



## **Report of the Chairperson of the Governing Body to the Conference for the year 2003-04**

This report on the work of the Governing Body is submitted to the Conference in accordance with article 14 of the Standing Orders of the Governing Body. It covers the period since the last general session of the Conference (June 2003), i.e., the Governing Body's 287th (June 2003), 288th (November 2003) and 289th (March 2004) Sessions. It focuses only on the highlights of the Governing Body's year, and does not cover matters that are otherwise before the Conference.

Those seeking more extensive and detailed information on the work of the Governing Body as a whole are referred to the notes at the end of the report. They may also consult the minutes of its 287th, 288th and 289th Sessions (June and November 2003; March 2004) or the documents submitted to its committees and to the Governing Body itself. Other relevant material, as well as the reports and other Governing Body documents mentioned in the text and in the endnotes, are available on the Governing Body Internet site.<sup>1</sup>

### **I. ILO Declaration on Fundamental Principles and Rights at Work**

#### **Compilation of annual reports**

In the fifth annual review under the follow-up to the ILO Declaration, the Governing Body engaged in a discussion on the basis of the compilation of reports prepared by the Office<sup>2</sup> and the Introduction of the ILO Declaration Expert-Advisers.<sup>3</sup> The Governing Body acted upon a number of observations made by the Expert-Advisers and engaged in a more in-depth discussion of certain aspects of the reports. In particular, it called upon the Office to develop further the means for countries to assess their progress in moving towards fuller realization of the fundamental principles and rights at work; to expand upon the positive measures taken by the Gulf Cooperation Council (GCC) countries; and to engage further with those countries which have never reported (Afghanistan, Kyrgyzstan, Sierra Leone, Solomon Islands and Somalia) and assist further those that are able to report only irregularly, such as the Lao People's Democratic Republic.

The Governing Body again drew the attention of national and international employers' and workers' organizations to the need for them to provide comments under the Declaration's annual review, and asked them to make special efforts to promote and facilitate the organization of workers and their engagement in collective bargaining, as regards those that tend to be excluded from enjoying the Declaration principles and rights.

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These include agricultural workers, workers in export processing zones, migrant workers, domestic workers, workers in the informal economy and some workers in the public sector.

## **Technical cooperation activities**

In November 2003 the Committee on Technical Cooperation examined and approved the *Priorities and action plans for technical cooperation* under the Declaration, which focused on eliminating discrimination in employment and occupation.<sup>4</sup> This action plan, which was submitted by the Office in follow up to the Global Report on non-discrimination in the workplace, *Time for equality at work*, aims to raise the coherence, visibility and impact of the ILO's action and to achieve measurable results between 2004 and 2007, when the next Global Report on the subject is due. The main thrusts of the action plan to eliminate discrimination are: (a) racial/ethnic discrimination at work and development, with attention to its gender dimensions; and (b) equal remuneration between genders and racial/ethnic groups.

## **Discussion of the Global Report**

The Governing Body approved ad hoc arrangements for the discussion of this year's Global Report on 10 June 2004.<sup>5</sup>

## **II. Child labour**

Through the established practice of dual reporting, the Governing Body examined the work of the InFocus Programme on Child Labour (IPEC) during the 2002-03 biennium, and in particular in 2003. In November 2003, the Governing Body received an oral report by the Executive Director for Standards and Fundamental Principles and Rights at Work, as well as an advance copy of IPEC's comprehensive report on action and future priorities regarding child labour. The discussions were continued during the Governing Body's session in March 2004, based on the final IPEC report on its activities undertaken during the biennium.

### **Follow-up to the June 2002 discussion of the ILO Global Report: *A future without child labour***

The Action Plan to Abolish Child Labour, discussed and endorsed by the Governing Body in March 2003, was based on IPEC's experience and reflected a shift in strategy. Its main components include a new focus on the worst forms of child labour, the promotion of national initiative and ownership, and the generation of reliable information on child labour, as well as global and broad-based partnerships. Further to this Action Plan, the Governing Body has been kept informed of the activities pursued, in particular by IPEC. The celebration of the *World Day against Child Labour* to commemorate the Conference debate on 12 June 2002 has now become established as an annual campaign event to be organized by the Office and its field structure worldwide, with a selected theme each year, the theme for 2004 being "Child domestic labour".

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## **IPEC action against child labour 2002-03: Progress and future priorities**

During the biennium, IPEC continued to intensify its programme to support large-scale, innovative interventions by governments, the social partners and other concerned groups to combat child labour, especially its worst forms, as a matter of urgency. In addition to the target-specific achievements described under the following section, some of the main progress is covered here.

For 2003, IPEC programme expenditure reached US\$47.2 million, bringing the total for the biennium to US\$88.1 million. This represents an increase of approximately US\$31.8 million or 56 per cent over the preceding biennium. The Time-Bound Programme (TBP) approach has been further developed. The concepts, explanations and advice on the many facets of TBPs are elaborated further in the recently published TBP MAP (*Manual for Action Planning*) Kit. During the biennium, IPEC began several networking initiatives as an additional cost-efficient modality to disseminate the message and methodologies. IPEC also continued to reply to the demand from member States for technical assistance in carrying out child labour surveys, and to raise the profile of the fight against child labour through its two major global awareness campaigns: *Red Card to Child Labour* and SCREAM (*Supporting Children's Rights through Education, the Arts and the Media*).

IPEC's research base was also strengthened further to support interventions and to broaden the child labour knowledge base. Research projects carried out during the biennium included those on HIV/AIDS and the special situation of girls in child labour. In early 2004, IPEC published a report entitled: *Investing in every child: An economic study of the costs and benefits of eliminating child labour*, to help reinforce the economic argument against child labour by showing that the benefits of eliminating child labour largely outweigh the costs in the long run.

### **IPEC's achievements relative to targets for the biennium**

Firstly, in terms of ratifications of child labour Conventions, as of 31 December, 2003, out of 177 member States, 147 had ratified Convention No. 182 (34 additional member States during the biennium) and 131 had ratified Convention No. 138 (15 additional member States). While the pace of ratifications is slowing down as universal ratification approaches, these total figures are in line with the expectations, given that actual ratifications for both Conventions during 2000-01 largely exceeded the projections.

Secondly, as regards information and knowledge, during the biennium 28 additional countries undertook national child labour or other types of surveys. In terms of technical cooperation to ILO member States, the IPEC programme continued to expand at a very rapid rate during 2002-03.

Thirdly, in the field of technical cooperation provided to member States in formulating policies and TBPs for the elimination of the worst forms of child labour, additional funding for national TBPs secured during the biennium amounted to US\$38 million for 11 countries. This brings the total number of countries that have formulated national TBPs to date to 14. An additional seven countries put in place plans of action to eliminate the worst forms of child labour with IPEC support during the biennium. Several countries were assisted with sectoral programmes of national or regional scope that develop time-bound targets in selected sectors or industries within a more limited time frame.

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Fourthly, the beneficiary target for IPEC's programmes for the biennium was set at 1 million children, a goal which was exceeded by more than 10 per cent. Preliminary indications based on the coverage of the different national campaigns and awareness-raising activities linked to projects suggest that an additional 33 million children have been reached. The analysis of the direct beneficiaries of IPEC's projects and programmes shows that more than half of the total have been girls, while seven out of every ten beneficiaries were found in one of the worst forms of child labour. Regionally, 11 per cent were from Africa, 35 per cent from the Americas, 48 per cent from Asia, and 6 per cent from Europe and the Arab States.

## **The importance of education for eliminating child labour**

With IPEC's strategic shift towards enhancing the enabling environment for action against child labour, education policy has begun to receive greater emphasis as well. Convention No. 182 reaffirms the importance of free basic education and recognizes that the long-term solution to child labour will involve universal education. The importance of education for eliminating child labour has been emphasized in IPEC's education strategy in terms of both policy reform and targeted interventions to assist children. IPEC has been working very closely for instance with SECTOR, as well as ACTRAV.

## **Child labour and the Decent Work Agenda**

IPEC's work on child labour is an important facet of the ILO's Decent Work Agenda because child labour perpetuates the vicious cycle of poverty by preventing children from acquiring the skills and education they need for a better future with decent work. IPEC has made systematic efforts to mainstream its work at the country and global levels as well as in relation to the ILO's Decent Work Agenda. To ensure coherence and integration at the country level, IPEC is grouping its field staff into IPEC country teams and is designating IPEC focal points to enhance coordination. In 2004-05 IPEC will also establish IPEC country strategy and country operational objectives within individual countries. These will be closely linked to the ILO country programmes, including the decent work initiatives in the country.

## **Partnership between IPEC and employers' and workers' organizations**

The importance of cooperation with employers' and workers' organizations in the programmes and projects against child labour has been underlined on several occasions during the discussion on child labour in the Governing Body. It has been reiterated that tripartism is essential in IPEC's work as an integral part of the ILO's tripartite work. Further efforts have continued and will be pursued to improve such cooperation. A major investment was made by IPEC to promote and assist global sectoral alliances among employers' and workers' organizations, such as those concerning the cocoa/chocolate industry and the tobacco sector. These cooperative arrangements are in line with the ILO's philosophy of tripartism, and are oriented towards finding constructive and broadly supported solutions with tangible and lasting effects and dividends for all parties concerned.

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### **III. Working Party on the Social Dimension of Globalization**

#### **Corporate social responsibility and international labour standards**

In November 2003, an “Information note on corporate social responsibility and international labour standards”<sup>6</sup> was placed before the Working Party in order to keep it abreast of developments in this area. The Working Party took note of the information provided and expressed the wish to deal with this issue in the context of the discussion of the final report of the World Commission on the Social Dimension of Globalization in March 2004. The Office was requested to continue to monitor developments and make this information available to ILO constituents through various means.

#### **Policies and social partnerships for good governance**

At the same session, the Working Party discussed the topic “Policies and social partnerships for good governance”. The paper<sup>7</sup> submitted to the Working Party built on the discussion of a related document in March 2003. It addressed the relevance of social partnership to broader questions of governance in the context of economic and social development, and reviewed some elements identified in the external literature on governance. Although there were many positive illustrative examples, social partnership was still not fully appreciated or universally put into practice. The Working Party recognized that the subject of social partnership, social dialogue and good governance was important, particularly when it came to considering the forthcoming report and recommendations of the World Commission. It noted that the ILO played an important role in identifying and developing the right conditions and policy frameworks for good governance in relation to social, employment and economic policies. It was important to communicate to the development community the ILO’s own approach to labour market governance through social partnership.

#### **World Commission on the Social Dimension of Globalization**

##### ***Statement by Her Excellency Ms. Tarja Halonen, President of Finland and Co-Chair of the World Commission***

In November 2003, Ms. Tarja Halonen, President of Finland and Co-Chair of the World Commission on the Social Dimension of Globalization, addressed the Working Party on the ongoing work of the Commission. She congratulated the Working Party on its courage and open-mindedness in setting up an independent World Commission. The work of the Commission was highly relevant, not only to the ILO, but also to the rest of the multilateral system. President Halonen described some of the salient points which the Commission had discussed at length and in depth, and which were important for arriving at balanced conclusions on what to do to strengthen the social dimensions of globalization. The Commission had started from the idea that, in order to be sustainable, globalization must meet the needs of people. The ultimate goal was to help make globalization a resource to promote decent work, reduce poverty and unemployment and foster growth and

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development. Based on this challenging goal the Commission had developed a vision for change. The main points in this vision were that: the current course of globalization had to change because too few shared its benefits and too many had no voice in its design and no influence over its course; globalization should be a force to increase human freedom and well-being, and bring democracy and development to the communities where people live; and the principles that must guide globalization should also be reflected in national institutions, rules and political systems based on democracy, human rights and the rule of law.

President Halonen also noted that the economic benefits and social costs of globalization were not evenly distributed among countries and social groups. Successful participation in globalization was bound up with national capabilities and policies. For these reasons it could be said that the response to globalization began at home. It was also a good reason to make the nation State a stronger entity. In order to make globalization a positive force for people it was important that the rules governing it be fair, both in creating opportunity and determining outcome. They needed to reflect the diverse situations of peoples and countries.

She emphasized that action to achieve fairer rules also needed more coherent and equitable policies at the international level. This was essential to ensure that the benefits of globalization were more widely distributed and common global goals were realized.

***Presentation of the report, A fair globalization: Creating opportunities for all, by His Excellency Mr. Benjamin Mkapa, President of the United Republic of Tanzania and Co-Chair of the World Commission***

In March 2004, Mr. Benjamin Mkapa, President of the United Republic of Tanzania and Co-Chair of the World Commission on the Social Dimension of Globalization, addressed the Working Party to present the report of the World Commission, *A fair globalization: Creating opportunities for all*. His opening remarks set the basis for two days of extremely fertile debate on 24 and 25 March 2004. He highlighted the significance of the discussion on the report of the World Commission<sup>8</sup> and said that he looked forward to hearing how the ILO proposed to take forward the agenda set out in the report. He concluded by launching an appeal to Governments, Workers and Employers not to run away from the weaknesses of globalization, but to fight now.

