. We remain conscious that high unemployment and underemployment can have substantial negative repercussions for growth and social cohesion, and since no single social partner will find a solution to these challenges, a collaborative effort is essential. Our strategic response should therefore be to ensure that economic growth and job creation happen together. It is impossible to reduce poverty without decent work. Therefore, as we continue to strive for a labour market that is grounded in decent work (which remains a necessary condition for eradicating poverty), one of our biggest challenges is to realize that in order for sustainable economic growth to be realized, productivity gains must be shared equally. We should consciously strive for reduction of the gender gap in labour force participation.

The ILO continues to play a critical role in policy coherence and one example is the 2014 G20 leaders' commitment to reduce the gender labour force participation gap by 25 per cent by 2025. We believe that this collective commitment by the G20 is something in which the ILO should also play an active role.

This Conference should respond to these challenges as it collectively engages on the pertinent issue of the global supply chain. We are convinced that this discussion is one of the most important that the ILO has held in a number of years. The constituents need to recognize that while the supply chain is important for all regions, it is particularly critical for the developing world given the industrialization policies that are being rolled out for the creation of quality jobs and decent work. Reports show that it accounts for an estimated 60 to 80 per cent of international trade and for 20 per cent of jobs globally. While we recognize its positive contribution to employment promotion, social upgrading and economic growth, we should not remain oblivious to its downgrading of, among other things, the qualitative aspects of employment, precarious work, labour subcontracting, hazardous and poor working conditions, lack of rights, child labour, forced labour and poor wages.

The importance of the ILO as a collective standard-setting platform is critical in view of the difficulty that individual member States have in regulating global supply chain activities. This Conference will also review the impact of the ILO Declaration on Social Justice for a Fair Globalization in an environment in which we continue to observe the world of work undergoing structural transformations. The report on decent work in global supply chains reflects on the persistent decent work deficit with 2.3 million workers dying from occupational accidents and work-related diseases, 21 million victims of forced labour and 168 million children engaged in child labour. Rights at work are thus denied and there is inadequate social protection and an absence of social dialogue.

We support the view that this goes to the heart of governance challenges and, as such, a forward-looking examination should consider the strengthening of social dialogue with the tripartite constituents. We remain convinced that the Future of Work Initiative provides such a platform for further engagement on the Declaration to further inform our consideration during the 2019 centenary Conference discussions.

As we continue our quest for social justice, the African Agenda 2063 calls for silencing the guns by

2020 through enhanced dialogue-centred conflict prevention and resolution. It is our view that the Conference's consideration of the report on employment and decent work for peace and resilience: revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71), is a timely intervention. Let us remind ourselves of one of the key principles that embody our work at the ILO: "Poverty anywhere constitutes a danger to prosperity everywhere". It is indeed true that "the war against want requires ... unrelenting vigour" on our part and we view our process of reviewing some of our international labour standards in this light.

We are in agreement that the proposed instrument should expand the purpose and scope of Recommendation No. 71 in order to provide broader guidance on the role of employment and decent work in prevention, recovery and resilience with respect to crisis situations arising from conflicts and disasters that destabilize societies and economies. We remain conscious, as Martin Luther King said, that – and I quote – "Injustice anywhere is a threat to justice everywhere" and that extreme poverty anywhere is a threat to human security.

As I conclude, let me stress the need to consciously acknowledge a future economic model that appreciates that it is "Business Unusual". It is remarkable that this International Labour Conference takes place, and actually begins, while we are still celebrating Workers' Month. It is also worth noting that "May Month" is Africa Month, and what a pleasant coincidence that the African continent is playing such a profound role in this Conference, judging by the number of chairpersons from the African continent that are leading various committees. As Africa, and during this Africa Month, we take this responsibility seriously as shown by our commitment to this Conference. Paraphrasing Nelson Mandela, I again quote: "Our daily deeds as ordinary citizens must produce an actual global reality that will reinforce humanity's belief in justice, strengthen its confidence in the nobility of the human soul and sustain all our hopes for a glorious life for all". Let us not forget gender equality, youth and women's empowerment for a glorious future. May you all enjoy the Conference.

As you are aware, the Conference is to be honoured at this opening sitting by a visit from Mr Johann Schneider-Ammann, President of the Swiss Confederation. This visit will take place in a special sitting after we have completed our formal business of establishing the various committees through which the Conference carries out its work and approving or taking note of their composition. In its recent reform of the Conference, the Governing Body urged the Office to make all efforts to reduce the time spent on these procedures, and I shall go as rapidly as I can. Brief explanations of the roles played by each of the parts of the Conference are given in the *Conference Guide*, which has been available on the Web for several weeks, and there are printed copies available at the distribution desk.

ELECTION OF THE VICE-PRESIDENTS OF THE CONFERENCE

The PRESIDENT

Our first task is the election of the Vice-Presidents of the Conference. The groups have made their nominations and the Clerk of the Conference will read them out for us.

Original French: The CLERK OF THE CONFERENCE

Nominations for the three positions of Vice-President of Conference are as follows: for the Government group, Mr Morales Quijano (*Panama*); for the Employers' group, Mr Echavarría (*Colombia*); and for the Workers' group, Mr Manzi (*Rwanda*).

The PRESIDENT

May I take it that these proposals are approved?

(The proposals are approved.)

**CONSTITUTION AND COMPOSITION OF
THE CREDENTIALS COMMITTEE**

The PRESIDENT

Article 5 of the Standing Orders calls on the Conference to establish a Credentials Committee. As I have said, the important functions of this Committee are explained in the *Conference Guide*. The list of nominees is displayed on the screen behind the podium.

May I take it that the Conference wishes to establish the Credentials Committee and approves its composition as proposed?

(The proposals are approved.)

NOMINATION OF THE OFFICERS OF THE GROUPS

The PRESIDENT

We now move to the nominations of the Officers of the Government, 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

The next agenda item 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 Committee on the Application of Conventions and Recommendations; the Committee on Decent Work in Global Supply Chains; and the Committee on Employment and Decent Work for the Transition to Peace.

The initial composition of the Committees, as proposed by the groups, was communicated to participants on the Conference website and is also available in paper form at the distribution desk. The Finance Committee of Government Representatives is composed, as its name suggests, of all Government delegates to the Conference. There is no need to register for this Committee.

If there are no objections, may I take it that the Conference approves the initial composition of the Committees and that these proposals are approved?

(The proposals are approved.)

