



THIRTEENTH ITEM ON THE AGENDA

**Report of the Committee on Employment  
and Social Policy**

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1. The Committee on Employment and Social Policy met on 21 March 2000 and was chaired by Mr. Simanjuntak (Government, Indonesia). The Employer and Worker Vice-Chairpersons were Mr. Niles and Mr. Ito, respectively.
2. The Committee had the following agenda:
  1. Employment and social protection in the informal sector.
  2. ILO strategy and activities on employment and social concerns in crisis situations.
  3. Preparations for the Special Session of the General Assembly of the United Nations: World Summit for Social Development and Beyond – Achieving Social Development for All in a Globalized World.
  4. ILO relations with the Bretton Woods institutions.
  5. Other questions.
3. Owing to lack of time, the Committee was unable to consider agenda items 4 and 5.
4. The representative of the Government of the Netherlands, speaking on behalf of the IMEC governments, recalled that the functioning of the Committee had been discussed at its previous meeting in November 1999. Particular attention had been drawn to the lack of opportunities for engagement and interaction. As a result, meetings often began late and attendance was sometimes low, even though the Committee was of great importance and its work was at the heart of the ILO's mandate. The Committee should be a forum for debate, knowledge sharing and policy discussions. She had anticipated that the Office would have submitted a paper to the Committee with proposals for improvement of the situation. Specifically, more flexible modalities for discussions would be appropriate; governments should have more influence in setting the agenda; and more time should be allocated for meetings of the Committee. She therefore requested that the issue be discussed under the fifth item on the Committee's agenda (Other questions).
5. The Worker Vice-Chairperson considered this an important proposal, which required discussion in the Workers' group before wider discussion. He therefore asked that it be postponed, for consideration at a future meeting.
6. The Employer Vice-Chairperson supported the idea of discussing the question under the fifth agenda item. In general, he also agreed with the comments by the representative of the Government of the Netherlands, although he had reservations about the more active involvement of governments in setting the agendas of committee meetings.
7. A representative of the Director-General (Mr. Hultin, Executive Director of the Employment Sector) informed the Committee of experience with the recent proposal to hold virtual workshops on the Internet between meetings of the Governing Body. The Employers' and Workers' groups had expressed concern regarding the consolidation of their respective group positions. As a result, the launch of the virtual debate, planned for January 2000, had been cancelled. Nonetheless, Committee members were invited to participate in the launch of a virtual conference on the forthcoming *World Employment Report*, covering the impact of information and communications technology (ICT) on

employment.<sup>1</sup> Members were also invited to give further guidance on enhanced formats for future meetings of the Committee.

8. The Worker Vice-Chairperson stressed the need for a preparatory paper on the question, so that it could be given careful consideration before wider discussion. He had encountered technical problems in trying to participate in virtual workshops, and asked the Office to ensure that these problems were resolved.

## I. Employment and social protection in the informal sector

9. A representative of the Director-General (Mr. Bru, Chief, Evaluation Unit, Bureau of Programming and Management) introduced the first Office paper.<sup>2</sup> He noted that the main purpose of the evaluation had been to take stock of the ILO's work on the informal sector over the last decade and that a complete list of the documents reviewed for the evaluation had been appended to the paper. The material under review had been drawn from the published results of research, policy advice and technical cooperation reports covering the period between two milestone reports by the Director-General to the International Labour Conference, namely *The dilemma of the informal sector* (1991) and *Decent work* (1999). He outlined three myths that had been addressed and demystified by the work of the ILO, namely that all those engaged in informal activities were poor, that the sector was unorganized and unstructured, and that informal activities were illegal. He then listed eight technical fields and policy areas where the Office had made substantial contributions and concluded by pointing out some of the challenges for the future work of the Office which the various InFocus programmes would now face.
10. A representative of the Director-General (Ms. Capt, Head, Informal Sector Unit, InFocus Programme on Skills, Knowledge and Employability) introduced the second Office paper.<sup>3</sup> She stressed that the sector was very diverse, and that one of the few common factors was the frequent lack of social protection for workers. Employment in the informal sector had remained at a high level in developing countries, and had expanded in transition economies. In addition, an urban informal sector had appeared in many industrialized countries. Structural adjustment programmes and globalization had made the informal sector increasingly important; it was estimated that 60 per cent of new jobs in Latin America were created in the informal sector. The participation of women was particularly high. The new challenges which would have to be addressed by several InFocus programmes within the framework of decent work in the informal sector were then outlined. In addition, the informal sector could become a topic for discussion at the 90th Session of the International Labour Conference in 2002, or could be the theme of a separate, international conference marking 30 years since the ILO mission to Kenya that had introduced the term "informal sector" into labour market and employment analysis.
11. The Employer Vice-Chairperson found the Office documents ambivalent on whether the informal sector was good or bad. The distinction between the informal sector and the modern economy was not valid, for example, when considering that the Internet was

<sup>1</sup> <http://www.virtualwer.org>.

<sup>2</sup> Employment and social protection in the informal sector (GB.277/ESP/1/1).