## **IV. International labour standards**

### **Improvements in ILO standards-related activities**

#### ***Articles 19, 24 and 26 of the Constitution***

As part of the ongoing discussions on the improvement of ILO standards-related activities, in November 2003 the Governing Body considered the question of reinforcing the procedures for submission to the competent authorities of the instruments adopted by the International Labour Conference, for representations and for complaints provided for under articles 19, 24 and 26 of the Constitution.<sup>9</sup> The Governing Body will examine the amendments proposed to improve these procedures at its 291st (November 2004) Session.

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## **Technical assistance and promotion**

In November 2003, the Governing Body held a second discussion on technical assistance and the promotion of international labour standards. The Governing Body considered that the comments of the supervisory bodies, the conclusions of the Working Party on Policy regarding the Revision of Standards, as well as the differences in national situations should be taken into account in the development of the tools necessary to support technical assistance and promotional activities, especially the integration of standards into the country programmes, in particular the decent work country programmes. These elements should also be taken into account in the preparation of the programmes and budget and in the joint programming between headquarters and the field structures. Information made available in thematic databases, such as the one concerning occupational safety and health following the first integrated approach, could also be important for planning activities. Standards-related technical assistance and promotional activities need to be discussed with the social partners as well as the governments in the countries concerned and should equally reflect both their wishes and priorities, and the mandate of the Organization.

## **Practices for the preparation of international labour Conventions**

In November 2003, the Governing Body requested the Office to draw up a manual of good drafting practices aimed at facilitating the drafting of instruments submitted for adoption at the Conference.<sup>10</sup> A draft will be examined by a tripartite group of experts and submitted to the Governing Body at its March 2005 session.

## **Ratification and promotion of ILO fundamental Conventions**

The campaign for the ratification of the ILO's core Conventions, initiated in 1995, has continued to stimulate member States to ratify these vital instruments. Since June 2003, there have been 16 ratifications of ILO fundamental Conventions by ten countries. These ratifications have added nine countries to the list of member States having ratified all the ILO's core Conventions.

There are now 103 States that have ratified all eight fundamental labour Conventions, and 30 that have ratified seven of them. The total number of ratifications obtained for these instruments amounts to 1,225, or 87 per cent of the possible 1,408 ratifications (all numbers at 18 May 2004).

## **General status report on ILO action concerning discrimination in employment**

As in previous years, the Governing Body had before it, at its March 2004 session, a general status report on ILO action concerning discrimination in employment. The report contained an overview of the ILO's activities during 2003 promoting these standards and instruments, highlighting selected examples of such activities and their impact.

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## Freedom of association

The Committee on Freedom of Association received a growing number of complaints concerning trade union rights and collective bargaining, and examined about 200 cases between May 2003 and March 2004. Positive developments were observed during the period under review, such as release of detained trade unionists, registration of trade unions, or reinstatement of trade unionists dismissed by reason of union membership or activities.

## Consolidated Convention on maritime labour standards

In March 2004, the Governing Body considered a progress report on the proposed consolidated maritime labour Convention and in particular the outcome of the fourth meeting of the High-level Tripartite Working Group on Maritime Labour Standards (HLTWG).<sup>11</sup> It took note of the agreement that had been reached on certain elements of the structure of the proposed Consolidated Convention and of the compromise reached on the precise status to be given to provisions in the non-mandatory part of the Convention, namely those in Part B of the Code. The fourth meeting of the HLTWG had discussed the content of the five Titles. The Governing Body noted the consensus that had been reached on some of the Titles and aspects that needed further discussion, in particular social protection. The general result of the discussions had been to narrow the areas of potential disagreement and consequently to facilitate the work of the Preparatory Technical Maritime Conference to be held from 13 to 24 September 2004.

The Governing Body also endorsed a resolution adopted by the HLTWG setting out the general lines of an appropriate procedure in order to enable the Preparatory Conference to concentrate on settling points of disagreement and to avoid unjustified discussion of provisions that have matured over years of discussion in the HLTWG and its Subgroup. In addition, it adopted a set of Standing Orders to govern the Preparatory Technical Maritime Conference. Finally, the Governing Body took note of a declaration adopted by the HLTWG concerning the accidental grounding of the M/V *Tasman Spirit* on 27 July 2003 in the port of Karachi, Pakistan, and the detention of the crew members.

The Governing Body has continued to follow progress in the work relating to a Consolidated Convention on maritime labour standards, scheduled for submission to the Conference for adoption in 2005. A draft of this Convention is being prepared by the Office under the direction of the HLTWG.

At the Governing Body's request, the Office submitted to the Governing Body, in March 2003, a progress report prepared with the assistance of the Subgroup of the High-level Group.<sup>12</sup> Particular reference was made in that report to the role that the ILO supervisory system might play in relation to the new Convention. Many members commended the work that had been achieved so far. It was, at the same time, pointed out that the existing maritime labour standards should continue to be promoted, pending the adoption of the new Convention, and to be ratified by member States, as this would facilitate the acceptance of the new instrument.



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## Constitutional procedures

### ***Observance by the Government of Myanmar of the Forced Labour Convention, 1930 (No. 29)***

In November 2003, the Governing Body had before it two reports from the Liaison Officer on developments since June 2003. The Governing Body endorsed the Chairperson's conclusions, in particular regarding the importance he felt should be accorded to the introductory statement made by the representative of Myanmar, from which it appeared that the Myanmar authorities were in agreement that the representatives of the Director-General should undertake, according to the modalities that had been successfully applied previously, a complete review of the situation with the aim of an implementation of the Plan of Action as rapidly as possible. On this basis, the Governing Body agreed to postpone until its March 2004 session the consideration of the proposal to reactivate the measures envisaged under the resolution adopted in June 2000 by the Conference, on the understanding that a complete report on the situation, with appropriate recommendations, would be submitted to it by the Director-General.

The Liaison Officer, Ms. Hồng-Trang Perret Nguyen, completed her appointment at the end of November 2003. Mr. Richard Horsey was appointed Liaison Officer *ad interim* from 1 December 2003.

In March 2004, the Governing Body had before it three reports: (i) a report from the Liaison Officer *a.i.* on his activities; (ii) a report of the preliminary phase of an evaluation visit to Yangon under the November 2003 understanding reached by the Governing Body, carried out by Mr. Francis Maupain, Special Adviser to the ILO Director-General together with the Liaison Officer *a.i.*; and (iii) a report on the latest developments in the case of certain persons sentenced to death for high treason, including the observations of the future Facilitator concerning his visit to two of the detained persons. The Governing Body concluded that while positive developments had taken place since November 2003 and the authorities had demonstrated an openness to cooperate, the discovery of a court judgement against certain persons in relation to contacts or exchange of information with the ILO had undermined prospects for future cooperation.

The Governing Body identified three separate concerns which had been expressed. The first concern was that contacts or exchange of information with the ILO could in any way have judicial consequences in Myanmar. In this regard it took note of the assurances given by the Myanmar Ambassador and the Minister for Labour. It also supported the future Facilitator's clear recommendations for action as regards the persons involved. The second concern was that contacts with third parties on matters of concern to the ILO could similarly be punished, thus calling the principle of freedom of association into question. The third concern was whether, in light of the court judgement, the Plan of Action, and more specifically the Facilitator mechanism, could be credibly implemented. The Office was to examine this question more thoroughly in light of the results of the review of the recent cases and any further assurances provided by the Government and report on the results of this examination to the Officers of the Governing Body, which should be found sufficiently convincing before proceeding to the implementation of the Plan of Action.

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***Observance by the Government of Belarus of 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)***

In view of the situation set out in the complaint concerning the non-observance by Belarus of 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), submitted under article 26 of the Constitution by a number of Worker delegates to the June 2003 session of the International Labour Conference and further to the examination of the case by the Committee on Freedom of Association, the Governing Body decided in November 2003 to engage the procedure provided under article 26, paragraph 4, of the Constitution and, accordingly, to establish a Commission of Inquiry to examine the allegations made in the complaint.

## **V. Employment and social policy**

### **Implementation of the Global Employment Agenda**

The Committee on Employment and Social Policy discussed the implementation of the Global Employment Agenda (GEA) at its November 2003 and March 2004 sessions. The papers before the Committee<sup>13</sup> pointed to the need to make ministries of finance and planning aware of the feasibility of incorporating employment concerns in policy-making; the importance of sound analytical work to underpin the ILO's policy advisory services; the need to ensure the active involvement of the social partners in developing policies and institutions; and the political commitment at all levels to undertake comprehensive employment policy reviews under the GEA framework. The Committee welcomed the examples for implementation at national level, emphasizing the importance of the regional and global dimension of the GEA. It called upon the Office to ensure greater coordination and integration of programmes that supported decent work at country level, such as the GEA, the Decent Work Pilot Programme, and the ILO's work in the context of Poverty Reduction Strategy Papers (PRSPs) and the Youth Employment Network.

### **Active labour market policies**

In March 2003, the Committee on Employment and Social Policy had chosen active labour market policies (ALMPs) as the first core element of the GEA to be reported on in November 2003. The paper that was before the Committee in November 2003<sup>14</sup> provided an overview of the background, functions and definition of ALMPs, examples of their use in different countries and regions, and an evaluation of their effectiveness. The Committee in principle supported the four main objectives of ALMPs: (1) direct and indirect employment creation; (2) security in change; (3) equity; and (4) poverty reduction, as well as the proposed medium-term work in this field. It also gave guidance and recommendations on the Office's future work, such as, for example, the role of collective bargaining and of minimum wages, the integration of economic and social policies, and the use of ALMPs in developing countries. The paper's emphasis on the diversity of country situations was very much welcomed by the Committee.

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## HIV/AIDS and the Decent Work Agenda

In November 2003, the Office submitted a report to the Committee on Employment and Social Policy on this issue,<sup>15</sup> in which it also presented the objectives, current activities and future plans of ILO/AIDS. The report included an overview of how the Office contributes to the global response to HIV/AIDS by strengthening the capacity of the constituents to develop and sustain workplace policies and programmes; and how it promotes the Decent Work Agenda. In addition to the specific responsibilities of the ILO/AIDS programme, the Office mainstreams HIV/AIDS-related issues in all its major programmes and activities, and important partnerships have been developed beyond the Organization, principally with UNAIDS and the fellow co-sponsors, but also with the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Business Coalition on HIV/AIDS.

During the discussion, the ILO was requested to focus and strengthen its efforts to address the ways the epidemic threatens each of the strategic objectives of the Decent Work Agenda, especially by increasing and monitoring the mainstreaming of the issue throughout the Office. Employers and Workers also drew attention to the increasing collaboration between the two social partners in the framework of the joint statement by the International Organisation of Employers (IOE) and the International Confederation of Free Trade Unions (ICFTU), *Fighting HIV/AIDS together*. The need for trade unions, employers and labour ministries to move from the current focus on prevention to include measures to ensure access to affordable drugs was also underlined.

## The Global Social Trust pilot project

In November 2003, the Committee on Employment and Social Policy acknowledged the progress<sup>16</sup> which had been made on the Global Social Trust pilot project: following tripartite negotiations, Luxembourg and Namibia had been identified as the donor and recipient countries, respectively, to test the introduction of a new social security benefit in Namibia for surviving partners and children of those who had died. The benefit would be supported by donations from individuals in Luxembourg channelled through a trust fund administered by the National Social Trust Project of Luxembourg, made up of two trade union-based non-governmental organizations (NGOs). Additional financial support would come from the Government of Luxembourg for the duration of the pilot. The Committee further noted that a reserve project would be carried out in Ghana should negotiations between the Governments of Namibia and Luxembourg fail to reach a satisfactory conclusion. The Governing Body finally noted that the Officers of the Committee had been authorized by the Committee to make nominations at the appropriate time for members of a tripartite advisory board to the project, whose nominations would in turn be approved by the Governing Body and the Director-General.

## The Decent Work Pilot Programme

A first report on the implementation of the Decent Work Pilot Programme (DW/PP) was discussed by the Committee on Employment and Social Policy in November 2003,<sup>17</sup> followed by a review of an update on progress in March 2004,<sup>18</sup> covering the implementation of the GEA, the DW/PP and the PRSPs. The Governing Body commended the approach taken by the DW/PP. The programme contributed to raising the profile of decent work in higher-level national policy agendas and demonstrated the benefits of policy integration around social and labour issues. This had strengthened the role of national constituents in policy dialogue. Satisfaction was also expressed with the high degree of national ownership and the active involvement of national constituents. Capacity

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building of constituents was crucial for impact and sustainability. Attention needed to be paid to potentially overlapping ILO frameworks to ensure coherent national ILO programmes. Further work was also needed to evaluate the outcomes. The Governing Body urged the Office to bring the DW/PP to a successful conclusion and to document the lessons learned. These should contribute to a “tool-kit” for operationalizing decent work in member countries, so that the decent work country programmes to be introduced over the next years as the general mode of ILO cooperation with member countries could build on the experience of the pilot programme.