**PROPOSAL FOR A COMMITTEE OF THE WHOLE ON
CRISIS RESPONSES UNDER ARTICLE 8 OF THE
STANDING ORDERS OF THE CONFERENCE**

The PRESIDENT

The next item requiring a decision by the Conference is the proposed establishment of a Committee

of the Whole to take up the sixth item on the agenda: Evaluation of the impact of the ILO Declaration on Social Justice for a Fair Globalization, 2008.

The Governing Body, at its 325th Session in November 2015, recommended that the Conference should appoint a Committee of the Whole to deal with this item in order to allow for broader participation and interactive discussion on a subject that is critical to the functioning of our Organization. Under article 8 of the Standing Orders of the Conference, "The Conference may appoint a committee to consider and report on any matter".

May I therefore take it that the Conference takes note of the recommendation made at the November 2015 session of the Governing Body and, under article 8 of the Standing Orders of the Conference, decides to establish a Committee of the Whole to consider the sixth item on its agenda, Evaluation of the impact of the ILO Declaration on Social Justice for a Fair Globalization, 2008?

(The proposal is approved.)

As its name indicates, the Committee of the Whole is open to all delegates and advisers at the Conference but they are invited to register according to the standard procedure.

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

The PRESIDENT

The next agenda item concerns the suspension of certain provisions of the Standing Orders of the Conference. The purpose of their suspension is to implement at this session, pending amendment of the Standing Orders, the various changes in the format of the Conference that are proposed in order to improve its functioning and, in particular, to accommodate 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, which the Governing Body approved at its 326th Session in March 2016, 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. The Conference will not meet again in plenary until Wednesday, 1 June. I therefore propose that the daily tasks relating to the organization of the Conference during the intervening period 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

We have now completed the necessary administrative and procedural tasks and can turn 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 accomplished at this session of the Conference, and to present his Report to the Conference on the theme of the *End to Poverty Initiative: The ILO and the 2030 Agenda*. The Director-General will also present his Programme Implementation Report for 2014–15.

The SECRETARY-GENERAL OF THE CONFERENCE

Let me extend to you all my own warm welcome to this 105th Session of the International Labour Conference. Our Conference has great challenges before it, much work to be done and in a shorter period of time than ever before. But I think that we have made the best of starts, Madam President, by electing you to lead us. You are well known in this house. Well known for your leadership in your own great country, South Africa, and internationally. And, as such, you are an important guarantee for our collective success over the next two weeks.

And, of course, you will not be working alone. We expect to register more than 6,000 participants at this Conference – representatives of Governments, of Employers and of Workers, as well as of the international organizations and of civil society who will accompany us in our work.

And we will be privileged to welcome three outstanding guests of honour. Later this morning we will be addressed by the President of our host country, Switzerland, Mr Schneider-Ammann whom we count as a great friend of the ILO. And on the day of our World of Work Summit, that is 9 June – a summit we will be dedicating to the global crisis of youth unemployment – we will be receiving the President of the European Commission, Mr Jean-Claude Juncker, and the President of Zambia, Mr Edgar Lungu.

And I think that this is vivid testimony to something which we should not forget that is the enduring importance of this extraordinary World Parliament of Labour, as it has come to be known. Over nearly 100 years, this has been the time and this has been the place where the actors of the world of work from now 187 member States meet, talk, negotiate and generally find consensus. And if you think about it, that is no small thing given the global realities in which we live.

Yes, we have reformed our Conference, we have made it more efficient, we have made it shorter, and we have striven for real relevance in our agenda. And so, we have challenged ourselves to get a maximum done in a minimum of time. And I think we are right to do so because that is how we will ensure that the Conference continues to be the key event in the international calendar that it has always been. And I think that we should accept nothing less.

I believe that it is important as we start our work to take a moment at this opening session to step back and to place our Conference in its global context. And above all, that context is a world of work undergoing profound and rapid change, transformative change. For some, this means opportunity and generates optimism. But for others, it brings insecurity and

generates fear. The potential for innovative disruption of productive life is celebrated by some. But by others it is dreaded. Faced with this, it serves no purpose to try to judge who is right and who is wrong. But bear this in mind, if current trends towards and beyond already unacceptable levels of inequality are allowed to continue, accentuating still further the polarization of our societies, retarding their prospects for growth, frustrating their ambitions for sustainable development and eating ever more deeply into their social fabric and cohesion, then we would have to conclude together that, viewed with the short-term myopia of sectional interest, both views can be valid. But we have to conclude as well that ultimately all will be losers because these trends cannot continue for very long. They carry in them the seeds of their own non-sustainability.

This is what we have to keep in mind as we set about our work here in Geneva. We must not allow ourselves the illusion that inequality, marginalization and division are things which happen to the world of work and to which it is our task to react, because the reality is that it is in the world of work that these phenomena are brought about – of course under the pressure of external factors – but all of this is the consequence of what we do, how we behave and what we decide.

So facing up to the responsibilities which the ILO's mandate for social justice imposes upon each one of us means adjusting our actions, our behaviour, our decisions to ensure that the undoubted opportunities of transformative change at work are realized. So that all – not just the few – can look to the future not with fear but with confidence, not with an eye only to individual advancement but also with a real sense of common purpose.

Three years away from our centenary Conference, the ILO has already decided to set its ambitions at the heights of this existential challenge. By harnessing our collective energies, commitments and knowledge in an unprecedented reflection on the future of work we have already accepted the imperative of equipping our Organization to prosecute its unchanging mandate for social justice in the transformed conditions that it will confront as it enters its second century.

Already some 115 member States have engaged in national processes under the first phase of our Future of Work Initiative, and I want to encourage the rest to join them. By the time Conference convenes in this same hall next year we will be at the stage of feeding the outputs of all of these national processes into the High Level Global Commission on the Future of Work.

And that Commission will be able to draw as well upon the other centenary initiatives – and I just want to refer here to the particular importance and relevance of our green initiative which highlights the imperative of integrating environmental sustainability into the future of work, and our Women at Work Initiative which aims to ensure that the future is one which completes the unfinished business of the long struggle for full gender equality.

I believe that these future prospects are important for our work, but in the meantime we are already preparing the way. In a real sense the future of the ILO is already being framed. Nearly four years of reform, guided, encouraged and approved by the ILO's Governing Body has already borne important fruit and is being built upon with the strong commitment of eve-

rybody who works for you in the ILO to bring continued improvement in the quality and the efficiency of what we do. Substantively, preparations are under way for the ILO Strategic Plan 2018–21 which will be discussed by the Governing Body next November and which, as you will have noticed, will take the ILO up to and beyond its centenary. The point here is that the ILO is shaping itself to help shape the future of work.