<sup>3</sup> Employment in the informal sector: Challenges and future agenda (GB.277/ESP/1/2).

creating a new and very modern subgroup within the informal sector. The informal sector had developed partly because of overregulation, and attempts to formalize the sector by subjecting it to overregulation could therefore create additional unemployment. This would particularly penalize those who had escaped extreme poverty by joining the informal sector. There was an important distinction between illegality and criminality; employers in the informal sector were often forced to operate illegally because of the costs of compliance with excessive regulation, but there was no criminal interest. There was a clear need for increased and new analysis in this area.

12. The Worker Vice-Chairperson found the discussion very timely, as the Bureau for Workers' Activities had recently organized an International Symposium on Trade Unions and the Informal Sector. He regretted that the Office papers had not referred more to the findings of the Symposium. The definition of the informal sector implied in paragraphs 6 to 13 of the first Office paper pointed to the lack of protection for workers, and the Workers' group therefore questioned whether it was desirable for the Office to encourage the sector to grow.
13. Trade unions had been working with the informal sector for the past ten years, but governments had in many cases played no active role. Their involvement was crucial in solving the problems arising from the informal sector. The involvement of trade unions was particularly important in building informal sector organizations, but paragraphs 52 to 58 of the Office paper largely neglected this potential. The Workers' group strongly supported the work of the Office to promote labour-intensive infrastructure development, as outlined in paragraphs 60 to 68; it was important that sufficient resources be made available so that requests from developing countries could be handled.
14. The Workers' group also strongly supported the extension of social security to workers in the informal sector, as stated in paragraphs 81 to 89. However, the micro-insurance approach overburdened workers, while liberating employers from their responsibilities. Government support was essential to ensure that workers in the informal sector were integrated into social security schemes that covered all workers in the country, and which had the full participation of employers. The Office should support trade unions that were keen to design new schemes. The Workers' group emphasized the importance of the progressive implementation of labour standards and laws in the informal sector, but without compromising standards concerning basic human rights and exploitative forms of employment, mentioned in paragraph 92.
15. Mr. Patel (Worker member) questioned whether the appropriate response to illegality was to reduce the level of legislation. The experience of South Africa in deregulating the public transport sector was instructive in this regard. Deregulation had resulted in a high loss of life as a result both of unsafe driving practices and of violent competition between taxi operators. The Government had therefore provided a range of incentives and improved infrastructure, while requiring greater compliance with legal requirements, for example regarding taxation, conditions of employment and traffic rules. Public support had thus made compliance more possible. The informal sector was not the engine of growth, but was rather a means of survival, where child labour was common and workers' rights often infringed. It was therefore not appropriate to promote it; the mission of the ILO would be to transform it. A dual system of workers' rights was similarly inappropriate. The implementation of the Rural Workers' Organisations Convention, 1975 (No. 141), and the Home Work Convention, 1996 (No. 177), was particularly critical in this regard. A new development paradigm that tackled economic and social policies at both the macro and microeconomic levels was required to address the informal sector.

- 16.** The representative of the Government of Sudan, speaking on behalf of the African governments, underscored the significance of the informal sector in generating employment and alleviating poverty. The Ninth African Regional Meeting had concluded that decent work should be promoted in the informal sector as well as in the formal sector, and that the ILO should encourage such efforts. It was also important that the rural economy be strengthened in order to slow the exodus that had contributed to the expansion of urban informal activities. The ILO should therefore encourage the Bretton Woods institutions to support development programmes for rural areas. It should also expand activities for the informal sector, which had thus far been limited to relatively few countries; it should also address more vigorously the obstacles to employment generation, among which the AIDS pandemic was a priority in Africa. In the light of these demands, adequate resources should be allocated to ILO work on the informal sector. He further emphasized the importance of the Jobs for Africa Programme in this respect, and requested that the problems encountered by the project be solved and that it be extended to all African countries.
- 17.** The representative of the Government of India agreed that the definition of the informal sector posed difficulties, and that informal sector activities were far from being unorganized in his country. Enterprises in the informal sector were often at least partially in compliance with legal requirements. Failure to comply with laws and regulations was traced to resource constraints and to a lack of awareness of such laws. It might not be feasible to enforce all labour laws, but minimum standards on minimum wages, occupational health and safety, and social security should be pursued in the informal sector. Reform of the legal framework was hence an important measure that required ILO advisory services. Recent developments had also shown the importance of organizations of producers in the informal sector in raising wages and living conditions. A multidisciplinary approach to the informal sector was called for. The strategic approach adopted by the recently concluded national workshop on a strategic approach to job creation in the urban informal sector in India in February 2000 was cited as an example. A strategic group should be formed involving the ILO and the Government to guide the implementation of the recommendations of the workshop. He supported a discussion on the informal sector at the International Labour Conference in 2002.
- 18.** Mr. Anand (Employer member) stressed that employment and poverty were the critical priority issues in the informal sector, and that the informal sector had tremendous employment potential. This called for action to develop infrastructure, institutions, support services and facilities. In view of the blurring of lines between the formal and informal sectors, and between rural and urban areas, a universal approach covering both sectors and areas was also required. The ILO's proposed strategies should be translated and tested in pilot areas. In this regard, the conclusions of the national workshop on a strategic approach to job creation in the urban informal sector in India could serve as the basis for such pilot experiments.
- 19.** The representative of the Government of Denmark, remarking that there had never been a strong consensus within the ILO on the most appropriate response to the challenge of the informal sector, expressed the hope that the present attempt to put the informal sector within the decent work concept would make it easier for the ILO to reach a consensus. She pointed to the need for further work on the informal sector concept and on the statistical definition, so as to include not only informal productive units but also informal work and informal employment, and cautioned against the use of the same informal sector concept for both developed and developing countries. The ILO approach, which had combined the improvement of productive potential, the improvement of the welfare of the poorest and the progressive application of labour standards, with ILO core standards as the bottom line, deserved full support. A broad-based dialogue involving the tripartite partners and other