### **Promoting decent employment through entrepreneurship**

In March 2004, the Committee on Employment and Social Policy reviewed an Office paper<sup>19</sup> on the fifth core element of the GEA, “Promoting decent employment through entrepreneurship”. The paper showed the links between this and other core elements of the GEA and indicated what strategy the Office had taken to promote entrepreneurship, including lessons learned. The Committee expressed its support for the suggested future priorities for Office work, which include additional research on effective enterprise development policies, a further refinement of the tools to promote an entrepreneurial culture in line with ILO values, the further development of elements promoting decent work as a productive factor, enhancing the capacity of the social partners to contribute to national and local policy-making, and the further development of strategic alliances. In particular, closer cooperation with the United Nations Development Programme (UNDP) was encouraged, as well as a stronger emphasis on lessons learned.

### **Productive employment for poverty reduction and development**

Productive employment for poverty reduction and development constitutes the tenth core element of the GEA. It was discussed by the Committee on Employment and Social Policy in March 2004. The paper before the Committee<sup>20</sup> gave an overview of the worldwide poverty situation, of the link between growth, productive employment and poverty reduction, and of the Office’s strategies and work in this area. This included work on the informal economy, women, labour-based approaches in infrastructure, capacity building through skills development and improved access to finance, and programmes in crisis-affected countries. The Committee supported the approaches presented and the proposals made for future action, including increased efforts to integrate employment into PRSPs and demonstrate the role of employment in achieving the Millennium Development Goals and to address the problem of poverty in transition countries.

### **Global Campaign on Social Security and Coverage for All**

In March 2004, the Committee on Employment and Social Policy discussed a progress report on the Global Campaign on Social Security and Coverage for All.<sup>21</sup> Based on a consensus reached by the International Labour Conference in 2001, the Campaign was officially launched during the International Labour Conference in 2003. The overall objective of the Campaign is to develop awareness and achieve universal access to health care as well as basic income security for all. In countries such as Honduras, Mali and Sri Lanka, the Campaign attempts to achieve this through a process of social dialogue. It also develops new mechanisms to reach the informal economy, in particular through its

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Strategies and Tools against Social Exclusion and Poverty Programme (STEP) that has so far involved more than 30 developing countries.

In December 2003, the Tenth African Regional Meeting devoted a special session to launching the Global Campaign in Africa. At the beginning of 2004, national launches took place in Mozambique, Nepal and Senegal. During 2004 the Campaign will develop two regional initiatives. One will focus on Africa and is expected to play an important role in the Extraordinary Summit of Heads of State and Government of the African Union on Employment and Poverty Alleviation. The second – developed in collaboration with the Pan-American Health Organization – will focus on extending health-care coverage in Latin America and the Caribbean.

## **VI. Multinational enterprises**

### **Promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**

#### ***Activities report for 2003***

In March 2004, the Subcommittee on Multinational Enterprises discussed a paper entitled “Promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy: Activities report for 2003”.<sup>22</sup> It outlined the activities carried out by the Office in 2003 to enhance the awareness of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) such as the Symposium on the MNE Declaration and related multilateral initiatives, participation in a wide range of country-level and international meetings on corporate social responsibility (CSR), publication of working papers and the organization of national seminars in Costa Rica and Uganda. The Multinational Enterprises Programme also continued to mainstream the MNE Declaration in the work of other programmes in the Office through, for example, the joint organization of national seminars with the InFocus Programme on Social Dialogue and ILO field offices.

The Governing Body authorized the Office to invite to the November 2004 sitting of the Subcommittee on Multinational Enterprises, as observers, the international organizations represented at the 2003 symposium. The Governing Body also asked the Office to prepare in future years an annual substantial report reflecting both the workplan endorsed by the Subcommittee and the activities undertaken to promote the MNE Declaration in the previous calendar year and the strategy and activities proposed for the immediate future. The Subcommittee on Multinational Enterprises indicated its interest in being consulted on, and participating in, the outcomes of any CSR-related recommendations and decisions by the Governing Body on the follow-up by the Office on the report of the World Commission on the Social Dimension of Globalization.

#### ***Priorities for action in 2004-05***

In November 2003, the Subcommittee on Multinational Enterprises reviewed a paper entitled “Promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy: Priorities for action in 2004-05”.<sup>23</sup> It outlined the following planned activities: enhance the awareness of the MNE Declaration, including through the organization of subregional tripartite seminars in the ASEAN, SADC and MERCOSUR subregions; mainstream the MNE Declaration in the work of the Office, in particular

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through closer cooperation with the Sectoral Activities Programme; and enhance relations with other organizations, particularly the United Nations agencies supporting the Global Compact, the European Commission, the Organisation for Economic Co-operation and Development (OECD) and the World Bank group, in order to position the MNE Declaration as a complement to the efforts of these organizations in the area of CSR. The Governing Body requested the Office to take into account the observations by the Subcommittee when implementing the planned activities.

## **Composition and size of the Subcommittee on Multinational Enterprises**

In November 2003, the Subcommittee on Multinational Enterprises examined a paper reviewing its history, to facilitate a discussion on possible changes in its composition and size.<sup>24</sup> Since the Governing Body was considering a reform of its structures, the discussion in the Subcommittee aimed at contributing to but not prejudging the outcome of that more comprehensive discussion. The Subcommittee recommended that the Governing Body, when reviewing its functioning and structure, consider how to achieve a better balance between representatives of home and host countries of multinational enterprises in the Subcommittee.

## **Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**

In November 2003, the Subcommittee on Multinational Enterprises reviewed a paper entitled “Draft questionnaire for the Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy”.<sup>25</sup> The paper had been prepared following consultations with the Bureaux for Employers’ and Workers’ Activities and with the Officers of the Subcommittee. The Governing Body requested the Office to conduct the Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy on the basis of the report form<sup>26</sup> approved by the Subcommittee.

## **Developments in other organizations**

In March 2004, the Subcommittee on Multinational Enterprises discussed a paper concerning “Developments in other organizations”.<sup>27</sup> The paper highlighted developments in the area of CSR in a number of international organizations relating directly or indirectly to multinational enterprises and social policy issues.

## **VII. Sectoral activities**

### **Sectoral meetings**

In November 2003, the Governing Body, through its Committee on Sectoral and Technical Meetings and Related Issues, approved the purpose of the tripartite meetings in the media, cultural and graphics and the transport equipment manufacturing sectors to be held in 2004-05, as well as the type of meeting, the duration, the number of delegations, Governing Body representation and the method of selecting the participants for these

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meetings and those in the basic metals and forestry and wood sectors, also scheduled for the biennium.<sup>28</sup> The purpose of the latter two was decided in June 2003 as part of the sectoral activities review (see below). In November 2003 and March 2004, the Governing Body took note of the reports of various sectoral and technical meetings and endorsed the recommendations adopted by them.<sup>29</sup> At these sessions, the Governing Body also took note of the reports of various joint bodies co-organized in the framework of the sectoral activities programme and authorized their distribution to member States where relevant.<sup>30</sup>

## **Review of the Sectoral Activities Programme, 2002-03**

In March 2004, the Governing Body took note of a detailed report reviewed by the Committee on Sectoral and Technical Meetings and Related Issues on sectoral activities in 2002-03. It also noted an overview of major trends and issues in all 22 sectors, including information available through the One-Stop Window portal web site.<sup>31</sup>

## **A new approach to sectoral activities in 2004-05**

Following decisions adopted in March 2003 on the nature of some of the activities of the sectoral activities programme for the 2004-05 biennium,<sup>32</sup> the Governing Body approved in June 2003 proposals of the Officers of the Committee on Sectoral and Technical Meetings and Related Issues on additional activities for the biennium which confirmed a shift towards action programmes in several sectors, but also the need to maintain international tripartite sectoral meetings to foster dialogue in other sectors. The approved activities consist of: a tripartite planning meeting to develop and agree on national action programmes in the construction sector; tripartite meetings of experts for the basic metals and forestry and wood sectors; a small tripartite technical meeting for the transport equipment manufacturing sector plus development of a statistical database for the sector's metals sub-sector; and a proposed sectoral approach to HIV/AIDS in the workplace.<sup>33</sup> In November 2003, and again in March 2004, the Governing Body was apprised of progress made in the implementation of the programme for 2004-05, particularly regarding the seven action programmes, based on extensive consultations with governments, as well as with employers' and workers' organizations, including during regional meetings for some sectors, as well as among ILO units worldwide.<sup>34</sup>

## **Meetings of experts: Purpose, function and lessons learned**

Also in March 2004, the Governing Body took note of the review by the Committee on Sectoral and Technical Meetings and Related Issues of a paper on the purpose as well as the function of and lessons learned from meetings of experts organized by the ILO, many of which took place under the sectoral activities programme. The paper and discussion helped to clarify the previous history of meetings of experts and the position of the tripartite constituents on issues in preparation for future meetings.

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## VIII. Technical cooperation

### The ILO Technical Cooperation Programme for 2002-03

In November 2003, the Committee on Technical Cooperation received the latest information<sup>35</sup> on ILO technical cooperation figures and trends in 2002-03. During the biennium, the Office received US\$327 million as extra-budgetary funds, i.e. a 13 per cent increase over 2000-01. The Office also improved the delivery of its technical cooperation programme compared to the previous biennium, with an overall delivery rate of nearly 69 per cent. Against this generally positive background, the Committee was alerted to the need to ensure a more balanced distribution of resources among sectors and to redress the declining trend in the share of funds allowed to least developed countries and particularly to Africa. The issue of greater involvement of the ILO's social partners in the design and delivery of technical cooperation and the need to improve evaluation policies and procedures were also repeatedly highlighted. In order to stabilize the flow of development cooperation resources and to enhance the coherence between regular budget and extra-budgetary-funded activities, the Office has promoted programme and partnership agreements with an increasing number of donor agencies. The Office also started negotiating a new framework agreement with the European Union.

In March 2004, the Committee on Technical Cooperation received a special update<sup>36</sup> on the InFocus Programme on Child Labour (IPEC), which was the largest ILO technical cooperation programme in the biennium. The report highlighted the quantitative increase and the accelerated delivery of the programme. From a qualitative point of view, the programme is moving upstream from direct implementation to supporting the development of national policies and institutional capacity; it is placing greater emphasis on effective design, monitoring and evaluation; it is increasingly networking with other relevant international organizations; and it is opening up new areas of cooperation with the social partners. Largely through IPEC's support, ILO Conventions Nos. 138 and 182 have experienced a record pace of ratification in the 2002-03 biennium. The Committee members noted with interest the evolution of the programme, whilst at the same time insisting on the need for greater involvement of employers' and workers' organizations.

### Further developments regarding technical cooperation activities in the United Nations system

In November 2003, the Committee on Technical Cooperation was briefed<sup>37</sup> on efforts under way in the United Nations system to rationalize and harmonize procedures for the planning and management of development cooperation among different development agencies, with a view to enhancing the effectiveness of development aid and to relieving developing countries of an excessive administrative burden. The Committee encouraged the Office to continue to network with other bilateral and multilateral partners to ensure that the decent work perspective was fully integrated in their development agenda and that ILO constituents were adequately involved in Poverty Reduction Strategy exercises and other development assistance frameworks. Committee members expressed their wish to be regularly updated on progress made in this respect.



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## **Thematic evaluation: Strengthening institutions, processes, legal frameworks and capacity of tripartite constituents for tripartism and social dialogue**

The thematic report<sup>38</sup> presented to the Committee on Technical Cooperation in March 2004 was based on evaluation reports of a number of projects aimed at enhancing the capacity of tripartite constituents and at using social dialogue in substantive policy-making. The report demonstrated the importance of social dialogue as an instrument for policy formulation and delivery, both important components of ILO technical cooperation; and, therefore, the need to ensure that social dialogue is more systematically applied across ILO technical cooperation programmes, through a better appreciation of its added value in addressing a wide range of developmental situations.

The Committee on Technical Cooperation stressed the need to ensure that attention to tripartite social dialogue was not limited to social dialogue activities only, but extended to all ILO technical cooperation programmes by enhancing the social partners' participation in development processes. In particular, Committee members warned about the risks of ILO departments working with other stakeholders at the expense of employers' and workers' organizations. The report also triggered a discussion on the ILO's criteria for undertaking independent evaluation and measuring the impact of its programmes. The Committee also agreed on the need to monitor the social partners' involvement in technical cooperation on a regular basis.

### **On-the-spot review in Africa**

A three-member tripartite team of Governing Body members had undertaken an on-the-spot review of the Kenya component of the project on Strengthening Labour Relations in East Africa (SLAREA) financed by the United States Department of Labor. In March 2004, the Committee on Technical Cooperation deliberated on the report on the review,<sup>39</sup> which highlighted some of the positive findings with regard to strengthening labour administration, reform of labour laws, strengthening employers' and workers' organizations and expansion of their membership. The report pointed out, however, that the resources available were inadequate to address the problem and that the time span for project implementation had been too short for attaining substantial impact. Being of the opinion that capacity-building efforts need to be sustained over a longer period of time, the Committee requested the Office to make all possible efforts to secure donor funding for an extension of the project at least until 2006.