And what is more, this Conference can and must contribute in a very important way to this endeavour. Fortunately, you have before you an agenda which is very well suited to doing just this. And as I see it, this agenda combines relevance and ambition, is forward-looking while highlighting the continuity of historic ILO objectives, and is attentive to the institutional framework that you have decided should guide the programmes of the ILO itself while encompassing the broader multilateral system dynamics in which they are set.

So let me explain what I mean by that. The decision three years ago to put an item on global supply chains on the agenda of this Conference session was taken not only in the wake of tragic events of which we are all conscious but also in a deliberate effort to address a major driver of change and an even greater reality in our world of work. The subject of supply chains was chosen not because it is easy – it definitely is not, but because it is important – which it definitely is, and it will be all the more so in the future. And so it ticks all the boxes of what the ILO must be focusing on now and in the future. I appreciate that delegates may be coming to this discussion with quite diverging ideas of what should result from it. But it is incumbent on all of us, particularly given the high expectations, to come up with clear conclusions on what is expected of the ILO on a subject in which, as I have said elsewhere, it needs to invest considerable efforts and resources.

The revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71) illustrates, I think, with exemplary clarity how continuity of purpose in the ILO can and must be combined with adaptation to change. The ILO was, and we all know this, born in the transition from a First World War to peace in 1919. Recommendation No. 71 was adopted in the corresponding transition from a Second World War in 1944. Now, our circumstances today you will see are radically different. We do not face global or wide-scale inter-state conflicts. The ILO is not the only functioning international organization as was the case in 1944. Yet we are all still faced with the task of contributing to the ending of multiple conflicts around the world and of consolidating peace and stability through the application of the Decent Work Agenda. History and experience show just how potent opportunities for decent work are in exiting fragility and in building peace and resilience, and a new Recommendation will vitally strengthen the normative framework for our flagship programmes in this area. Let me add as well that the scope for action here is limited not just to post-conflict situations but extends as well to the aftermath of natural disasters and other catastrophes.

The third technical item on the agenda, which is the Evaluation of the impact of the ILO Declaration on Social Justice for a Fair Globalization, 2008, is where the Conference will examine the results of the Organization's efforts to work according to the guidance that that Declaration provides. Let us recall that the Declaration is an ambitious and quite detailed

roadmap of the “how” as much as the “what” of ILO activity. When it was adopted by this Conference, provision was made for periodic evaluation of its impact, and I strongly believe that now is the right time for that to be undertaken. Because we have a decent period of eight years' experience to draw lessons from; because it will shed light on the achievement of reform over half of that eight-year period; but above all because it will feed directly into the strategic planning process coming up in November.

It is worth mentioning here as well that the programme implementation report for 2014–15, which is forwarded by the Governing Body to this Conference for adoption, provides valuable reference as to what the ILO has done and how it applies the terms of the Declaration.

So I think that your representatives in the Governing Body deserve congratulations for the wise choices they have made in putting this menu of work before the Conference. But what about some of the other permanent business the Conference has before it?

Over the past 35 years the Director-General in conformity with a Conference resolution has presented a Report on *The situation of workers of the occupied Arab territories*. At different times, it has reflected moments of relative optimism and hope for positive change, and sometimes it has reflected the exact opposite. This year – as last year – there is little good news in this Report, and much frustration that circumstances have not allowed the ILO to do as much as it would want for workers who continue to suffer the consequences of occupation.

Turning to the all-important work of the Committee on the Application of Standards (CAS), last year, following the difficult experience of preceding Conference sessions when, because of serious divergences of opinion on matters of undoubtedly fundamental importance, the Committee had been unable to complete its work, I appealed to all groups to redouble their efforts and their readiness to seek compromise so as to ensure that on this occasion the Committee could do its job successfully. Well, you did exactly that. And the benefits were felt well beyond the Conference session itself. Because today as a direct result of what happened at Conference last year, the ILO is very much better placed to address the crucially important set of standards-related issues which make up our Centenary Standards Initiative. Most obviously the standards review mechanism is under way. It has made a good start and there is now, I believe, a much higher degree of confidence between constituents and a greater willingness to strive for constructive solutions.

So I will not surprise you in renewing the appeal that I made to you here one year ago. The successful CAS is fundamentally important for two reasons. Firstly, because we all know that the underlying divergences of opinion are still with us. They have not been resolved. That means that the forward path is narrow and the consensus which is the compass by which we can find our way along that path is fragile. Secondly, because a strong, authoritative and relevant standards system is a precondition of an effective, influential ILO, the ILO we all want, the ILO the world needs. And one of the major positive lessons of the often difficult discussions of the last four years is that, on that, we are all agreed, and on that, we are already committed to work together to achieve results.

And let me add, with reference to the criterion of relevance, that I warmly welcome the decision of our Committee of Experts to zoom in this year in their General Survey on the key Conventions on labour migration. It is difficult to think of a choice more appropriate to our current circumstances. I hope that my choice, one of the few choices I get when it comes to this Conference, my choice of subject for my Director-General's Report to Conference, to be discussed here in plenary, will also meet with your approval. That Report is on the End to Poverty Initiative which is the ILO's contribution to the implementation of the United Nations 2030 Agenda for Sustainable Development. We can certainly take satisfaction that, as a result of our collective efforts, decent work finds such a central and strong presence in the Agenda. Its Goal 8 explicitly puts decent work for all at the heart of the world's sustainable development roadmap for the next 15 years. But that is not all because you can find decent work components embedded in practically all of the other 16 Sustainable Development Goals (SDGs).

So this is a success for the ILO – it is a big success. But with it goes a heavy responsibility for the Agenda's implementation, and it is to that task that the Report before you is directed. It has the triple purpose of making the content and the significance of the 2030 Agenda widely known in the ILO's global tripartite constituency; of encouraging you to be active shareholders in national ownership of the Agenda which is a precondition for its success; and then eliciting your guidance on how the ILO should support implementation – in its own activities and in the collective work of the whole multilateral system as it strives for greater coherence, collective action and fitness for purpose in and through the Agenda's delivery.

In considering all of these themes let us, once again, just step back and see the full context. The fact is that with the 2030 Agenda the international community has committed itself to transformative change to bring an end to extreme poverty, which is one of the historic objectives of the ILO. It is an agenda for global social justice and it is an agenda for our times in which, perversely, the very wealth-creating capacity that offers the prospect of consigning poverty to history also risks taking us further away from social justice rather than carrying us towards it.