stakeholders was also needed. As regards the proposal for a conference in 2002, she strongly suggested a broad-based exchange involving academics and NGOs working in this area.

20. The representative of the Government of Portugal suggested that the ILO papers should have reflected in a more balanced way the informal sector in developed countries. The European Union countries had adopted a coordinated strategy on undeclared work, involving a range of measures that included training, incentives for self-employment and social labour market policies. Collaborative efforts between the social partners were necessary in developing these tools. As regards the proposed conference in 2002, she suggested that participants should include representatives of informal enterprises, workers and NGOs.
21. The representative of the Government of the United States pointed out that the ILO Declaration on Fundamental Principles and Rights at Work provided the framework for the promotion of social protection and the organization of workers and producers in the informal sector. This aspect had not been properly reflected in the two Office papers. Through the adequate exercise of basic rights under the Declaration, workers would be able to participate in defining rules and institutions, including social security systems and other forms of workers' protection. He supported the idea of a conference discussion in 2002.
22. The representative of the Government of China recognized the significance of the ILO's work on the informal sector, in view of its increasing role in absorbing labour and the priority that some governments had attached to it. For the future work of the Office he proposed a number of priorities: the allocation of more resources to the InFocus programmes that addressed the informal sector; continuing research and the development of statistical indicators that reflected reality more clearly; closer cooperation with member States on the improvement of legal frameworks to ensure that varied experiences informed this process and greater attention was given to the issues of women workers' protection and women entrepreneurs.
23. The representative of the Government of France endorsed the ILO's strategic choice of developing employment while ensuring decent work. She highlighted the adaptation of training to the informal sector, with special attention to apprenticeship, and the improvement of the legal framework, with particular emphasis on social protection and occupational health and safety. There should be a continuing analysis of the situation in order to refine current strategies. In preparation for the proposed conference in 2002, further work should be done to generate more statistical data and analyses of informal activities in given macroeconomic contexts, as well as an examination of the effects of regulations concerning the informal sector.
24. The representative of the Government of Germany did not consider deregulation as the solution to the problems of the informal sector. On the other hand, it would be difficult to enforce the integration of the informal sector into the existing legal framework. The new thinking and solutions being developed by the ILO were therefore valuable and should be discussed further.
25. The representative of the Government of Trinidad and Tobago praised the ILO for the comprehensiveness of its approach and for being at the forefront in building knowledge on the dynamics of the informal sector. She proposed that increased use be made of the existing body of information on the informal sector, already available outside the ILO. Special attention should also be given to mechanisms to assist survival groups at the poorest levels of the informal sector.

- 26.** The representative of the Government of Italy supported further discussion of informal sector issues at the tripartite level among the social partners. He also advocated assistance to the informal sector at all levels and in various ways, for example to address administrative and financial obstacles, labour market flexibility and social protection.
- 27.** The representative of the Government of Japan, referring to the second Office paper, agreed that job quality was the area where the ILO could make a distinct contribution in enterprise development. He also agreed that the ILO Declaration on Fundamental Principles and Rights at Work did not make a distinction between the formal and informal sectors, and that the application of labour standards would be a progressive process. The ILO should develop new and suitable social security models for the informal sector. As regards the proposed conference in 2002, she expressed a preference for a discussion at the International Labour Conference.
- 28.** The representative of the Government of Bulgaria explained the factors that had given rise to the expansion of informal activities in his country, such as the lack of appropriate legislation, and ambiguous relationships between the State and the public. In response to the resulting problems, the Government of Bulgaria had been taking steps to formulate clearer rules and to protect the freedom of enterprises and of consumers. He supported the holistic approach adopted by the ILO.
- 29.** Responding to comments by the members of the Committee, the representative of the Director-General (Mr. Bru) explained that in reflecting the ILO's approach to the informal sector the paper was not ambivalent, but rather emphasized the need to target appropriate responses to selected parts of the informal sector. The bulk of the ILO's work had indeed aimed at transforming the informal sector, but there were limits to the transformation process in view of its very heterogeneous structure. As regards micro-insurance schemes, further examination was indeed required to determine the degree of success achieved by such schemes. The report of the International Symposium on Trade Unions and the Informal Sector was on the agenda of the Committee on Sectoral and Technical Meetings and Related Issues.<sup>4</sup> The Office would therefore benefit from the discussions in both Committees. The dilemma faced by the ILO in promoting or formalizing the informal sector continued to exist, and it would be faced with renewed emphasis in the operationalization of the concept of decent work, to which the Director-General was fully committed, focusing attention on both the quantity and the quality of work.
- 30.** The representative of the Director-General (Ms. Capt) informed the Committee that any decision on the proposed conference or forum on the informal sector in 2002, distinct from the general session of the International Labour Conference, would have to be taken as part of the Programme and Budget for 2002-03, which would be discussed in the Governing Body for the first time in November 2000.
- 31.** The Worker Vice-Chairperson stated that the Workers' group would state its position on discussion of the informal sector at the International Labour Conference or at a separate conference during the Governing Body discussion in the coming week.
- 32.** The Employer Vice-Chairperson stated that the Employers' group by no means opposed all forms of regulation of the economy. Rather, they were opposed to excessive regulation, which was only one factor that encouraged movement into the informal sector.