The Committee on Technical Cooperation agreed that the issue of future on-the-spot reviews would be discussed by the Officers of the Committee on Technical Cooperation during the International Labour Conference and that proposals could be made for consideration at the November 2004 session of the Governing Body.

### **Technical cooperation – Resource allocation mechanism**

Since 2001 the Office has been establishing a new modality for the planning and allocation of funds provided by two important ILO donors, the Governments of the Netherlands and the United Kingdom. This new modality – called Technical Cooperation Resource Allocation Mechanism (TC-RAM) – differs from the traditional mechanisms in place with other funding agencies in that, based on common criteria previously agreed with the donor concerned, the Office has the final say on the selection of projects and can

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therefore ensure greater coherence between ILO technical cooperation activities and the Organization's overall strategic priorities and objectives.

The report submitted to the Committee on Technical Cooperation in March 2004<sup>40</sup> provided a summary account of the experience with the exercise, particularly on the process that was followed by the Office to plan and allocate funds from the Netherlands and the United Kingdom Department for International Development. The Office considered that TC-RAM allowed for greater rigour and transparency and – through its competitive nature – put a premium on the relevance and quality of project design. The TC-RAM exercise had already been reviewed on two occasions, which had enabled the Office to identify areas for improvement of the mechanism. The Office invited other donors to join the TC-RAM process, which accounted for 15 per cent of all extra-budgetary allocations in the 2002-03 biennium. An independent external evaluation of TC-RAM is scheduled for 2006.

Several Government representatives, including the two donors concerned, expressed satisfaction with the way TC-RAM had operated and with the improvements progressively introduced to enhance its effectiveness. They considered that this type of modality empowered the Office to plan and design its technical cooperation activities in line with its own priorities. However, the employers' and workers' representatives criticized the mechanism on the grounds that it gave insufficient attention to the involvement of the social partners in the different stages of the process. As a result, the projects selected did not reflect the Office policy as defined in the 1999 Conference conclusions concerning the role of the ILO in technical cooperation and the 2002 resolution on tripartism and social dialogue. They proposed different measures to ensure greater participation of the Bureaux for Employers' and Workers' Activities in the planning and selection of future TC-RAM projects and requested an update on steps taken by the Office in that regard.

## **Special Technical Cooperation Programme for Colombia**

In June 2003, the Governing Body examined a progress report<sup>41</sup> on the activities initiated under the Special Technical Cooperation Programme for Colombia. Several members expressed their strong support for the Programme, especially as regards initiatives taken to strengthen social dialogue and promote fundamental principles and rights at work. The Governing Body acknowledged the regret expressed by the Workers' group that insufficient funds had made it impossible to appoint a programme coordinator and, further to the special request formulated by the same group that the attacks and assassinations which continued to be perpetrated against trade union members and their families should be duly denounced so that measures to end them could be engaged, urged the Colombian Government to remedy, as a matter of urgency, the problem of impunity enjoyed by the perpetrators of the acts of violence against trade unionists.

Further to the decision of the Officers of the Governing Body that the progress made by this Programme should be examined by the Committee on Technical Cooperation, in March 2004 an update was presented to this Committee<sup>42</sup> on the evolution of the Programme with an emphasis on the promotion of fundamental labour rights and on labour conflict resolution as the ILO's contribution to addressing the causes of violence in this country. Several members of the Committee expressed appreciation for the ILO's work and suggested an expansion to new areas of intervention such as human security and social protection. At the same time, the Workers' representatives drew the Committee's attention to the continued violations of unions' rights and violence against trade unionists, and urged the Office to ensure that the Special Technical Cooperation Programme took into

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consideration the recommendations of the Committee on Freedom of Association and work with the Government and social partners in its implementation.

## **Enhanced Programme of Technical Cooperation for the occupied territories**

Despite the prevailing difficult situation in the occupied Arab territories, the ILO made progress in implementing the programme as endorsed by the Governing Body in June 2002. In the 2002-03 biennium, the ILO's financial commitment reached US\$1.75 million for both ongoing and new technical cooperation projects for capacity building of the Ministry of Labour and the employers' and workers' organizations, including the establishment of the Palestinian Fund for Employment and Social Protection (the Fund). A proposal was also made to the Government of Saudi Arabia to use its contribution of US\$500,000 to build a new vocational training centre in Ramallah in support of the Fund's activities, as requested by the Ministry of Labour.

In addition, a new project aiming at promoting social dialogue, approved last year by the Italian Government for funding of approximately US\$1.6 million, will be launched this year by the International Training Centre of the ILO in Turin following a recent mission to discuss with all the stakeholders. Further to the ACTRAV needs assessment mission in 2003, a project on *Assistance to Palestinian Trade Unions* was formulated for both internal and external resource mobilization. To assist Palestinian workers in obtaining work permits through employment services offices of the Ministry to work in Israel, technical and financial support will be provided by the ILO in the biennium to render the legal aid and counselling services with respect to workers' rights.

Significant steps have been undertaken to operationalize the Fund in terms of both setting up the Fund office and launching fund-raising activities. The Board of Directors met for the first time last February to lay the groundwork for the functioning of the Fund administration and the organizational structure based on the operation manuals and guidelines, which will be completed in May. To ensure sustainability and commitment to the Fund, the Palestinian Authority has approved provision of a proper location and some equipment for the Fund office.

The Arab Fund-Raising Committee held a meeting as a side activity during the Arab Labour Organization Conference in February in Damascus. A major resolution adopted by the Conference includes a request to the Arab Committee to take action in addressing all Arab countries and specialized Arab funds to support the Fund programme and to channel the contribution to the Fund's account.

## **IX. Financial questions**

### **Information Technology Systems Fund**

In November 2003, the Governing Body revised the figure of up to US\$3 million previously approved for improvements to the headquarters/field telecommunications infrastructure to US\$500,000 and approved the use of the unearmarked balance of the Information Technology Systems Fund (US\$3.4 million) towards meeting the budgetary shortfall in project IRIS. In March 2004, a paper<sup>43</sup> was submitted for discussion, which provided details of the external review of the project and decisions made as a result. A new governance structure had been decided upon, the implementation date had been moved to

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November 2004 for headquarters, with the regions to “go-live” after the system stabilizes, and the cost estimates had been increased to US\$40 million, in addition to a US\$2.5 million contingency reserve and US\$2 million transition cost. Other steps were planned to determine options for technical infrastructure and total production costs. Increased user involvement was also planned.

## **ILO programme implementation 2002-03**

In March 2004, the Governing Body considered the programme implementation report for 2002-03. It welcomed the presentation and format, which emphasized results achieved, successes as well as failures and lessons learned. The Governing Body further encouraged the Office to review the formulation of performance indicators in order to better assess, qualitatively and quantitatively, the impacts of the ILO programme.

## **Evaluation of InFocus programmes**

In November 2003, the Governing Body discussed summary evaluation reports of the *InFocus Programme on Boosting Employment through Small Enterprise Development* and the *InFocus Programme on Crisis Response and Reconstruction*. The Governing Body expressed its appreciation for the objective and frank assessments provided by the reports. It encouraged the Office to present more detailed factual evidence of results achieved, as well as to strengthen the independence of evaluation.

## **Use of the 2000-01 surplus**

In November 2003, the Governing Body received a report on the use of the 2000-01 surplus funds approved by the International Labour Conference in June 2002. Just over 50 per cent of the US\$51.3 million surplus had been allocated by 30 September 2003.

## **Strategic Policy Framework 2006-09**

In November 2003, the Governing Body held a preliminary discussion on the Strategic Policy Framework for 2006-09. The Governing Body confirmed the relevance of the Decent Work Agenda and the four strategic objectives. It discussed a number of challenges the ILO would have to address in the forthcoming period, in particular in relation to globalization, poverty reduction in the context of the Millennium Development Goals and decent work in enterprises. The Governing Body also considered institutional capacities, in particular human resources, knowledge development, decentralization, the balance between regular budget and voluntary contributions and the strengthening of programme evaluations.

## **Technical meetings reserve 2004-05**

In November 2003, the Governing Body agreed to hold the following meetings: The Social Dimension of Globalization: From Debate to Action; International Symposium on Trade Unions and Poverty Eradication; Youth Employment: The Way Forward; and three tripartite symposiums on promoting the MNE Declaration in ASEAN, MERCOSUR and SADC countries. In March 2004, the Governing Body deferred consideration of the balance of the technical meetings reserve to a later date.

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## **New premises for the ILO offices in Santiago and Dar es Salaam**

Following discussion of the report of the Building Subcommittee in November 2003 and March 2004 by the Programme, Financial and Administrative Committee, the Governing Body agreed to the proposals to build new premises for the ILO offices in Santiago and Dar es Salaam and to accept gifts of land from the Governments of Chile and the United Republic of Tanzania for this purpose. The Governing Body decided that the cost of the buildings in Santiago and Dar es Salaam would be funded from the Building and Accommodation Fund and would be kept within a ceiling of US\$1.8 million and US\$1.7 million, respectively.

## **Security and safety of staff and premises**

In November 2003, the Director-General addressed the Governing Body on the subject of safety and security of ILO staff and premises. He was requested to submit proposals for dealing with this important issue to the following session and an update on measures being taken was provided in March 2004.

## **X. Decision-making bodies of the ILO**

### **International Labour Conference**

#### ***Proposed improvements in the functioning of the Conference***

In November 2003 the Governing Body held a discussion on possible improvements in the functioning of the International Labour Conference. This discussion was based on a document<sup>44</sup> which was prepared after informal consultations with the Government, Employers' and Workers' groups of the Governing Body in September 2003. The discussion continued in the March 2004 session of the Governing Body on the basis of another document<sup>45</sup> which included a progress report as well as specific proposals resulting from further informal consultations with the constituents.

The Governing Body recalled that significant changes in the length, methods and practices of the Conference had been introduced in the past ten years. It was further noted that the Conference by and large was working well, while there was room for further improvement in its functioning and, in general, this could be done within the framework of the existing structures and Standing Orders.

The Governing Body endorsed the need to ensure continued high-level participation in the Conference. It also considered that any measures to enhance the political dimension of the Conference should not be to the detriment of its technical work. Issues that were addressed included possible identification of alternative methodologies for the work of technical committees and possible changes in the format and programme of the plenary, as well as operational issues such as time management and better use of resources.

The Governing Body was informed that the 92nd Session of the Conference would consider the implications for the ILO of the report of the World Commission on the Social Dimension of Globalization. This session of the Conference would therefore have a full and high-level debate on several key topics in the framework of its plenary. The Governing

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Body decided to revisit, at its meeting in November 2004, the question of possible reforms to the functioning of the Conference on the basis of the experience acquired in June 2004. In the meantime it authorized the Office to proceed with the implementation of improvements and measures that were enumerated in the document and had been endorsed by a wide consensus in the discussion.

***Follow-up to the Seafarers' Identity Documents Convention (Revised), 2003 (No. 185), and to the resolutions adopted at the 91st Session (2003) of the International Labour Conference***

Seafarers' Identity Documents Convention (Revised), 2003 (No. 185), and related resolutions

The Seafarers' Identity Documents Convention (Revised), 2003 (No. 185), adopted at the 91st Session of the International Labour Conference, provides for a new seafarers' identity document facilitating the movement of seafarers, but not replacing a passport. It introduces a viable system for meeting contemporary security concerns while maintaining the necessary facilitation of shipping and recognition of the needs of seafarers. The Convention requires each ratifying country to put in place a comprehensive security regime. This would cover not only the production by the national authorities of a modern identity document embodying security features, but also the maintenance of national databases for the document. In addition, the processes and procedures for the production, personalization and issuance of the document, which would include quality control of the entire national system, would be subject to international oversight (Article 5 and Annex III of the Convention).

The International Labour Conference also adopted, at the same time, a resolution concerning the development of the global interoperable biometric. This resolution was discussed at the November 2003 session of the Governing Body, which approved a plan of action to be pursued by the Office for the adoption of the technical specifications for the interoperable biometric template.

In March 2004, the Office submitted to the Governing Body as a matter of urgency a document accompanied by draft technical reports which called for a decision on the selection of the type of fingerprint biometric template, i.e. either "pattern" or "minutiae" based.<sup>46</sup> After considerable discussions, the Governing Body selected the "minutiae-based" method and endorsed the technical report, ILO SID-0002, as embodying the standard for the fingerprint template required under Convention No. 185.