So this is very much as well the ILO's agenda. Because, simply expressed, humanity's challenge is to align what it is now capable of doing with what it must do to preserve its humanity and its future. And that alignment can only come about in, and through, the world of work, through all of you. And this is the reason why delivering the 2030 Agenda is so intimately intertwined with our work to bring about the future of work that we all want and of which the ILO and its constituents must be the architects.

The challenges of the world of work today, the challenges we have set for the centenary, the challenges of the 2030 Agenda and, of course, the immediate challenges of this Conference over the next two weeks, are certainly considerable. But the ILO has, I would contend, set a course and it has raised its ambitions to meet them. We move with our times but we stand on our principles and together we have reason to face the future with confidence, as well as with determination.

The next two weeks are our next steps forwards and I wish you all a very successful Conference.

The PRESIDENT

Thank you, Director-General, for giving us a clear overview of the work before us and for the presentation of your Report. The three groups will be guided by the very interesting ideas and perspectives that you have just 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 2015–16, Ms Kaji, the Ambassador of Japan, to present her report on the activities of the Governing Body for the period of her tenure, which is contained in *Provisional Record No. 1*.

Ms KAJI (*Chairperson of the Governing Body of the International Labour Office*)

It is my honour to submit to you my report on the work of the Governing Body during my period as Chairperson from June 2015 to the present date, which is to be discussed by the Conference in plenary sitting under the first item on its agenda and which is contained in *Provisional Record No. 1*.

The report is as concise as possible but it still covers a large number of issues, as the Governing Body agendas in November 2015 and March of this year were heavy. I shall therefore not go through it exhaustively but limit my presentation to highlighting certain aspects of our work over the year. As I mention at the outset of the report, the minutes of the Governing Body present a fuller picture of its work and give a summary of the discussions held under each agenda item, the points made by each participant and the decisions taken accordingly.

As the Conference is no doubt aware, the Governing Body has been through a period of reform, initiated by the decision taken at its 310th Session in March 2011. A Working Party, chaired by the Chairperson of the Governing Body, was mandated to consider and propose improvements in the functioning both of the Governing Body and of the Conference. In November this year, this Working Party will turn its attention to the role and functioning of the ILO's Regional Meetings.

The reformed procedures for the Governing Body have been in place already for a number of years, but reforms of this sort always take a certain time to yield their full benefits, and I thought it useful to report briefly to the Conference on my observation of the effects of the reform. It is my strong perception that the reform is now fully implemented. I also believe that this perception is shared by all the groups.

The governance role of the Governing Body has been reinforced by the changes introduced, with a high level of transparent interaction between the Office and its Governing Body. The introduction of a continuous plenary, covering the entire agenda, is partly responsible for this, rather than cutting the work up and giving slices of it to different committees. This means that all Governing Body members are able to have an overall view of all subjects under consideration.

But it is also thanks to a number of other decisions taken which, as you can see from my report, have allowed the Governing Body to follow up closely on all aspects of the ILO's work. An example of this is the process, initiated in March, in which each session of the Governing Body will review two of the ten policy outcomes identified in the ILO Programme

and Budget for 2016–17, adopted by the Conference last year. This March, the Governing Body examined and provided guidance on outcome 1, “More and better jobs for inclusive growth and improved youth prospects”, and outcome 9, “Promoting fair and effective labour migration policies”. However, as my report shows, the Governing Body has steered the Office’s action in many other fields as well, reviewing the areas of critical importance, following up on decisions taken by the Conference, checking progress on the centenary initiatives, on social policy, the Gender Action Plan, and ILO programme implementation, as well as keeping track of its own Governing Body decisions.

The Governing Body continued its reform of the Conference, and the result of this is before us all, to be tested over the next two weeks. My message to the Conference today is that the three groups and the Office have done their utmost, but it is now up to all of us at the Conference to make it work. I am optimistic that this session of the Conference will function well, and I call on all present to participate in its success, in particular through proper respect for time management.

Finally, in respect of its governance role, the Governing Body set a timetable for the process for the appointment of the Director-General. The current term of office of Mr Ryder comes to a close on 30 September 2017. As decided by the Governing Body, by a letter of 18 April 2016, I launched the process, giving 15 July 2016 as the final date for receipt of candidatures. The hearings and ballot will be held during the 328th Session of the Governing Body in November 2016.

The Governing Body has taken up a number of difficult and complex issues over the past year, but it has sought always to approach these in a spirit of understanding and to find a way forward through open discussion. And here I wish warmly to thank all members of the Governing Body for their most generous engagement in these processes and their efforts to attain a compromise on the way forward.

I am thinking of, in particular, a number of country-specific complaints made under article 26 of the ILO Constitution. I shall not list these individually here, as details are given in my report. But I should only point out that the article 26 complaints allow the ILO to make an objective assessment of the facts, and thus to promote full application of the ratified Conventions involved. They therefore ultimately lead to positive changes in line with the mandate of the Organization, which is to promote fundamental principles and rights at work, where governments, employers and workers endeavour hand-in-hand to achieve social justice. In this context, I am happy to point to the satisfactory conclusion to the article 26 complaint against Fiji, which the Governing Body declared closed in March.

Among the other key issues dealt with over the past year, the Governing Body continued to discuss and provide guidance on the ILO’s role in promoting the 2030 Agenda for Sustainable Development, in particular taking note of SDG 8, as has just been explained by the Director-General, to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”, which gives clear support to our Organization’s mandate. Much of the ILO’s energy over the coming years will be directed towards taking its place in the multilateral efforts to achieve the goals set under the 2030 Agenda.

Another critical issue taken up by the Governing Body was that of migration and forced displacement which, given the prevailing unprecedented international situation, calls urgently for an ILO response. Apart from the follow-up given by the Governing Body to policy outcome 9 on “Fair and effective migration policies”, the Working Party on the Social Dimension of Globalization met to hold a high-level panel discussion, involving key representatives of relevant multilateral agencies, on the theme of “Addressing the labour market impact of refugees and other forcibly displaced people”. The Governing Body approved the holding of a tripartite technical meeting from 5 to 7 July 2016 to take the ideas discussed further, with a view to formulating inputs to the UN high-level meeting on addressing large movements of refugees and migrants that will take place in September 2016.