<sup>4</sup> See GB.277/STM/5.



## II. ILO strategy and activities on employment and social concerns in crisis situations

33. Mr. Hultin, Executive Director of the Employment Sector, welcomed Mr. José Ramos-Horta, political leader of East Timor. He paid tribute to Mr. Ramos-Horta's work in the promotion of human rights and crisis resolution. Mr. Ramos-Horta had been awarded the Noble Peace Prize in 1996.
34. Mr. Ramos-Horta thanked the Committee for the invitation. He commended Indonesia's President, Mr. Wahid, for his assistance in the transformation of East Timor, his long-standing efforts to promote democracy, and his recent visit to East Timor. He thanked the ILO for its study on East Timor, noting that it would provide invaluable assistance in establishing a vision for employment, social policy, reconstruction and the building of civil society in preparation for East Timor's independence. Since the intervention by the International Force in East Timor (INTERFET) in October 1999 there had been no incident of political violence, for which he acknowledged the efforts of the various UN organizations and the Indonesian Government. Current activities presented an opportunity for the UN and related agencies to excel and succeed in their efforts to promote peace and stability. Donor countries needed to honour their commitments. They had a responsibility to deliver on their promises and fulfil expectations, such as the obligations made in Tokyo.
35. Mr. Ramos-Horta questioned how peace and stability could be maintained without employment creation, given the disruption of civil administration, destruction of property, the unprecedented level of unemployment and a virtually non-existent economy. He stressed East Timor's tremendous potential, with good natural resources, self-sufficiency in agriculture, oil, gas, marble and coffee. But East Timor had a scarcity of human resources in terms of skilled people. The projects outlined by the ILO were extremely important and should go hand-in-hand with other humanitarian programmes. Employment needed to be generated by the business sector, especially for SMEs. He appealed to donor countries to support ILO proposals, which had been drafted in cooperation with East Timorese leaders, including Mr. Xanana Gusmão.
36. The UN had been entrusted with rebuilding East Timor from scratch. He thanked the Governments of Australia, New Zealand, Japan, the Republic of Korea and China and hoped that the next two years would be marked with success. It was important that the UN depart East Timor in October 2001 knowing that it had done its utmost to leave a country with democratic institutions, a national parliament, free media, and a truly democratic society.
37. Mr. Ramos-Horta stressed that those who had died had not died in vain. In ten years he would like to see a strong independent judiciary, an independent democratic labour movement, respect for human rights and the absence of persecution for ideas expressed. To achieve this, the partnership with the ILO, the UN and other agencies was critical. The challenge was not only to the East Timorese people, but also to the international community. The UN could not afford to fail in East Timor. Its success would not only consolidate its operations elsewhere, but would also help East Timor to consolidate their relations with their neighbours. Several visits were undertaken by Mr. Gusmão and Mr. Ramos-Horta to many countries in the ASEAN region, Japan, China and Europe, where they had received assurances of support and where they had been able to assure their neighbours that an independent East Timor would be a constructive partner in the region. He hoped that in two or three years' time, the people of East Timor would be able to thank the UN for their success.