The Governing Body also considered the resolution concerning technical cooperation relating to seafarers' identity documents adopted by the Conference. In keeping with this resolution, based on a document submitted by the Office, in November 2003, the Governing Body requested the Director-General to give due priority, in the use of resources allocated to the Organization's technical cooperation programme, to assisting countries with respect to the technology, expertise and process required. In March 2004, the Governing Body endorsed the need to provide technical assistance to developing countries in particular to enable them to ratify and implement the Convention and the biometric standard adopted.

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## Resolution concerning occupational safety and health

In November 2003, the Governing Body examined a report<sup>47</sup> describing the wide range of ongoing activities and the approach being explored by the Office to promote occupational safety and health pursuant to the 2003 Conference resolution. It noted the activities already undertaken by the Office to give effect to the resolution concerning occupational safety and health and approved the follow-up action proposed for the 2004-05 biennium.

The Governing Body also decided to place an item on the agenda of the 93rd Session of the Conference,<sup>48</sup> to develop a new instrument establishing a promotional framework in the area of occupational safety and health pursuant to the 2003 Conference resolution.

### ***The role of the Credentials Committee***

In March 2004 the Governing Body concluded its examination of the role of the Credentials Committee, and in particular the strengthening of its means of ensuring tripartism at the International Labour Conference. The Governing Body recommended that the Conference should adopt temporary regulatory provisions for a period of three years, which would enter into force at the 93rd Session of the Conference. The Governing Body also adopted a series of practical measures to improve the efficiency of the Credentials Committee, which will be instigated at the present session of the Conference.<sup>49</sup>

### ***93rd Session (June 2005)***

Following a decision in March 2003 to postpone the decision on the items that would complete the agenda of the 93rd Session (June 2005), and taking into account the results of the general discussion on ILO standards-related activities in the area of occupational safety and health held at the 91st Session (June 2003) of the Conference, the Governing Body decided, in November 2003, to include on the agenda of the 93rd Session of the Conference the questions of: (a) a new instrument establishing a promotional framework in the area of occupational safety and health; and (b) promoting youth employment for a general discussion based on an integrated approach. Furthermore, in order to enhance the efficiency of Conference servicing through an intensified form of cooperation with the World Health Organization, the Governing Body agreed in March 2004<sup>50</sup> to modify its previous decision<sup>51</sup> and to bring forward the opening of the 93rd Session of the Conference by one week. That session of the Conference will now open on Tuesday, 31 May 2005.

### ***95th Session (June 2006)***

After a first discussion on the agenda of the 95th Session (June 2006) of the Conference in November 2003, the Governing Body selected seven proposals for more in-depth examination at its forthcoming session. In March 2004, the Governing Body decided that the 95th Session of the Conference should open on Tuesday, 30 May 2006, and that it should be held in Geneva. It further decided that, in addition to the standing items that the Conference would have before it, and the second discussion on the item of a new instrument establishing a promotional framework in the area of occupational safety and health, the following items should be placed on the agenda of the 95th Session of the Conference: (a) the role of the ILO in technical cooperation (*general discussion*); and (b) the employment relationship (*standard setting, single discussion*).

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## **ILO Governing Body: Proposed improvements in the functioning**

In November 2003, the Governing Body discussed a document<sup>52</sup> on possible improvements in the structure and functioning of the Governing Body. It agreed on the mandate proposed for such a review. This led to a further discussion of various procedures and methods of work of the Governing Body in March 2004 on the basis of another document<sup>53</sup> submitted by the Office. Informal consultations were held on this topic with the Government, Employers' and Workers' groups prior to the November and March sessions. In the discussions that took place the Governing Body endorsed several proposed practices and measures and instructed the Office to implement them accordingly. In particular there was an emphasis on measures to enhance the governance and the policy orientation roles of the Governing Body. It underlined the need to achieve a better balance between the work of the committees and the plenary of the Governing Body and to prevent repetition and overlap.

Measures were discussed to ensure a high-quality debate at the committees by involving the three groups in deciding the agenda of the committees in advance, and by limiting the number of items on the agenda and a better discipline in their discussion. The documents submitted to the Governing Body needed to be more focused and concise, and shorter if possible.

The Governing Body welcomed the increased interaction among its Government, Employers' and Workers' groups. The structure and number of committees were discussed and the Governing Body decided to revisit this issue in order to ensure proper coverage of all the strategic objectives of the Organization. This could be done possibly by adjustments in the mandate of the existing committees. The Governing Body decided to implement measures to improve time management in the work of its plenary and committees. It was also decided to authorize the Office to prepare and present a consolidated compilation of the rules and Standing Orders for the Governing Body and its committees, with a view to their subsequent publication.

### **Tenth African Regional Meeting (Addis Ababa, 2-5 December 2003)**

The report and conclusions of the Tenth African Regional Meeting<sup>54</sup> were discussed and adopted by the Governing Body in March 2004. The Regional Meeting concluded with a broad set of recommendations on putting employment at the centre of Africa's development strategies and, on the basis of views expressed in the Director-General's thematic report, *Decent work for Africa's development*, agreed on the priorities for action by the ILO to strengthen its role in Africa for the coming two to four years. The Meeting also held a special session on the preparation of the Extraordinary Summit of Heads of State and Government of the African Union on Employment and Poverty Alleviation in Africa to be convened in Burkina Faso in September 2004. His Excellency Blaise Compaoré, President of Burkina Faso, addressed the meeting and stressed that the ILO's contribution to the Summit would highlight the critical correlation between employment and the reduction of poverty in Africa. During this session, it was agreed to activate the ILO's tripartite network to support the 2004 Summit. The participants called on the Organization to highlight examples of successful initiatives generating employment, so that the African leaders attending the Summit can focus on how to replicate and scale-up action on poverty.

The Meeting further adopted two resolutions. The first resolution, on the role of social dialogue in addressing HIV/AIDS in the world of work, appeals to African governments to



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support the efforts of employers and workers to combat HIV/AIDS by providing an enabling legal and policy framework for workplace action, measures to oppose stigma and discrimination, and the strengthening of national AIDS plans through the inclusion of a strategy for the world of work. The second resolution, on decent work for youth in Africa, calls on the ILO to increase its focus on promoting the employment of young people on the continent.<sup>55</sup>

## **XI. Relations with other international organizations**

During the course of the reporting period, the Governing Body continued to follow closely the issue of ILO relations with other international organizations. This included enhanced ILO involvement in both regular and special events of the United Nations system, further strengthening of ILO collaboration with the Bretton Woods institutions and other economic and financial organizations, as well as with other partner institutions. ILO efforts have been focused on further promoting the Decent Work Agenda within a broad development perspective, and advocating policy coherence. The Governing Body was kept fully informed of major developments within the multilateral system of special relevance to the ILO. This included ILO involvement in the most important international development initiatives, such as the Millennium Development Goals, Poverty Reduction Strategies and the Global Compact, as well as the ongoing United Nations reform process. The Governing Body has confirmed its growing interest in the issue of ILO external relations and partnerships, and has expressed the wish to receive advance information on forthcoming major international events of particular interest to the ILO.

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### **Notes**

<sup>1</sup> <http://www.ilo.org/public/english/standards/relm/gb/index.htm>

<sup>2</sup> The compilation of annual reports by the International Labour Office, March 2004, can be consulted on the Declaration Programme's public web site: [www.ilo.org/declaration](http://www.ilo.org/declaration)

<sup>3</sup> GB.289/4.

<sup>4</sup> GB.288/TC/4.

<sup>5</sup> GB.289/LILS/1/2.

<sup>6</sup> GB.288/WP/SDG/3.

<sup>7</sup> GB.288/WP/SDG/2.

<sup>8</sup> The oral report of the Chairperson of the Working Party, as well as the record of the discussion of the report of the World Commission at the 289th (March 2004) Session of the Governing Body, are appended to this report (appendices I and II).

<sup>9</sup> GB.288/10/1.

<sup>10</sup> *op. cit.*

<sup>11</sup> GB.289/LILS/5(Rev.).

<sup>12</sup> GB.286/LILS/8.

<sup>13</sup> GB.288/ESP/1(Rev.) and GB.289/ESP/3.

<sup>14</sup> GB.288/ESP/2.

<sup>15</sup> GB.288/ESP/3.

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- <sup>16</sup> GB.288/ESP/4.
- <sup>17</sup> GB.288/ESP/5.
- <sup>18</sup> GB.289/ESP/3.
- <sup>19</sup> GB.289/ESP/1.
- <sup>20</sup> GB.289/ESP/2.
- <sup>21</sup> GB.289/ESP/5.
- <sup>22</sup> GB.289/MNE/1.
- <sup>23</sup> GB.288/MNE/1.
- <sup>24</sup> GB.288/MNE/3.
- <sup>25</sup> GB.288/MNE/2.
- <sup>26</sup> Report form in GB.288/11, appendix.
- <sup>27</sup> GB.289/MNE/2.
- <sup>28</sup> GB.289/14.
- <sup>29</sup> These included: the Joint Meeting on Public Emergency Services: Social Dialogue in a Changing Environment (Geneva, 27-31 January 2003 (GB.288/STM/2/1)); the Tripartite Meeting on the Future of Employment in the Tobacco Sector (Geneva, 24-28 February 2003 (GB.288/STM/2/2)); the Tripartite Meeting on the Employment Effects of Mergers and Acquisitions in Commerce (Geneva, 7-11 April 2003 (GB.288/STM/2/3)); the Tripartite Meeting on Challenges and Opportunities facing Public Utilities (Geneva, 19-23 May 2003 (GB.288/STM/2/4)); the Tripartite Meeting on Best Practices in Work Flexibility Schemes and their Impact on the Quality of Working Life in the Chemical Industries (Geneva, 27-31 October 2003 (GB.289/STM/3/1)); the Tripartite Meeting of Experts on Security, Safety and Health in Ports (Geneva, 8-17 December 2003 (GB.289/STM/3/2)); and the Interregional Tripartite Meeting of Experts on Safety and Health in Ship Breaking for Selected Asian Countries and Turkey (Bangkok, 7-14 October 2003 (GB.289/STM/5)).
- <sup>30</sup> These included: the Joint ILO/IMO Working Group on Port Security (Geneva, 9-11 July 2003 (GB.288/STM/4)); the Subcommittee of the Joint Maritime Commission and the Joint Working Group on Wages of Seafarers (Geneva, 5-8 July 2003 (GB.288/STM/5)); the Eighth Session of the Joint ILO/UNESCO Committee of Experts on the Application of the Recommendations concerning Teaching Personnel (CEART (GB.289/STM/4)); the meeting on ship scrapping between the International Labour Office (ILO), the secretariat of the Basel Convention (SBC) and the secretariat of the International Maritime Organization (IMO) (Geneva, 13-14 January 2004 (GB.289/STM/8/1)); and the Fifth Session of the Joint IMO/ILO Ad Hoc Expert Working Group on Liability and Compensation regarding Claims for Death, Personal Injury and Abandonment of Seafarers (London, 12-14 January 2004 (GB.289/STM/8/2)).
- <sup>31</sup> GB.289/14, based on GB.289/STM/1.
- <sup>32</sup> The activities included: action programmes for 2004-05 in the agriculture, education and textiles, and clothing and footwear sectors, small tripartite planning meetings to be held in 2004 to develop year-long action programmes for the construction, financial and professional services and hotel, catering and tourism sectors to be undertaken in 2005; and an international tripartite meeting for the media, cultural and graphical sector to be held in 2004.
- <sup>33</sup> GB.287/7.
- <sup>34</sup> GB.289/14.
- <sup>35</sup> GB.288/TC/1.
- <sup>36</sup> GB.289/TC/4 and GB.289/TC/4/Inf.
- <sup>37</sup> GB.288/TC/2.

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<sup>38</sup> GB.289/TC/1.

<sup>39</sup> GB.289/TC/2.

<sup>40</sup> GB.289/TC/3.

<sup>41</sup> GB.287/6.

<sup>42</sup> GB.289/TC/5.

<sup>43</sup> GB.289/PFA/3.

<sup>44</sup> GB.288/4/1.

<sup>45</sup> GB.289/3/1.

<sup>46</sup> GB.289/7.

<sup>47</sup> GB.288/3/1.

<sup>48</sup> See section on 93rd Session (June 2005) below.

<sup>49</sup> GB.289/11.

<sup>50</sup> GB.289/2/1.

<sup>51</sup> In March 2003, the Governing Body had decided that the 93rd (June 2003) Session of the Conference should open on Tuesday, 7 June 2005.

<sup>52</sup> GB.288/4/2.

<sup>53</sup> GB.289/3/2(Rev.).

<sup>54</sup> GB.289/5.

<sup>55</sup> The texts of these resolutions as well as the conclusions and report of the Credentials Committee adopted by the Meeting were appended to the report of the Meeting.

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## Appendix I

### **Oral report of the Chairperson of the Working Party on the Social Dimension of Globalization at the 289th (March 2004) Session of the Governing Body**

#### **Oral report by the Chairperson of the Working Party, Ambassador Eui-Yong Chung of the Republic of Korea**

1. This is a succinct summary of the discussion in the Working Party on 24 and 25 March 2004, focusing on the key themes which emerged and the procedural follow-up. A full report of the discussion over the two days will be prepared after the Governing Body and provided to delegates to the International Labour Conference in June 2004.