I cannot close without extending my thanks to the Employer Vice-Chairperson, Mr Jørgen Rønne, and the Worker Vice-Chairperson, Mr Luc Cortebееck, whose experience and guidance have been of constant support to me throughout the year, as well as to the members of these groups. I wish also to thank Mr Eddico, Chair of the Government group, and the members of that group. Lastly, I am most grateful to the Director-General and his staff, who have hugely facilitated my work. My sincere gratitude goes to you all.

With that, I submit my report on the work of the Governing Body of the ILO for 2015–16 to the 105th Session of the International Labour Conference.

The PRESIDENT

Thank you for your presentation. As the report shows, the Governing Body was faced with many difficult and serious issues, and I can very much appreciate the hard work that all members put into achieving tripartite consensus when seeking the way forward. I should like to congratulate you on behalf of the Conference on your successful guidance of the debates in the Governing Body over the past year, and my congratulations are also extended to your close colleagues the Employer and the Worker Vice-Chairpersons and to Governing Body members as a whole.

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

The PRESIDENT

We now move to the next item on the agenda, which is the opening statements by the Employers’ and Workers’ group Chairpersons, in which they will put forward their groups’ views of the work before the Conference.

Mr RØNNEST (*Employer, Denmark, Chairperson of the Employers’ group*)

Before I turn to the agenda of the International Labour Conference, I would like to thank the Chairperson of the Governing Body for her report and for the cooperation and assistance shown by her to the Governing Body and, in particular, I think, to me and to the Worker representatives.

And, now to the agenda of today and the next two weeks. This year, the Conference will again be a two-week session. Beyond all the difficulties, this format has proved to be successful. It has helped to reinforce

the credibility of the ILO as a UN agency capable of gathering, in a very productive manner, the widest number of high-level policy-makers, practitioners and experts on employment, industrial relations and social policies.

We, as Employers, come to the discussions of the Committee on the Application of Standards with the satisfaction of being on the right track to improve its functioning. Several steps have been taken to achieve this, among them gaining ownership of the way in which conclusions are drafted, strengthening clarity on what areas of consensus there are, as well as allowing constituents to express their different views, even if they refer to fundamental principles and rights at work or if they diverge from the guidance of the Committee of Experts.

The Committee of Experts also helps, by specifying (again, in a prominent manner) the non-binding nature of their authoritative opinion. Employers and Workers have this year acted with a sense of commitment and responsibility to achieve, on time, an agreement on the list of cases. This allows governments to prepare themselves better for the discussion of their respective cases. All these efforts have been of great value, and we ask all constituents participating in the Committee on the Application of Standards to be aware of the need to continue making progress. But improvements made in the better running of this crucial Committee cannot be viewed in isolation, as it is intrinsically linked to the functioning of the overall standards supervisory system.

Employers are committed to achieving a positive output of the Standards Initiative launched by the Director-General, which will deal with the improvement of the supervisory tools and therefore will help to ensure a better impact of the Committee on the Application of Standards.

The evaluation of the impact of the Declaration on Social Justice for a Fair Globalization, approved in 2008, will be discussed. We consider this Declaration to be a governance instrument that aims to better match the ILO to constituents' needs. A practical approach should be the focus of this discussion, based on what actions the ILO and its constituents have taken, what has worked, what has not worked, what lessons can be learned for the future. We already acknowledge that the Declaration has had some positive outcomes, notably the adoption of social protection floors, the mobilization of the Standards Review Mechanism, and improvements in the functioning of the Governing Body and the International Labour Conference.

But we feel that we are still far from the objective of better understanding and responding to the needs of constituents. Many ILO actions still lack this practical sense of ownership. We also believe that the evaluation of the Social Justice Declaration cannot be undertaken without an evaluation of the impact of the recurrent discussions, which have tended to be general policy debates.

In any case, it is also important to bear in mind that this important tool was adopted at a time of widespread uncertainty in the world of work and was immediately followed by the 2008–09 economic and financial crisis. Many structural challenges exposed by the crisis remain and new ones are emerging. In addition, we are seeing major transformations of the world of work, and the international scene is now focused on the overall objective of the 2030 Agenda for Sustainable Development. Thus we still have a

long way to go before we achieve the maximum from the potentialities of the Declaration.

Employers actively supported the inclusion of the revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71), as we believe that an update of this instrument could help to strengthen the impact and authority of the ILO. The international community has a number of challenges when war and disaster strike. Many of them are at the core of the ILO mandate, such as the loss of employment, livelihoods, businesses and skills through the displacement of migrants and refugees, the interruption of schooling or the breakdown of social cohesion. Even if the Organization has gained important practical experience in this field, its future response in these countries should be based much more on enabling countries and communities to provide jobs; and to do so, an enabling environment that helps businesses to be sustainable will be crucial.

At the same time, the role of the ILO's development cooperation in fragile States will come into special focus in this discussion. The recent evaluation exercise on this matter has raised questions that are particularly important in this debate.

We come to the debate on decent work in global supply chains with a positive and practical approach. Global supply chains are not only an important reality in today's global economy but they also contribute significantly to productive employment and decent work. Local communities and local businesses want to be part of global supply chains, as they have proved in many countries to be powerful drivers of change, providing unique opportunities for economic and social development. But the diversity, complexity and dynamism of supply chains should be at the heart of any consideration of ILO future action on this matter. Employers do not deny decent work challenges in some global supply chains and economies with weak institutions and important compliance challenges. But the problems are not, per se, global supply chains, as working conditions in companies linked to global supply chains are even better than in purely domestic companies.

At the end of the day, the outcome of the discussion should lead to practical action from the ILO. There is no international regulatory gap to fill, but a knowledge and practical gap to tackle. The ILO needs, in the future, to better exploit its capacity to provide a good service through credible research and proper guidance to companies, involving employer organizations, workers and governments. For that it needs to be ambitious, learning from existing ILO programmes and managing them in a comprehensive manner.

A wrong approach would be one which shifts governments' responsibility towards companies. This would question the precious international consensus on business and human rights and would weaken the credibility of the ILO by creating expectations that companies could and should not satisfy.

Let me finish by referring to the reports submitted by the Director-General to this Conference. Indeed, the most important contribution the ILO can provide is to reduce poverty through effective implementation of the Decent Work Agenda. The End to Poverty Initiative will have to be closely linked to the 2030 Agenda, which properly frames decent work within an overall objective to improve economic growth in a sustainable manner and increase productivity. We agree with the Report submitted by the Director-General, which adequately reflects how

limited a purely public action to reduce poverty would be. Action to stimulate the private sector in this direction and efficient public-private partnerships are needed more than ever.