38. The Chairperson thanked Mr. Ramos-Horta for his statement, which would enrich the work of the Committee and help shape the ILO's activities to strengthen employment and social stability in the region.
39. A representative of the Director-General (Mr. Islam, Director, Recovery and Reconstruction Department) introduced the Office paper.<sup>5</sup> A large number of countries were in crises of different types: armed conflict, natural calamities, financial turmoil and difficult social transitions. The ILO sought to assist countries and territories in their efforts towards social reintegration through employment creation, income generation and social integration, that is, to participate in the transition from emergency to reconstruction with broader development objectives. Work carried out during an emergency period could have implications for reconstruction.
40. The InFocus Programme on Crisis Response and Reconstruction had been set up in October 1999 to build the ILO's preparedness and capacity to respond. Its activities included employment generation through intensive reconstruction works, local economic development, the establishment of social safety nets, and the promotion of social dialogue and social protection. It was necessary to increase awareness of the importance of tackling the employment and social inequalities and other social concerns in crisis situations, and to increase the capacity of ILO constituents to play a greater role in crisis monitoring and to participate in the prevention and tackling of adverse consequences.
41. As it was impossible to respond to all crises, some criteria were needed to determine involvement, such as the gravity of the situation; the level of development and capacity of the country in crisis; the frequency of crises; the concern and involvement of the UN; an assessment of the appropriateness of intervention; and the existence of technical capacity and resources.
42. The InFocus programme was small. Success would depend on its ability to draw on the best technical expertise. Its means of action would be an ILO crisis network, ad hoc task forces, a roster of crisis consultants, a set of generic tools, and manuals on job creation. It would seek to contribute to the development of early warning systems that used indicators such as poverty levels and social exclusion.
43. In the Democratic Republic of the Congo the ILO had helped in the reintegration of demobilized soldiers, with support from the World Bank. In East Timor it had designed a package covering job creation, vocational services and micro-credit programmes. In Sierra Leone it had developed a package of proposals as a programme of employment for peace, which would soon be operational. In Indonesia it had assisted in the recovery from economic crisis, addressing problems of employment and underemployment through the creation of an employment fund with the objective of job creation. Rapid action on funding, working closely with other organizations to mobilize resources, was critical. To achieve this, the ILO needed to form strategic partnerships within and beyond UN organizations and to develop swift administrative and financial procedures.
44. A representative of the Director-General (Ms. Date-Bah, Director, InFocus Programme on Crisis Response and Reconstruction) said that the few efforts undertaken so far demonstrated the added value that the ILO could provide. She presented an update on recent developments since the completion of the Office paper. A needs assessment mission in response to the recent floods in Mozambique was planned. In the Philippines, the ILO

<sup>5</sup> GB.277/ESP/2.

had helped set up 46 new enterprises and provide training for over 1,000 people in the Peace Zones. In Orissa, India, the ILO Area Office, with the assistance of the ILO regional ASSIST programme, would be fielding another mission to prepare possible ILO labour-based interventions. In Sierra Leone, a second ILO multidisciplinary mission had been undertaken. The Minister of Labour had requested quick implementation of the Employment for Peace Programme which had earlier been prepared by the ILO owing to the serious unemployment situation in the country. In East Timor, the ILO Regional Director for Asia and the Pacific had led a multidisciplinary mission to the territory in consultation with the United Nations Transitional Administration in East Timor (UNTAET), other UN bodies and local leaders. The ILO had responded to UNTAET's request to propose candidates for the secondment of its staff. Unless employment issues were addressed, one could not hope for sustainable peace. The ILO had a unique set of skills and tools to help address problems but it was crucial to advocate the support of donor funding, without which rapid response would not come to fruition.

45. The Worker Vice-Chairperson welcomed the paper. In times of crises, not only were the target countries themselves affected, but also neighbouring countries, and it was important for the ILO to respond quickly to these countries as well. Sufficient skills and resources were needed to implement skills training in affected countries in order to promote social dialogue and poverty alleviation. Many donor countries were involved, but there was little institutional capacity in recipient countries to take advantage of such donor assistance. It was important that governments and the social partners cooperated. The ILO's pillars of freedom of association and freedom to bargain collectively were critical, and the ILO needed the cooperation of other institutions such as the UNHCR and NGOs. Moreover, social aspects should be reflected in assistance policies. The Workers' group supported the role of social dialogue as presented in the paper.
46. Mr. Mansfield (Worker member) emphasized the role of the ILO in intervening in crisis situations. In East Timor there had been enormous damage to the infrastructure and civilian life. The massive dislocation of society had resulted in the collapse of institutional structures and made East Timor a clear case for ILO action. However, the resources available were limited and the ILO budget should be reconsidered. A recent meeting in Darwin, Australia, between the ILO and representatives based in East Timor had identified a range of ILO activities and the resources needed. The ILO had a very important role to play in employment generation in East Timor, since there was more than 80 per cent unemployment and immense social trauma. Labour-intensive infrastructure development should be pursued by the ILO in East Timor and elsewhere. However, as mentioned on other occasions, the Workers' group was most concerned that this area had been reduced in terms of resources and importance within the secretariat. The ILO had to increase its efforts in this area and needed to address the development of an industrial relations framework, since there were currently no labour unions and already signs of labour exploitation. An opportunity for ILO activities leading to greater employment was through vocational training. He commended the work of the ILO to date, noting in particular the work carried out in the region. The challenge ahead would be to translate many of the ongoing efforts into action.
47. The Employer Vice-Chairperson supported the ILO's efforts in East Timor and noted that the ILO paper outlined responses to political crises, natural crises and financial crises, though each of these was different and required different responses. In Thailand and Indonesia, dialogue between the social partners was necessary to encourage cooperation and ensure that the existing economic problems were not exacerbated. In a crisis situation such as Kosovo or East Timor there was a need to create jobs, and small enterprises and the informal sector were areas where the ILO could make a contribution. The ILO needed to keep decent work as a general goal, but to be aware that in a crisis this was only a goal, not

an immediate reality. The need to create labour-intensive infrastructure projects was relevant, but the ILO should develop programmes and not act as the executing agency. Other organizations, such as the World Bank, would be more qualified and experienced in their implementation. The ILO could provide advice. The ILO's involvement in crisis monitoring was questioned. Other institutions such as the UN and NATO were more prepared to deal with this. Given the ILO's limited resources, it should focus on areas where it could make a greater impact.