#### **Presentation of the report of the World Commission on the Social Dimension of Globalization: *A fair globalization: Creating opportunities for all***

2. Mr. Juan Somavia, Director-General of the ILO, welcomed His Excellency Mr. Benjamin Mkapa, President of the United Republic of Tanzania, and co-Chairperson of the World Commission on the Social Dimension of Globalization, to the ILO as the first African Head of State to address the Governing Body and highlighted the significance of the discussion on the report of the Commission. His Excellency President Mkapa presented the report of the World Commission to the Governing Body. He looked forward to hearing how the ILO proposed to take forward the agenda set out in the report. The ILO's Governing Body had shown vision and foresight in establishing the Commission. He was looking to the ILO to fully exploit its mandate and provide leadership in the international system.
3. In his opening statement, the Employer spokesperson said his group appreciated the attention given in the report to the principles and values which should underpin globalization. He stressed the positive contribution of globalization in terms of the expansion of trade, production and freedom. The Worker spokesperson said that his group attached special importance to the recommendations concerning the need for coherence in economic and social policy at the national and international level, to those that addressed the widening gap between rich and poor countries and within countries, and to those that underscored the importance of labour standards and social dialogue. He strongly endorsed the recommendation that all relevant international organizations should assume their responsibility to promote these standards and ensure that their policies and programmes do not impede their realization.

#### **Overall reactions by the Working Party to the work of the Commission**

4. There was widespread appreciation for the work of the Commission, and all who spoke welcomed the report and thanked the co-Chairpersons and the Commission for their work. There was praise for the high quality of the report and for its balance, coherence and comprehensiveness. It was a timely contribution to the debate on globalization. The report should be circulated as widely as possible and would "serve us all well in the international community".
5. The report provided a credible basis for achieving a breakthrough in the debates on globalization. The recommendations set out in the report were described as being realistic. The diversity of the Commission, the broad and diverse dialogues that informed its work, and the demonstrated effectiveness of dialogue as an instrument for forging consensus were repeatedly highlighted. Some underlined the way in which the report had sought to separate perceptions from facts.

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## Values and approach

6. The values which informed the report's orientation were underscored: the emphasis on fairness and inclusiveness, the focus on people and their needs, the importance of fundamental rights, and the importance of dialogue. While globalization had brought many benefits and offered much potential, its benefits could be harnessed for more people. To this end there was a need, as set out in the report, for good governance at the local, national, regional and global levels. Fairer global rules and better policies were also crucial if the benefits of globalization were to be more equitably distributed.

## Response to the key recommendations

7. It was encouraging to note the convergence of views on many key instruments that the report recommended for achieving a fair globalization:
  - *Stronger national action.* The governance of globalization began at home with a focus on local and national policies, actions and responsibilities. International efforts could only be successful if they were undertaken in concert with strong commitments at the national level. The importance of a well-functioning market economy on the one hand, and an effective and democratic State to address market failures on the other, was highlighted. Higher sustainable growth and development of domestic entrepreneurship were crucial. Integrated policy frameworks addressing both economic and social aspects of national policy needed to be developed and supported. National and global policy actions were not necessarily sequential but needed to be pursued in parallel. Some noted that sound national responses might require wider policy space in global rules and there was thus a need to pursue national and international reforms simultaneously.
  - *Fair rules.* There was a need to re-examine global rules for trade and finance, and reform of the financial architecture. The negative impact of agricultural subsidies, greater market access for products from developing countries and improved measures for special and differential treatment were all recognized by many as issues requiring urgent attention.
  - *Increased aid.* Priority attention had to be given to raising sufficient resources for development. This included increasing development assistance, action on debt relief and delivery on international commitments made.
  - *Accountability.* Improved national and global governance of globalization required democratic accountability of the actors influencing the process. Reform of the multilateral system, and a stronger and more effective United Nations within it, were highlighted as priorities by many. Regional integration and other regional initiatives needed to be reinforced as possible ways of increasing the benefits of globalization, and the New Partnership for Africa's Development (NEPAD) was cited as an example.
  - *Global production systems.* Within global production systems, voluntary private initiatives and social dialogue with multinational enterprises (MNEs) were emphasized as important means to promote social objectives. Special attention needed to be given to efforts to ensure decent work in export processing zones. More thinking and dialogue were needed on policy frameworks for investment and to promote competition within global markets.
  - *Cross-border movement of people.* It was agreed that more thinking, discussion and dialogue were needed to address the issue of the cross-border movement of people. The limited freedom of movement of people across borders contrasted with freer international movement of other factors of production. A multilateral framework for migration could facilitate greater freedom of movement. However, it was also argued that this was an issue best dealt with on a bilateral basis. Several speakers said they looked forward to the forthcoming discussion on migration at the June 2004 session of the International Labour Conference.
8. *Decent work as a global goal.* There was widespread support for making decent work a global goal. Every effort should be made to advance all four of its components, and attention was drawn to specific proposals in the report:
  - The objective of full *employment* needed to be a priority with special emphasis on women, youth and the informal economy. Poverty alleviation was strongly linked to employment

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generation. The private sector and enterprise had an important role to play in employment creation. Greater emphasis needed to be given to wealth creation.

- The ILO's capacity to promote *labour standards* in general and fundamental principles and rights at work in particular needed to be strengthened.
  - Emphasis was placed on the importance of a *global socio-economic floor*, of social protection and of support for workers displaced by industrial restructuring.
  - *Social dialogue* was highlighted as an important tool to bring about more equitable outcomes in the workplace, at the national level and at the international level in the context of global production systems.
9. *Policy coherence*. Globalization could not be cut up into slices. There was broad agreement that greater policy coherence at both the national and global levels was an essential condition for success in achieving the decent work objective. National policy coherence was an essential counterpart to global coherence and the report provided a useful tool for dialogue and policy coherence at the national and international levels. Rather than establish new institutions, the report recommended action and dialogue to improve policy coherence at both the national and international levels. This included proposals for policy coherence initiatives, a globalization policy forum and policy development dialogues. These proposals were interesting and worth exploring, and the Office was encouraged to develop them in more detail. While the ILO should work with other international organizations to promote policy coherence, this should not distract the Organization from its primary mandate and concern with labour and employment.
10. Some issues had not been adequately addressed by the report, and required further work. These included: the role of technology and of the media; the impact of globalization on the environment and on culture, values and traditions; the international security environment; policies in respect of the rural poor and HIV/AIDS; and human resource development and training.

## Next steps

11. The recommendations contained in the report now needed to be translated into concrete action. There was a need to get an early start, to determine priorities, develop concrete action plans and begin to implement the recommendations. The International Labour Conference in June 2004 and the Governing Body sessions in June and November 2004 provided occasions to move forward in many areas. The Director-General would undertake discussions with other organizations on relevant follow-up issues and consult with the Officers of the Governing Body to review developments and particular aspects of the follow-up.
12. In his closing remarks, the Director-General thanked the Working Party for the stimulating discussion that had taken place over the two days. It had provided the ILO with important signposts for its future action. The Commission's report placed tripartism at the centre of a fair globalization. He noted that this was a challenge to the ILO to use its methods to contribute to policy coherence at both the national and international levels, and the follow-up was now in the hands of its tripartite structure. In closing, President Mkapa called for a consistent, comprehensive and coherent approach to global issues that touched the lives and prospects of people everywhere. Together, the Commission and the ILO had set in motion a credible process that could truly make globalization more fair and make its benefits and opportunities more accessible to more people in countries.

Geneva, 25 March 2004.

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## Appendix II

### **289th Session of the Governing Body of the International Labour Office, Geneva, March 2004**

#### **Working Party on the Social Dimension of Globalization**

(Wednesday, 24 and Thursday, 25 March 2004)

#### **Record of the discussion of the Report of the World Commission on the Social Dimension of Globalization**

*Chairperson: Mr. Chung*

*The Director-General, Mr. Juan Somavia*, welcomed His Excellency, President Benjamin Mkapa of the United Republic of Tanzania as the first African Head of State to address the Governing Body. His task as Co-Chair of the World Commission on the Social Dimension of Globalization had been a high-risk undertaking, given the difficulty and complexity of the issue. The President did not speak for the United Republic of Tanzania, nor even for Africa, alone. He spoke for the excluded and marginalized everywhere. However, with the Presidential Summit on Employment and Poverty Alleviation to be held in 2004, Africa was leading the world in a new direction, in the clear recognition, at the highest political level, that, without jobs, efforts to reduce poverty could not succeed. This was echoed in the Commission's report, which put its trust in dialogue, reinforced tripartism and established decent work as a global goal.

*President Benjamin Mkapa of the United Republic of Tanzania and Co-Chairperson of the World Commission on the Social Dimension of Globalization* opened his remarks by quoting from a work by the poet Paulin Joachim, which stressed the "unconquerable hope" that guarded men and women from yielding to the "demons of despair". The World Commission on the Social Dimension of Globalization also delivered a message of hope. Its report – *A fair globalization: Creating opportunities for all* – outlined a vision of global unity, justice, equality and shared prosperity. The report would not put an end to the controversy spurred by the debate on globalization, but the fact that the Commission, with its diverse composition and perspectives, could agree on the broad recommendations contained in the document, showed that it was possible to move the debate from acrimony to dialogue, solidarity and cooperation. The broad public consultations conducted under the World Commission were further proof of this possibility. These consultations enabled the Commission to hear the views of, and discuss with, governments and opposition politicians, groups representing the widest possible cross-section of professional bodies, interest groups, non-governmental organizations, trade unions, representatives of religious organizations, businesses, employers, the media, academia, and more. A number of studies on issues requiring in-depth analysis and rigorous examination of options for action were also commissioned, and helped advance the work of the Commission. The result was a report on globalization as seen through the eyes of people who did not agree on everything, but were convinced of the urgent need for corrective action. The potential of globalization for good or for bad was immense; it had many positive aspects, but certain of its elements had to be tamed for the sake of common civility and existence.

The problems related to the social dimension of globalization could be attributed to globalization without accountability. While governments were increasingly held accountable by their citizens, other global actors were not. These actors needed to be held accountable for policies, processes and outcomes. The report stressed that globalization began at home. It was therefore

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important to create an environment conducive to building local capacity to access the opportunities for self-advancement that globalization presented.

Decisions should not be confused with progress. Many decisions had been taken to speed up the global war on poverty, but few advances had been made. The report urged action on all previous commitments, and two particular fields could be singled out: official development assistance and debt relief. At the Monterey Consensus of March 2002, donors committed to increasing official development assistance by US\$16 billion a year by 2006. This increase was only a third of actual requirements if the Millennium Development Goals (MDGs) were to be met, and the 2004 report of the Organisation for Economic Co-operation and Development concluded, while noting a rise of US\$6 billion for 2002, that current levels of increase were nowhere near to ensuring that Monterey commitments would be kept. New efforts should be made to mobilize global resources to meet the MDGs.

In respect of debt relief, the report stated that it was vital that the debt problem was solved as soon as possible to enable the countries concerned to face their difficult development challenges with a clean slate. The report urged coherence in development policies within developing countries, but also in the policies of donor countries. Moreover, it was clear that the coherence agenda did not simply apply to economic policies: the importance of development needed to be included in policies of every kind, from the environment to foreign affairs, defence and anti-terrorism. The Commission called for a series of coordinated measures across a broad front to improve governance at both national and international levels. These included fairer rules for international trade, investment, finance and migrations, the promotion of core labour standards and a minimum level of social protection in the global economy. Efforts to promote the ILO Declaration on Fundamental Principles and Rights at Work should also be increased, together with the promotion of decent work in global production systems.

The role of markets, investment and entrepreneurship was critical in creating growth and providing employment. Ways should be found to bring the entrepreneurial energy of the informal economy into the mainstream economy. The private sector had a role to play in building fairer globalization, and governments should engage the private sector to tap into its potential to contribute to development and poverty reduction.

The report represented a common commitment to urgent decisive action. From the diversity of the Commission came the agreement that sustainable globalization had to create opportunities for more people. The report was of particular relevance to developing countries, and especially Africa. If the benefits of globalization were to be expanded, there must be fairer terms for developing country goods in global markets. The rules for foreign direct investment should also be fair, to ensure that investments contributed to meeting development objectives.

There was already a growing momentum for action around the messages of the report and many initiatives had been launched. In the Declaration of Santa Cruz de la Sierra in November 2003, Heads of State and Government in the Americas reaffirmed their conviction that decent work was the most effective means of promoting better living conditions. The Extraordinary Summit on Employment and Poverty Alleviation, involving African Heads of State, would be held in September 2004, with ILO participation. President Halonen of Finland, Co-Chair of the World Commission, would shortly be taking up the issues raised in the report with the European Council in Brussels. The United Nations Development Programme Commission on the Private Sector and Development had, in March 2004, presented its report to the United Nations Secretary-General. The purpose of that Commission was to develop strategic recommendations on how to promote strong indigenous private sectors, and its report was a welcome, concrete contribution to the global strategy for growth, investment and employment. All these initiatives echoed the message of the report of the World Commission in seeking to devise practical measures on how to empower people to overcome poverty and exclusion.