We also appreciate the submission of the ILO implementation plan which was already discussed in the Governing Body. We again want to spell out how necessary it is to better capture and plan the impact of ILO interventions and to focus on critical lessons learned from the evaluation. This is still a pending matter for future implementation plans.

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

I also want to thank the President of the Governing Body, Ms Kaji, and also my colleague of the Employers, Mr Rønne, for their work and also the co-operation we had this year.

At the beginning of this Conference, I wish to touch on the items on our agenda and some of the Workers' group's priorities. Like every year, the Committee on the Application of Standards has an essential constitutional task to undertake. In too many countries, the realization of decent work and social justice remains jeopardized by violations of labour rights, particularly the enabling rights enshrined 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). The debates in this Committee show that, while ratification remains essential, it has to go hand in hand with the commitment of member States to give effect to the provisions of Conventions they have voluntarily agreed to be part of. I remain confident that the Workers and Employers will come up with a short list of cases, and that the Committee will adopt consensual conclusions that we expect to be instrumental in redressing rights abuses.

Discussion on global supply chains is both timely and overdue. Now, in the dominant model of global trade, most global supply chains are characterized by low wages, violations of freedom of association and collective bargaining, insecure and precarious work, unsafe and unhealthy work, child and forced labour, and weak systems of compliance. Social protection is also lacking, while tax avoidance and evasion are widespread. Several international organizations have looked at ways to better govern global supply chains. The United Nations adopted the Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) revised its own guidelines for multinational enterprises to incorporate these principles and are now developing due diligence guidance. Public governance remains a necessary and key component of fair supply chains. The G7 decisions of 2015 recognize the need to strengthen adherence to, and compliance with, labour standards, as well as endorsing a Vision Zero Fund for safe work, and the German presidency for the 2017 G20 has already identified global supply chains as an agenda item.

We therefore expect this Conference discussion to position the ILO more firmly at the centre of the debate on how to achieve decent work in global supply chains. The Committee's conclusions will have to identify key responsibilities for governments in this regard, but employers and multinationals need to be accountable as well in delivering decent work. An important objective of the Workers' group is an ILO Convention on decent work in global supply chains, central to which should be the obligation of States to

pass laws and regulations which, in line with existing ILO standards, regulate the conduct of enterprises under their jurisdiction, wherever the alleged harms may occur. Other elements would include mandatory due diligence, transparency obligations, promotion of secure employment relationships, the elimination of involuntary and non-standard forms of employment, industry-wide, cross-border collective bargaining, and guarantees for respect for freedom of association, collective bargaining and other rights, to mention only a few examples.

We also expect the Committee to adopt a comprehensive and practical programme of work, providing assistance to constituents in areas such as wages, labour inspection, industrial and sectoral policies, and transnational bargaining; and finally, labour abuses in EPZs will have to be addressed properly.

Our group remains fully supportive of the ILO Declaration on Social Justice for a Fair Globalization, 2008 and we see the evaluation of its impact as one of the first building blocks to the centenary outcomes, particularly the Future of Work Initiative. Its original purpose, to reassert the value of the Philadelphia Declaration's mandate and place social justice at the heart of globalization through decent work, remains fully relevant, particularly at a time when the international community has adopted the 2030 Agenda for Sustainable Development and concluded the Paris Agreement on climate change.

However, more needs to be done to realize its full potential. Greater efforts are needed to achieve policy coherence and ensure that organizations of the multilateral system use their programmes and advocacy to promote decent work and social justice. The ILO has a key role to play to foster such coherence based on the Philadelphia mandate. As the ILO and as constituents we need to do better in ensuring that the four objectives of the Decent Work Agenda (fundamental principles and rights at work, employment, social protection and social dialogue) are all addressed at the moment of implementation. The standards provision of the Social Justice Declaration needs to be implemented. We need to see higher ratification rates of the fundamental Conventions to achieve the goal of universal ratification. The ratification rates of the standards related to all four strategic objectives will also need to improve. Better use should be made of the article 19 General Surveys, to ensure that they allow gaps in standards to be addressed and help provided in overcoming obstacles to ratification.

The link between the Committee on the Application of Standards and the Committee for the Recurrent Discussion will need to be maintained and sanctioned. The Committee on Employment and Decent Work for the Transition to Peace will hold its first discussion on the revision of the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71). This discussion provides an opportunity to reaffirm the relevance of the constitutional mandate of the ILO to promote social justice as a means to ensure lasting peace, prevent armed conflicts and mitigate other types of crises. These were already the wise messages of the founders of the ILO in 1919 and 1945, when the world was emerging from two world wars. Recommendation No. 71 remains the only international normative instrument for responding to crises through employment and job creation. However, in 2016 the nature of conflicts has evolved, with an increase in intra-state armed conflicts and in natural disasters, including in relation to climate change.

Responses have evolved as well. Other types of crises, such as the refugee crisis, have emerged. Over recent years we have also seen how extremism in several countries has exacerbated conflicts.

Priorities for our group include: the need to move from a narrow focus on conflicts to crisis prevention and responses anchored in the Decent Work Agenda; the recognition of the role of the social partners and social dialogue in peace-building initiatives; reconciliation, rebuilding and conflict prevention; and the need to ensure approaches that are gender sensitive in light of the fact that crisis, conflict and violence affect women and men differently.

Our group welcomes the Director-General's Report on *The End to Poverty Initiative: The ILO and the 2030 Agenda* and we look forward to its discussion. Let me also thank the Director-General for his

Report on *The situation of workers of the occupied Arab territories*. Our group remains extremely worried about the precarious conditions of workers in these territories. While the peace process is at a standstill, the occupation is omnipresent, exacerbating tensions, violence and loss of life. Serious efforts must be exerted to bring the occupation to an end 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, and let us be ambitious in the results we will achieve.

(The Conference adjourned at 12.45 p.m.)

Special sitting

Monday, 30 May 2016, 12.50 p.m.

President: Ms Oliphant

**ADDRESS BY HIS EXCELLENCY
MR JOHANN N. SCHNEIDER-AMMANN, PRESIDENT OF
THE SWISS CONFEDERATION**

The PRESIDENT

The Conference is called to order in a special sitting.

We are honoured to receive the visit of our distinguished guest, President Schneider-Ammann of the Swiss Confederation.