48. The representative of the Government of Portugal supported the ILO's crisis activities and expressed her Government's interest in participating. Portugal had been involved bilaterally in educational activities. She commended the ILO's strategies and underlined the need for swift administrative action and policies, which should be practical rather than academic. Exercising easier administrative procedures and using existing tools and indicators would help conceptualize the programme's strategies.
49. The representative of the Government of Sudan, on behalf of the African governments, thanked Mr. Ramos-Horta for his statement, and noted that the issues raised also concerned Africa. The Ninth African Regional Meeting in Abidjan had demonstrated how the conflicts in the region had led to suffering and why the ILO was called upon to support activities to further peace. The political crises in Africa were compounded by economic and natural disasters. Africa needed a set of activities to help affected people, to retrain them, and to address their needs. He stressed the need for investment in employment, and invited the ILO to promote such activities and obtain support from organizations such as the World Bank and the UNDP. Paragraphs 39 to 40 of the document represented important directives supported by African governments, and paragraph 44 referred to the need for the ILO's early presence in order to attract additional support. He called for rapid action by the ILO to address the catastrophe in Mozambique.
50. The representative of the Government of Bangladesh thanked the Office for the innovative paper, noting that the ILO had successfully developed a balance between activities during and after crises. Two types of crisis situations affected Bangladesh: frequent cyclones and the continuous erosion of river banks. The latter led to the displacement of people and of land itself. The ILO needed to coordinate assistance activities with national-level actors. The initiative for setting up task forces and networking with other organizations was appreciated.
51. The representative of the Government of Slovakia, referring to the situation in her country, noted that there was increasing unemployment, rising to a rate of 19.2 per cent and affecting more than 500,000 persons. Studies had shown that long-term unemployment and youth unemployment remained issues of primary concern. In November 1999 the Government had adopted a national employment plan in accordance with the principles of the European Employment Strategy. The cooperation of the ILO had been valuable to help Slovakia develop opportunities for men and women to enjoy decent work.
52. The representative of the Government of the United States supported the promotion of employment through intensive reconstruction, among other activities. However, the need for a rapid response made it necessary to prioritize activities. The logical process would be to begin by reactivating or developing social safety nets. The ILO could not shoulder the responsibility alone, and should coordinate its work with the Bretton Woods institutions.
53. The representative of the Government of China noted that the many crises worldwide had fostered poverty. In areas struck by crisis, people needed to be assured of employment opportunities, and the ILO should be allowed to intervene as early as possible. Since the ILO had limited resources, it needed to make the international community aware of the

urgent need for employment creation. He called for the MDTs to enhance coordination in such a way as to improve the ILO's ability to respond.

54. The representative of the Government of Japan noted that quick response to crisis situations was an area in which the ILO could improve its capacity. The ILO now had a set of tools to intervene in crisis and recovery. This gave Government members the opportunity to realize the urgent need for fund raising. She welcomed further discussion on this topic when more field experience had been undertaken.
55. Mr. Islam expressed his appreciation for the observations provided, noting the need to collaborate with other agencies and the need to prioritize the ILO's activities. Paragraph 48 pointed to this need, but might not have been clear on how best to collaborate with the Bretton Woods institutions. The labour-intensive infrastructure programme had for a long time demonstrated the ILO's comparative advantage and expertise in this area and added value to the ILO's efforts.

### **III. Preparations for the Special Session of the General Assembly of the United Nations: World Summit for Social Development and Beyond – Achieving Social Development for All in a Globalized World**

56. A representative of the Director-General (Ms. Ducci, Director, Bureau for External Relations and Partnerships) introduced the Office paper and its addendum.<sup>6</sup> She highlighted the importance that the ILO attached to the Special Session of the General Assembly. The main paper outlined the ILO's contribution to the preparatory process to date, including the submission of substantive review reports as requested in Decision 1 adopted at the first session of the Preparatory Committee of the Special Session. Attention was drawn to the ILO document entitled "Decent work and poverty reduction in the global economy", prepared by the Office for submission to the Second Session of the Preparatory Committee and made available at the UN Commission for Social Development in February 2000. Other substantive reports, in particular the background paper and the Conclusions of the International Consultation concerning Follow-up on the World Summit for Social Development<sup>7</sup> and other ILO documents relevant to the requests of the Preparatory Committee, had also been provided to the UN secretariat as the ILO's input to the process.
57. She drew attention to the points for decision in paragraph 11 concerning the overall ILO contribution to the preparatory process; paragraph 21 concerning a possible Governing Body delegation to the Special Session; and paragraph 23 concerning the consideration by the Governing Body at its 279th Session in November 2000 of the outcome of the Special Session. Since the Committee was now meeting for the last time before the Special Session she particularly welcomed its views on the subject. The Special Session would provide an opportunity to project to the international community at large the ILO's concerns, views and activities.