The report was a base on which to build. It was now for the members of the Working Party to provide leadership in the international system to take the work forward. The ten key needs identified by the World Commission in its report were the following: a focus on people; a democratic and effective State; sustainable development; productive and equitable markets; fair rules; globalization with solidarity; greater accountability to people; deeper partnerships; an effective United Nations; and policy coherence for global development.



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**Mr. D. Funes de Rioja** (*Employer Vice-Chairperson of the Governing Body; Employers' delegate, Argentina*), speaking on behalf of the Employers' group, thanked President Mkapa and President Halonen for their personal commitment, guidance and spirit of dialogue to build up consensus during the Commission debates. He found the report essential and vital and echoed President Mkapa's belief that the diversity, not just that of the members, but also of the problems, must be looked at. The report had the virtue of being produced by a group of persons with diverse backgrounds and diverging experience, from different regions and perceptions, who had come together to identify significant issues and solutions to make the best use of the potential of globalization and to share that fairly in all areas, including the economic, social, cultural and political dimensions. Because of this, the Governing Body and the ILO as a whole, had important material to use as a basis for reflection and developing proposals.

The debate on globalization was essential for the Employers, and the report provided a timely basis for reflection to carry this debate further. The report did not condemn globalization outright, but stressed the values that should guide societies and institutions, in particular highlighting good governance, locally and globally. The Employers' group fully endorsed the statement that universally shared values and principles had to be the basis of the democratic governance of globalization; they recognized the need to create a framework for investment, to integrate the informal economy, promote employment, education and training and develop an appropriate physical and social infrastructure. Respect for human rights, for fundamental rights at work, for contracts and for property, the rule of law and transparency were all necessary elements of a democratic market, associated with the financial, technological and commercial aspects, together with social dialogue. Earlier, confrontational, models of globalization must be put to one side and a cooperative spirit should be developed.

Globalization had contributed to sustainable development. Many countries recognized that it was a positive factor in the elimination of poverty in a model including the correct associated policies on administration, social protection and health and education. The report stressed the importance of foreign direct investment as a key element; such investment could only be made if the correct environment were provided with policies ensuring respect for the law.

The multilateral system should be improved, but not changed radically. The Bretton Woods institutions were undergoing a positive process of reform, but the various agencies, while interacting effectively, should retain their own mandates and act within them.

The report did not place enough emphasis on the positive impact of globalization in terms of trade and production, on the expansion of political and economic freedom, facilitating economic initiative and technological development. Certain countries had successfully achieved a consolidation of their democratic systems with a sustainable market economy. Globalization could not be held responsible for all ills. Unfortunately, poverty did exist in many countries, but it would certainly be reduced by better governance, transparency, good management of public expenses, the creation of employment and the integration of the informal economy. The provision of adequate housing, education and health infrastructure would also improve the situation.

Multinational enterprises were not a barrier to new enterprises. There should be interaction within a network of enterprises, allowing the expansion of local wealth, not simply the expansion of multinational enterprises. However, the contribution of multinationals to economic and technological development was a fact. The Employers, as entrepreneurs, were committed to growth in employment.

Closed capital markets were not better armed to deal with crises. Australia and New Zealand rode through the Asian crisis in their own manner. The group disagreed with the introduction of global rates of taxation, and believed that the provision of tax advantages to enterprises could be valuable. Modern and efficient state mechanisms should be crafted to balance economic and social requirements.

He concluded by saying that the report was relevant for the Employers and that there were many points for action by the ILO, both internally and in terms of external coherence and policy, associated with other international forums.

**Sir Roy Trotman** (*Worker Vice-Chairperson of the Governing Body; Workers' delegate, Barbados*) congratulated President Mkapa and the other commissioners and noted that the report listed, as the basic principles which should guide globalization, democracy, social equity, respect for human rights and the rule of law. The Workers' group added "free trade unions" to this list. It was

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appropriate that the report was being discussed within the Governing Body and that the Governing Body should take decisions about the implementation of the recommendations that directly related to the ILO. It had already been agreed that the Director-General would present a report to the International Labour Conference in June focusing on the implications of the World Commission's recommendations for the work of the ILO. The Governing Body would examine a concrete and realistic plan of action, based on the Conference debate, in November.

The recommendations to which the group attached most importance fell into three categories. The first of these were recommendations promoting coherence in economic and social policy at international level, several of which related to the multilateral system. Multilateral organizations should examine their own procedures to ensure coherence of action with respect to universal values and human rights. International organizations should launch policy coherence initiatives to work together in designing complementary policies to achieve fair, inclusive globalization; the first of these should address the question of growth, investment and employment in the global economy. A globalization policy forum should be established by interested international organizations. Decent work for all should be made a global goal and pursued through more coherent policies within the multilateral system. Governments should devote the political will and the resources necessary for the implementation of the recommendations fostering coherence.

The ILO should ensure that the recommendations on coherence were noted within the key international organizations. To this end, the Workers' group approved the recommendation that formal structures for consultation within the international labour movement and the business community be established in the Bretton Woods institutions and the World Trade Organization.

Globalization had led to widening gaps between rich and poor countries, and between the rich and poor within countries. The group strongly supported the recommendation that affirmative action should be taken in favour of less-developed countries, and that the World Trade Organization's special and differential provisions should be strengthened significantly. Relief measures should be designed to increase resource flows to developing countries. The capacity of the ILO to promote respect for core labour standards should be reinforced, an aspect on which the report unfortunately lacked recommendations, and social dialogue should be strengthened to promote decent work, particularly in export processing zones and with multinational corporations. The group would be developing the proposals outlined more fully, as well as further ideas, but, overall, it supported the report and its findings.

*The Worker delegate from France, Mr. M. Blondel*, recalled the Director-General's words that the current model of globalization had not succeeded in creating jobs, a condition essential to the elimination of poverty, and that the advantages which devolved from globalization were not being fairly distributed. This statement fully coincided with the opinion of the Governing Body. Consequently, the work of the independent World Commission, although not committing the Governing Body de facto, was clearly of significance. The Workers' group thus approved the analysis and recommendations of the report, in particular since it upheld the general idea of better coordination in respect of international economic policy. It was important to stress that employment should not be considered as a by-product of the economy, but as an objective in its own right.

Greater coordination was needed between the competent international organizations: the World Bank, the International Monetary Fund (IMF), the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO) and the ILO. Within nations, certain governments led financial and monetary policies which destroyed all social guarantees. The group therefore approved the recommendation that new methods should be made to promote coherence between economic and social goals in the global economy, in coordination with other organizations of the multilateral system. The necessary international labour standards, the fruit of regular negotiations between governments, employers and workers, were already in place.

The group noted the reiteration in the report of the commitment to devote 0.7 per cent of GDP to official development assistance. This level should be rapidly achieved despite difficulties encountered, for example the pretext of giving priority to national unemployment. It should be recalled that the resources came from taxpayers, and this solidarity should also be expressed in terms of generalized social protection, a goal upheld by the ILO.

The report indicated the responsibility of States and governments in the construction of the required socio-economic dynamic. Clearly this was to be built around democratic choices made by the people. To this extent, the inclusion of international non-governmental organizations (INGOs) in

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the decision-making process disturbed the democratic procedure. This was not the case of the ILO, which should maintain its tripartite structure and define its action on this basis. It was this that gave international labour standards their universal nature, and made them a force for cohesion. The report noted the consequences when such standards were not applied in export processing zones.

Regarding the future of the report, contacts could be arranged between representatives of the steering bodies of the relevant international organizations in Geneva to help coordinate multilateral action. For this reason, the Workers' group strongly supported the proposal to establish a globalization policy forum, which should be attended by a tripartite ILO delegation.

*The representative of the Government of Ecuador, Mr. R. Izurieta Mora-Bowen, Minister of Labour and Human Resources, speaking on behalf of the Group of Latin American States and the Caribbean (GRULAC), congratulated and thanked the World Commission on the Social Dimension of Globalization. GRULAC expressed its appreciation for the detailed and valuable work done in bringing together information that pinpointed the main injustices of the current process of globalization. He said that the report highlighted the imbalances created by globalization, to the disadvantage of developing countries. To attain a more inclusive globalization, the report was right to suggest that changes should be made in internal national policies. However, GRULAC believed that this should not be considered a prerequisite to international change, which could be conducted at the same time, at a different rhythm. In this context, the group agreed with the suggestion that there was a democratic deficit inherent in the United Nations system and the Bretton Woods institutions.*

The report stressed the need to reform the present financial architecture, with a view to achieving greater stability on the markets, and consequently prevent crises such as had recently affected some Latin American States. GRULAC supported the monitoring of current activity to produce more detailed studies on an acceptable apparatus to regulate capital flows.

GRULAC believed it was important to highlight the negative effects on developing countries of the agricultural subsidy policies adopted by the industrialized countries. These were very detrimental to the countries of the region. Decent work should be promoted as a global goal. It constituted an important means of reducing the negative social effect of the current process of globalization and would be very instrumental in achieving MDG objectives. Countries should make firm commitments to official development assistance, such as agreed at the Monterey Summit, and at the same time reduce foreign debt.

Regarding migrant workers, GRULAC believed that there was a need for more coordination between the international organizations dealing with the problem. The 92nd Session of the International Labour Conference would provide an excellent occasion to discuss this question in depth. The report also pointed to the effects of globalization on the media, and as a result on national cultures; this was a theme which should be developed further. With respect to the proposal to establish a globalization policy forum, the follow-up process which had been initiated by the present discussion would surely throw light on this initiative, and clarify its implementation, mandate and composition.

The report concluded that extra-budgetary funds would be required to finance many of the initiatives suggested: GRULAC hoped that this would not lead to additional obligations for the developing countries, nor to a diversion of resources currently allocated elsewhere. GRULAC considered that the report constituted an important consideration on the socio-economic effects on both developing and developed countries of the process of globalization. The Office should keep the Governing Body and constituents informed of all comments and suggestions received regarding the report. GRULAC wished to be associated in future debates and decisions on the follow-up adopted by the ILO.

*The representative of the Government of Cameroon, Mr. R. Nkili, Minister of Employment, Labour and Social Welfare, spoke both for the Government of his country and for Africa. He supported the recommendations in the report on the formulation of coherent policies to ensure better governance of the global community. The ILO should intensify its cooperation with the other organizations of the United Nations system, to give real impact to the findings and conclusions of the report, and to spread more fairly the benefits derived from globalization.*

The report called for urgent change, to bring in a new era of global governance, as well as for the conception and implementation of new global architecture which took account of all peoples of the world, through the widening of social dialogue and a constant search for consensus. The

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Government of Cameroon believed that the ILO, with its tripartite structure and its approach through social dialogue, was the institution to implement such action. All efforts should be made to put in place a plan instigating fairer global commercial rules, a more humane management of the developing world's debt problem, more support for efforts to eradicate HIV/AIDS, and measures to facilitate the transfer of new technologies. Africa was fully committed to participating in the process, and ready to make its voice heard.

*The representative of the Government of India, Mr. P.D. Shenoy, Secretary of Labour,* said his statement was widely supported by the delegates from Indonesia and the Islamic Republic of Iran. He congratulated the World Commission for a well-researched, comprehensive and balanced report. Globalization had the potential to usher in material prosperity and reduce world poverty, but had so far created serious imbalances. The Government of India fully supported the road map presented by the report, prescribing a fair and more inclusive globalization, the involvement of all stakeholders, reinforcement of multilateral systems, complementarity of State and markets, and more equitable sharing of benefits.

The report emphasized the need for good national governance based on democracy, respect for human rights, gender equality and the rule of law, the provision of decent work and opportunities for capacity building, enhancement of economic competitiveness, integration of the informal economy, and a prudent management of the process of integration into the global economy. India, Indonesia and the Islamic Republic of Iran had made diligent efforts in this direction, but with mixed results. The more developed sectors, such as information technology, had benefited; the socially deprived and rural poor had lost. The Government of India had responded by creating additional employment opportunities, training and empowerment. Any support in this endeavour would be welcome, for example with regard to the movement of natural persons. Globalization opened frontiers to investment, trade and technology, but the cross-border movement of people was highly restricted. The WTO framework was limited to the temporary movement of service providers; other international conventions also had limited coverage, and even activities which did not involve the movement of natural persons, such as business process outsourcing, were coming under close scrutiny.

To combat the inequities in the global market, an effective multilateral framework was important. The ILO, which was well equipped to handle such sensitive issues, could well play a coordinating role. The report recommended that the international organizations should work on the design of more balanced and complementary policies for achieving a fair and inclusive globalization. They should also have multi-stakeholder policy development dialogues on issues including building a multilateral framework for the cross-border movement of people, corporate social responsibility, a development framework for foreign direct investment, social protection, capacity building, regional and subregional integration and gender equality. A globalization policy forum should be established as a centre for dialogue, but the primacy of the ILO in resolving contentious labour issues should not be compromised.