Your Excellency, on behalf of the Conference allow me to extend a very warm welcome to you and express our gratitude to you for finding the time in your busy schedule to visit and address our assembly. I have no doubt that the words of the representative of the host country of our Organization will make an important contribution and provide guidance to the work of this session.

Original French: The SECRETARY-GENERAL OF THE CONFERENCE

It is a great honour and a privilege and pleasure for me to bid you welcome to the ILO as we hold the 105th Session of the International Labour Conference. Your visit underscores the unfailing hospitality shown by the host country. We were previously visited by Ms Dreifuss in 1999, Ms Leuthard in 2010, and Ms Calmy-Rey in 2011. This is thus a fine tradition and an additional sign, if such were needed, of how dear Switzerland holds international Geneva and the ILO. Today we are lucky to have among us a President from the world of work who understands that world and appreciates social dialogue.

Switzerland and the ILO certainly have a lot in common. We share principles of openness, dialogue and human dignity. Switzerland has always shown itself to be an outstanding mediator. What you called, in your opening statement at the Davos Forum, “the art of reconciling opposing views” – squaring the circle, if you like – is characteristic of our work at the ILO, as we square the triangle of the respective mandates of our tripartite constituents. Further, Switzerland was a pioneer in building a fairer world, laying the foundations of international humanitarian law. The Swiss tripartite constituents played a fundamental role in the 1900s in Basle when they developed the initial international labour Conventions, foreshadowing the future ILO. Since then, Switzerland’s commitment has been unflinching, both in terms of institutional support and technical cooperation, for which, Mr President, we extend our warmest thanks.

Mr President, your country was one of the first to stand up and be counted when we launched our centenary initiative for the world of work, the scope of which you know since you yourself were an entrepreneur and an employers’ representative. You recently called upon your fellow countrymen, saying that even in such troubled times they should not fear to explore new lands, new territories opening up to human ingenuity, in particular the digital economy and other promising technologies for the future of business and young workers. This I see as a strong encouragement to us in the continuation of our work.

Yet again, we bid you welcome. We are eager to listen to what you have to say. As you are speaking to us all at the very opening of the Conference, you will certainly set the tone for all of the work we do here.

Original French: Mr SCHNEIDER-AMMANN (*President of the Swiss Confederation*)

The Government of Switzerland and the Swiss people are happy to see the 105th Session of the International Labour Conference open here in Geneva. I wish to extend a special welcome to Ms Oliphant, President of the Conference, and offer her my congratulations on her election. I once again say to Mr Ryder that I wish him every success in his very important office. Let me also take advantage of the honour of speaking from this rostrum to proclaim, once again, Switzerland’s commitment to, and support for, the actions of the ILO.

(The speaker continues in German.)

Thanks to its tripartite structure and its mandate, the ILO has done pioneering work. Since 1919, the ILO has institutionalized social partnership at the national and international levels. The ILO has been helping to build an international framework for equitable economic and social relations. Switzerland has been a Member of the ILO ever since its foundation, and the ILO and Switzerland share many common values. Switzerland feels proud to have been able to make a contribution towards ensuring that individuals are no longer seen as mere factors of production.

By promoting decent work, the ILO has really defined the human being as the central pillar of economic activity. I am convinced that these values all have a future. The multilateral context and the economic environment in our countries are changing all the time. New technologies, which are the driving force of the economy, have compressed both time and space. They are revolutionizing exchange but

they also call into question certain social achievements. They force governments, public authorities and international organizations to rethink their roles and to anticipate the future.

We are courting failure if we let inertia and fear prevail over change; if we fail to prepare for tomorrow's world of work; if we refuse to make an active contribution towards economic growth which also promotes employment.

The ILO has initiated reflection on the future of the world of work in the run-up to its centenary celebrations in 2019. I must say, I welcome this initiative taken by the Director-General. Switzerland, as the host nation, intends to be fully involved in the centenary celebrations of the ILO. To this end, it has already initiated a dialogue with the social partners in Switzerland within its Tripartite Federal Commission on ILO Affairs. I intend to emphasize this commitment at the beginning of 2017, when the ILO launches its High-Level Global Commission on the Future of Work.

As a former entrepreneur, but above all as Minister for Economic Affairs and Labour, I would like to convey a message of hope and optimism today, even though the future of the world of work is to a large extent unknown. Changes in the world of work are gathering pace, and the new forms of employment do not all correspond to the traditional "employer/worker" model. However, this is not a new development. It all began with the revolution of new technologies and the liberalization of trade. It should be noted that neither new technologies nor liberalization have done away with employment or labour as yet. On the contrary, they have led to the creation of new forms of employment and work. We need to join forces to ensure that we really make the most of these tremendous opportunities, so that future generations reap the fruits of our bold action today.

Economic models cannot just be exported from one country to another; there is no such thing as a one-size-fits-all solution. Allow me to share a few personal considerations with you, drawn from my own experience of the economic model of my country, Switzerland. The Swiss economy is highly diversified and produces high-quality goods, with a high added value. Small and medium-sized enterprises make up 99 per cent of the economic fabric of our country. Our economic model is based on many fundamental values which we share with the ILO: peace, democracy, and human rights. Since the ILO brings together economic actors, that is to say employers' organizations and trade unions, there are yet other values which have to be taken into consideration: economic freedom, social justice, political and economic stability, sustainable enterprises that create decent jobs, and, above all, as the cement which holds together the whole of this edifice, a robust social partnership. On this basis, allow me to highlight a few fundamentals, which I believe are worth considering for the future of our national economies and our various labour markets.

First of all, macroeconomic stability. In Switzerland, we have opted for a macroeconomic policy geared to stability. Thus, we are in a position to enact monetary and fiscal policy which favours growth and high employment.

Next, institutional stability. Stability is also reflected in our political institutions. A high-quality institutional system is a guarantee of flourishing long-term economic growth. The Swiss federalist system

assigns its constituent units, the cantons and municipalities, extensive sovereignty. This "bottom-up" approach is conducive to political stability and to the pursuit of democratic consensus.

Direct democracy also requires intensive social dialogue. Social dialogue in Switzerland is made up of several elements. First of all, we hold consultations with interested parties, conducted by the State, on planned new legislation before it is debated in Parliament. The parties consulted are, in particular, the cantons, the economic associations, the social partners, political parties and civil society. Secondly, this dialogue with the economic actors makes it possible to implement coherent social and economic policies that serve the general interest.