<sup>6</sup> GB.277/ESP/3 and Add.1.

<sup>7</sup> GB.276/5.

- 58.** The Employer Vice-Chairperson stated that the Employers had read the Office documents with interest, particularly that submitted by the ILO to the Preparatory Committee, but expressed his group's disappointment with the paper's tone and content. Referring to paragraph 5, he expressed the Employers' concern that the Conclusions of the International Consultation did not appear in the material submitted to the Preparatory Committee. He thus requested the submission of the Conclusions to the Preparatory Committee, since they reflected a tripartite consensus.
- 59.** He expressed his group's disagreement with the view outlined in the paper submitted to the Preparatory Committee which, in their opinion, linked globalization to increased poverty. The benefits of globalization had been unequally distributed, and it had failed to satisfy the initial expectations, but it had certainly not led to increased poverty. The "crisis of legitimacy" of the globalization process mentioned in the paper was an exaggeration and a misreading of what had happened in Seattle, and the Office should refrain from such an approach. He hoped that representatives of the social partners would be able to accompany the Director-General to the Special Session and expressed his group's support for the consideration by the Committee of the outcome of the Special Session at the 279th Session of the Governing Body in November 2000.
- 60.** The Worker Vice-Chairperson thanked the Director-General for his efforts regarding the ILO's participation in the preparatory process and referred to the active involvement of trade unions, in particular the ICFTU, in preparations for *Geneva 2000*. The ICFTU's contribution to the Preparatory Committee had been prominent, particularly in the debate on basic rights at work. This addressed the social dimensions of globalization, and careful preparation would be needed to avoid the confusion observed in Seattle. He supported paragraphs 5 to 7 of the document submitted to the Committee concerning the Office paper "Decent work and poverty reduction in the global economy", as well as the ILO's cooperation with other UN agencies, urging the Office to present a concrete framework for such a cooperative relationship. The points for decision in paragraphs 11 and 21 were endorsed by the Workers' group. As regards paragraph 23, further elaboration and consultations were needed.
- 61.** Mr. Patel (Worker member) considered that the "crisis of legitimacy" was a reality, and the Committee should have a role as a forum for discussion and debate in order to seize the momentum to build a consensus on a social architecture for the global economy.
- 62.** The representative of the Government of the Netherlands attached great importance to the ILO's contribution, particularly since its concerns lay at the heart of the Special Session. In this regard she referred to decent work, poverty alleviation, employment generation, social integration and the Declaration on Fundamental Principles and Rights at Work, and recalled that the issue of core labour standards had originated in Copenhagen. She asked whether it would be possible to organize a series of round tables in the framework of the Committee of the Whole referred to in paragraph 9(a) of the Office paper. She requested more information on the special events to be organized by the ILO during the Special Session, and emphasized the need for a solid link between the Copenhagen+5 and the Beijing+5 review processes. She supported all the points for decision. As regards paragraph 23, it was of particular importance to provide the scope for proper follow-up on the outcome of the Special Session.
- 63.** The representative of the Government of India recalled the ILO's substantial contribution to the Social Summit. This had been duly reflected in the outcome of the Summit, in particular in Commitment 3 of the Copenhagen Declaration. Supporting the reference to a "crisis of legitimacy" in the globalization process, he pointed to the positive role that the ILO would play at the Special Session and to its efforts in dealing with the current issues

of unemployment and underemployment. Collaboration with other international organizations in order to achieve full employment was called for, as well as the inclusion of the Conclusions of the International Consultation in the overall ILO contribution to the preparatory process. The points for decision were supported. As regards paragraph 23, he requested the Office to prepare a comprehensive paper for the November 2000 session.

64. The representative of the Government of Croatia, recalling the words of the Director-General in his preface to the document “Decent work and poverty reduction in the global economy”, stressed the need to link the Beijing+5 and the Copenhagen+5 review processes. Pointing to the need to strengthen collaboration and exchange experience, the Director-General’s report was seen as an excellent basis for common action. Referring to her country’s support for the full implementation of the ILO Declaration on Fundamental Principles and Rights at Work, she noted with great satisfaction the emphasis given to the Declaration and to core labour standards in the agreed conclusions of the 38th session of the UN Commission for Social Development. All points for decision were supported.
65. The representative of the Government of the United Kingdom thanked Mr. Patel for his words and stressed the need to forge a consensus on a social architecture for the global economy. Referring to the initiatives paper being negotiated in the framework of the preparatory process, she highlighted the ILO’s prominent position in it, in particular in the areas of employment and social protection as well as child labour and core labour standards. The active role of the ILO in the preparatory process was acknowledged, and the Office proposals to carry out further ILO activities were supported. She endorsed the proposal to hold a World Employment Forum in 2001 and, in view of the short time available for its preparation, considered it important for the Committee to discuss how the Office should proceed.
66. The representative of the Government of Denmark associated herself with the comments by the representatives of the Netherlands and the United Kingdom, and expressed her sincere appreciation for the ILO’s substantive contribution to the preparatory process. Noting the document submitted to the Committee with interest and satisfaction, she supported all points for decision.
67. The representative of the Government of Switzerland supported the points for decision. In relation to the preparatory process, he stated that many ILO initiatives and concerns had in fact been included in the Chairman’s draft text; the World Employment Forum should provide the ILO with the opportunity to develop an employment strategy. The positive experience of the OECD should be considered in this regard. The ILO was thanked for making its facilities available to the least developed countries and to the *Geneva 2000* forum and its constructive collaboration with the Swiss authorities.
68. The representative of the Government of the United States supported all points for decision. He expressed his country’s preference for discussions on the outcome of the Special Session to be held in November 2000 in the Committee.
69. The representative of the Government of Peru agreed with the two interrelated dimensions put forward in the ILO paper to the Preparatory Committee, namely a more coherent and integrated approach to policy-making and the ILO’s global programme for decent work. These proposals coincided with his Government’s view that both the problem of poverty and the international action needed to alleviate it were in essence of a political nature and thus required a true political will in order to deal with them. He supported all the points for decision.

70. The representative of the Government of the Islamic Republic of Iran expressed his appreciation for the Office paper and supported the ILO's preparations for the Special Session. Expressing his Government's concerns on the social impact of globalization, he pointed to the usefulness of the conclusion of UNCTAD X.
71. The representative of the Director-General pointed out, in response to the Employer Vice-Chairperson, that the paper submitted to the Preparatory Committee recognized the two sides of globalization. Quoting from the document, she stated that "the paper also underscores the fact that, together with its many achievements, the present form of globalization has not succeeded in making markets work for all" (page vii). The paper attempted to address both the positive aspects of globalization and the social problems it had raised. Regarding the question of the "crisis of legitimacy" of the globalization process, she pointed out that this reflected concerns emerging from several quarters, not only in the streets of Seattle but also, for example, at UNCTAD X.
72. In response to the Worker Vice-Chairperson, she stated that the ILO proposals for further initiatives concerning an integrated approach to economic and social policies, as well as the promotion of decent work, highlighted the need to develop partnerships with other UN agencies.
73. In reply to the query by the representative of the Government of the Netherlands, she pointed out that at the time of writing the Office paper the idea of having round tables within the framework of the Committee of the Whole at the Special Session was still possible. Only during the inter-sessional consultations at the end of February 2000 had the decision been taken not to have such round tables as part of the official proceedings of the Special Session. This situation was reported in paragraph 12 of the addendum to the document.
74. She provided additional information regarding the planned parallel activities, in some cases in collaboration with various partners, in particular international organizations. These included the active participation in the Symposium organized by the Swiss authorities; trade union-oriented activities; child labour initiatives; activities concerning micro-finance; labour-based investments; and income-support systems for the unemployed. Two gender-related events were also planned, linking the Copenhagen+5 and Beijing+5 review processes. Exhibitions and information dissemination activities were envisaged. Further information would be provided as soon as the definitive programme of events was available. The ILO premises would be available to the *Geneva 2000* forum. Many events, not necessarily organized by the Office, would take place in the ILO building itself. Finally, replying to the Employer Vice-Chairperson, she added that the Conclusions of the International Consultation had in fact been submitted to the secretariat of the Preparatory Committee.
75. ***The Committee recommends to the Governing Body that it take note of the overall ILO contribution to the preparatory process, in particular the document entitled "Decent work and poverty reduction in the global economy", submitted by the Director-General to the Second Session of the Preparatory Committee.***
76. ***The Committee recommends that, subject to the recommendation of the Programme, Financial and Administrative Committee, the Governing Body appoint a tripartite delegation, consisting of one member from each group, to accompany the Director-General as part of the ILO delegation to the Special Session of the General Assembly.***



***77. The Committee recommends to the Governing Body that it decide what arrangements should be made for the consideration, at its 279th Session, (November 2000) of the outcome of the Special Session.***

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**78.** At the end of the meeting, as time did not permit a discussion of the proposal made by the representative of the Government of the Netherlands on behalf of the IMEC group, Mr. Hultin said that the Officers of the Committee would discuss them in their meeting the following week. Government members were encouraged to inform the Chairperson of the Committee of their views regarding the agenda of the Committee at future sessions so as to enable him to express such views in the meeting of the Officers, where the decision on the agenda would be taken in accordance with established practice.

Geneva, 23 March 2000.

*Points for decision:* Paragraph 75;  
Paragraph 76;  
Paragraph 77.