This brings me to the matter of economic freedom. Economic freedom is enshrined as a basic principle in the Swiss Constitution. This means that economic actors and social partners have extensive responsibility in the process of determining economic and social policy. In this way, our citizens are encouraged to make the most of their talents. They feel both supported and motivated to take part in the economic life of their country.

With regard to training and innovation, in Switzerland we have a network of universities of a very high standard. We have built up a structured education system and we invest extensively in international research and innovation. According to their skills and abilities, young people and adults can pursue vocational or academic training. Our education system and its academic and vocational streams are highly permeable, with the result that enterprises are able to recruit high-quality labour along the entire length of the value chain. The future of work lies in the employment of young people. That is why I feel strongly that basic education and vocational training are areas in which we must invest. Yet education is not an end in itself: it must provide access to skilled and productive sustainable employment. In Switzerland, our high-quality vocational training is carried out both in vocational schools and through on-the-job training. We call this dual vocational training; it helps to integrate young people into the labour market and keeps unemployment levels low. Giving young people rapid access to jobs cannot be done without an active contribution from enterprises and businesses. I am convinced that this is a profitable investment, not just for society and young people but also for the enterprises which provide training.

Our social protection system must encourage a rapid return to work. Switzerland has gradually developed a social safety net that leaves no one behind. Our unemployment insurance system is a central element of that. Its purpose is to ensure that jobseekers are rapidly and sustainably reintegrated into the labour market.

This brings me to say a few words about social partnership. As I said just now, the social partners and their cooperation are the cement that holds together the whole of this complicated edifice. In Switzerland, social partnership entails collective bargaining on labour relations. As a rule, it governs the negotiation of collective agreements, including annual wage increases. Social partnership also regulates workers' rights to share in decision-making, especially through their elected representatives on staff committees. Since the social partners play such an active and responsible role in the labour market, State regulation of the labour market is very limited. In Switzerland, more than 600 collective agreements

are currently in force. They govern the working conditions of close to 2 million employees. The working and wage conditions of some 49 per cent of workers are regulated under agreements concluded between the social partners. Some of these collective agreements contain clauses on peaceful industrial relations, which means that while these agreements are in force the contracting parties undertake to resolve any conflicts without resorting to strikes. Hence Switzerland, by international standards, loses comparatively few working days as a result of industrial action. According to available estimates, between 2005 and 2014 Switzerland lost an average of one working day per 1,000 employees.

Having efficient institutions, high-quality educational and vocational training systems, participative democracy and social partnership can never guarantee the absolute absence of crises in the economic market. But the fact of having institutions that run smoothly does increase the likelihood that one will find a way out of a crisis and that progress will resume in the long term, and it helps to make the labour market, in particular, more resilient.

The International Labour Conference is the world parliament of labour. It is the only tripartite forum where we can discuss, first of all, the rules that are needed to smooth the path towards the digital economy. The digital economy is the economy of the future. It is calling into question current forms of doing business and maintaining digital security. It will also require new forms of labour relations. Secondly, we need to discuss laying the foundation of a new industrial world. There can be no sound economy without industry. The face of industry is changing rapidly. Industrial production processes are already being transformed; 3D production processes are already up and running. Market competitiveness will remain critical, but controlling energy costs and making use of green technologies will also have to be factored in, in the years to come. Thirdly, we need to rethink social partnership to promote decent work. Labour market reform is inevitable. We have to prepare for it, since the digital society of tomorrow will be possible only with a high-quality digital infrastructure and with the power of innovation. This means that there will be a need for ever more skilled workers, new training programmes and new forms of employment. This will have a direct impact on the ILO's scope of action. Are we going to continue to develop international labour standards, or social protection standards? In view of these new challenges, I think that the ILO will soon have to update the Global Jobs Pact adopted by your Conference in 2009. Other international institutions are already addressing the strategic challenges linked to the future of employment. The

ILO cannot afford the luxury of being outflanked by others. I invite you to demonstrate the necessary courage and innovation to ensure that in the future, the ILO will continue to have a coherent and robust body of standards. I would also argue that the standards supervisory mechanisms should be adapted to the realities of the future, so that the ILO can continue to fulfil its mandate for social justice in the twenty-first century.

Social justice is an item on the agenda of the International Labour Conference. The aim of the 2008 Declaration on Social Justice for a Fair Globalization is to encourage ILO member States to promote the Organization's aims and objectives by implementing the four strategic goals of employment, social protection, social justice, and fundamental principles and rights at work. Decent work is an integral part of global supply chains when it comes to production and trade and, indeed, investment. Let us therefore take the opportunity at this Conference to discuss these topics calmly and constructively.

I am a practical man. There are words, and there are deeds. Just now, I signed an agreement with the Director-General which will enable my country, Switzerland, to continue and even strengthen its commitment to and cooperation with the ILO. Under this new agreement, Switzerland will help to finance ILO development projects, which have a positive impact on employment, working conditions and migration in numerous countries. I welcome the Report that the Director-General has just presented and which this year addresses the issue of poverty alleviation. Switzerland's commitment to the ILO is testimony to its international solidarity and to its desire to contribute to poverty alleviation and the implementation of the 2030 Agenda for Sustainable Development.

Switzerland is proud to be the host country for your Conference, and for your Organization. Switzerland is prepared to step up its efforts to improve working conditions across the world. There can be no nobler task than to work to improve employment and employment opportunities. I hope that your Conference is crowned with success, and I wish to thank you for your commitment.

The PRESIDENT

Many thanks for those remarks, which will certainly inform our proceedings here over the next two weeks. Once again, on behalf of the Conference, thank you for making the time to come and address us today. We are most grateful.

(The Conference adjourned at 1.20 p.m.)

CONTENTS

Page

First sitting

Opening of the session	1
Election of the President of the Conference	1
Presidential address	1
Election of the Vice-Presidents of the Conference.....	2
Constitution and composition of the Credentials Committee.....	3
Nomination of the Officers of the groups	3
Constitution and composition of the conference committees.....	3
Proposal for a Committee of the Whole on Crisis Responses under article 8 of the Standing Orders of the Conference	3
Proposals for suspension of certain provisions of the Standing Orders of the Conference.....	3
Delegation of authority to the Officers of the Conference	3
Presentation of the Report of the Director-General.....	4
Presentation of the report of the Chairperson of the Governing Body	6
Opening statements by the Chairpersons of the Employers' and Workers' groups of the Conference	7

Special sitting

Address by His Excellency Mr Johann N. Schneider-Ammann, President of the Swiss Confederation.....	11
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