*The representative of the Government of Ireland, Ambassador Whelan,* spoke on behalf of the European Union. The EU accession countries, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the candidate countries, Bulgaria, Romania, Turkey, and the countries of the stabilization and association process and potential EU candidates, Albania, Bosnia and Herzegovina, Croatia, The former Yugoslav Republic of Macedonia, Serbia and Montenegro also aligned themselves with the statement.

She declared that the fact that 26 eminent individuals had been prepared to serve on the Commission in a personal capacity was testament to the importance of the issue. The European Union wished to compliment and thank them for their work and time, and welcomed the publication of the report which constituted an important contribution to the discussion on globalization. As the report stated, it offered no miraculous or simple solutions but rather delivered balanced, critical but positive messages. The report acknowledged that there were many good aspects to globalization but more could be done at national and global levels to address the social dimension of the phenomenon.

The very existence of the report was a remarkable and comprehensive demonstration of policy coherence, underlining the interrelation between economic, employment and social issues. One of the key themes of the report was coherence in economic and social policies and among existing international organizations. The EU fully supported this, while acknowledging that, given the variety of functions of these organizations, it might present difficulties. Many of the report's

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recommendations were relevant for EU policies and strategies, both internally and externally. The EU was already active in promoting the social dimension of globalization through economic, employment and social policies. Efforts should be made to improve the participation rate in the labour market, and this meant maintaining an adequate level of social protection, and promoting increased flexibility and security in the workplace. The EU would play an active role in further discussions and follow-up, and looked to the ILO for guidance as to the initiation of the different processes outlined in the report at global level.

She acknowledged President Mkapa's outstanding contribution to the work of the Commission.

*The representative of the Government of Brazil, Mr. R. Berzoini, Minister of State for Work and Employment, thanked the World Commission for its report and said that the document represented the end of one stage and the beginning of a new, more important stage of analysis and action in order to maximize the good results of globalization. He highlighted the Commission's statement on the degree of injustice inherent in the current process of globalization, made on the basis of specific cases. It was clearly the developing countries that were benefiting least from the phenomenon and that action should be taken to ensure a fairer and more inclusive process. The action undertaken by governments, multilateral organizations and civil society should be based on ethical values, as stated in the report. The gap between declarations and practical action, particularly on the part of donor countries, was too wide. The effect of the work of the World Commission should not be restricted simply to the ILO, but should have an impact on national institutions and on the multilateral organizations as well. Good governance was an essential element of national systems and of the multilateral system, which should operate more democratically. Urgent structural changes should be made in the functioning of the United Nations and Bretton Woods institutions, to enhance the participation of all members and increase transparency. The Government of Brazil hoped that the voting system within the United Nations would be altered, to give developing countries a stronger voice. This issue should be present on the agendas of international forums, and the reinforcement of the Economic and Social Council (ECOSOC) was an essential step in this direction.*

It was impossible for governments to commit more resources to health and education when labouring under an excessive level of debt. The present terms of international loans at high rates of interest meant that resources devoted to social development were scant. Measures should be introduced to regulate international flows of capital: the recent crisis in Latin America could still be felt and had resulted in increased unemployment in the region. There was a need for fairer international finance and trade regulations, and for reform of the international financial architecture. Under the present system, capital was transferred from the developing countries to the developed. Governments of the industrialized countries should also consider the impact of their policies on the developing world. The effect of the common agricultural policy on the economic and social development of the Latin American region was particularly serious and concrete measures should be taken urgently to redress the situation.

The capacity of the ILO should be reinforced to allow it to coordinate measures in favour of fundamental rights and principles at work. It was, however, necessary to avoid protectionism: the subject of migrant workers, of importance for many Latin American States, called for management through a multilateral framework. The 92nd Session of the Conference would provide an excellent opportunity to discuss this question.

The report urged an increase in donations of development assistance to attain the MDGs. Any increase in contributions would be useless unless accompanied by increased commitment on the part of governments. Decent work should be taken as a goal within the multilateral system, as part of the global agenda, and was not simply a matter of implementing policies. The ILO should take the lead within the United Nations system in coordinating efforts to promote decent work.

To reduce the negative impact of globalization, action was necessary. More in-depth studies and debate were required before decisions were taken on how changes should be implemented. The United Nations system should play a central role in the process, and the Government of Brazil would remain fully involved. The debate today was an initial step in establishing a policy of international dialogue. Regarding the extra-budgetary resources needed for carrying through the recommendations of the report, these should in no way represent an additional burden for developing countries. His Government wished to receive information from the Office on all

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comments and suggestions received from other international organizations, and from civil society on the report.

*The representative of the Government of Romania, Mr. M. Sarbu, Minister Delegate for Relations with the Social Partners, expressed his Government's thanks to the Co-Chairpersons and said that his country was as aware of the challenges posed by globalization as of the opportunities it presented. The global economy was certain to lead to a global society which would call for a global political project able to give form to the institutions, and fix the rules, of globalization. The European social model might provide an example for the reduction of the economic divide before that divide became a source of international conflict and instability.*

To develop and modernize the national economy, the Romanian Government had chosen to take full advantage of the opportunities presented by globalization. At the social level, combating poverty was the first priority. This implied sustained development, economic growth based on efficiency, increased employment, diversification, including rural development, the creation of new social structures and the enlargement of those already in place. Over the past three years, Romania had maintained a growth rate of 5 per cent, coupled with one of the lowest rates of unemployment in Central Europe of between 7 and 8 per cent. Of particular note was the mobility of the Romanian workforce within Europe. In this connection, the Minister paid homage to the victims of the terrorist attacks of 11 March in Madrid. Among the dead had been a number of Romanian workers.

*The representative of the Government of Japan, Mr. S. Hasegawa, Assistant Minister for Health, Labour and Welfare, expressed thanks to the Commissioners under the chairmanship of Presidents Halonen and Mkapa, and appreciated the efforts in grappling with the difficult issue of the social dimension of globalization and for drawing up the comprehensive report. While globalization was a strong source of growth and could bring about improved living standards for all countries, it was important, in the light of the current situation, to address its social dimension. The Government approved the report's approach to viewing globalization through the eyes of people: fair globalization and human-centred development were crucial for creating opportunities for all. Many important issues were raised in the report – the choice of decent work for all as a global goal, the creation of employment, the need for human resources development, for occupational safety and health and social dialogue. Coherence in economic and social policies was crucial to the promotion of decent work, as was good national governance. However, the role of the private sector and of enterprise in employment creation was also significant. More employment opportunities for young people should be created. Ownership by developing countries and partnerships with developed countries and the international organizations were essential. The ILO should strengthen its activities in these fields and disseminate best practices. To share the benefits of globalization as widely as possible, the ILO should provide technical cooperation in human resource development and employment creation, backed up with official development assistance.*

Japan, with other countries and international organizations, was reforming its legislation to prevent human trafficking, and to ensure that transgressions were punished.

ILO activities in addressing social and labour issues should be promoted in a more visible manner in the international community. There should therefore be reinforced cooperation between the ILO and other international organizations. The ILO should be the institution responsible for ensuring respect of core labour standards, but these should not be used for protectionist purposes. The ILO should regularly and systematically review the current situation of globalization.

*The representative of the Government of Uruguay, Mr. S. Pérez de Castillo, Minister for Labour and Social Security, approved the report's apt conclusion that the essential elements to achieve international social justice were full employment, social protection, respect for the fundamental rights of workers and social dialogue. Economic growth in itself, however, did not bring fair distribution of wealth. The question was to decide to what extent to intervene in the market. As the dictum went, there should be as much market as possible, and as much intervention as necessary. The market economy provided an instrument for economic growth through individual initiative, but did not ensure fair distribution. Specific steps were called for within the United Nations system, the Bretton Woods institutions and other multilateral bodies. Action in the most developed countries should also be engaged to raise living standards in the developing world. This should involve establishing fair trade rules, rather than providing development aid. We should seek to reduce the dichotomy between the social and the economic. Rather than working in two separate directions, to combat poverty and to stimulate economic progress, the economic dimension should*

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also be put at the service of human beings. Increasing the number of jobs and trying to prevent unemployment were major tools to right the current situation.

Education was also very important, and closely linked to employment. Knowledge, technology and skills were part of the personal wealth of individuals. The global economy could not be held responsible for all ills, however, and action should concentrate on favouring the positive impact, while reducing the negative side. Fair globalization required an international financial architecture which regulated capital flows and protected against external shocks, such as those which had so damaged many Latin American economies. The report noted that, in industrialized countries, agricultural subsidies ran at more than a billion dollars a day, while 70 per cent of the poor in the world lived on less than 1 dollar a day. Technical cooperation should be more effective and should be better managed by international institutions. There should be a joint examination by the ILO, the World Bank, the IMF and the WTO of the social implications of economic, financial and commercial policies.

He congratulated the World Commission, the ILO and the Governing Body for having created a focus for the work on globalization. The report was an extremely useful reflection on a topic of great contemporary concern. The issue fell squarely within the mandate of the ILO, and followed on from the call in the Declaration of Philadelphia to ensure that any international measures were fully compatible with the material well-being and happiness of all human beings.

*The representative of the Government of the United States, Mr. A. Levine, Deputy Under Secretary of Labor for International Affairs,* commended the members of the World Commission for their work and supported the central goal of the Commission to bring the many benefits of globalization to all people throughout the world. He took note of the statement made in the report that the most critical reforms to ensure that the benefits of globalization were more fully available could only be initiated at the national and local levels. The report correctly identified that good national governance, democracy, respect for human rights and sound economic institutions were fundamental to development and, without them, no matter how much was spent on technical assistance, nor how great the desire to change global trade, investment and finance rules, development could not take place. Corruption, inefficiency, an absence of law and justice all resulted in a stunting of the opportunities provided by globalization. Enterprise, creativity and the freedom to exercise these were the driving forces of economic growth. The private sector operating in a market economy with sound legal protection remained the most effective generator of wealth, and the United States was pleased to note the recommendations for empowering local communities and strengthening local economic capabilities. However, international efforts directed against poverty, disease, child labour and other social wrongs would only succeed if undertaken in concert with strong commitments at national level. The creation of new institutions, new bureaucracies and new international arrangements was not in itself a formula for ridding the world of poverty.

The report's strong endorsement of the ILO's current activities and policies was welcome and the United States hoped that the ILO would focus on advancing the report's strategic goals and not on areas better suited to other organizations, such as intellectual property rights, competition policy, investment treaties, debt relief and cross-border migration. However, there should be active dialogue between the ILO and its sister international organizations on the social dimension of globalization.

He thanked the Commission for its significant contribution to the discussion of the potential and the challenges of globalization and looked forward to working with the Director-General to translate the report's broad recommendations into discrete steps that the ILO could undertake in its areas of expertise.

*The representative of the Government of Bangladesh, Ambassador Ali,* extended heartiest congratulations to the members of the World Commission for a timely, comprehensive and objective report. He deeply appreciated the personal commitment of President Mkapa to the work of the Commission and thanked the Director-General for his initiative in organizing the Commission. He asked what hope globalization offered to developing countries, particularly those with structural constraints. In Bangladesh poverty alleviation was closely linked to sustained growth and employment generation, but the prescriptions for economic growth had frequently been ill-suited to the country's needs. It was interesting to note that success stories came from countries that had chosen their own route, outside conventional advice. The key to growth was to encourage domestic, not foreign, investment by developing domestic entrepreneurship. Economic development required experimentation, local knowledge and local solutions and he was pleased that the report recognized

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that countries must have the autonomy and freedom in policy formulation that best suited their needs.

Mobility of labour was an issue that should be regulated by clear rules. Two areas required more detailed attention: the impact of globalization on culture, values and traditions, and the impact on cultures, peoples and development prospects, of security issues such as weapons of mass destruction, conventional arms and growing security considerations. Bangladesh considered the proposal for policy coherence initiatives, especially those on investment, growth and employment, to be very important and asked for further information thereon.

*The representative of the Government of Malawi, Mr. B. Khamisa, Minister of Labour and Vocational Training*, thanked President Mkapa for his inspiring speech. He highlighted the critical importance of global governance. He noted that globalization had removed territorial barriers around nation States and had brought them closer to each other. However, barriers of a different order, born of a “cold war” mentality, should not be allowed to form: the developing world needed the help of the industrialized countries. There was also a need for an active implementation plan and follow-up to the report’s recommendations.

*The Employer member from the United States, Mr. T. Niles*, notwithstanding certain reservations, found much in the report with which he agreed, and wanted to work with the ILO and the Director-General in its implementation. It was essential to define what policy coherence meant and what its limits were. The ILO could not intervene in the policy decisions of another organization or interfere in its work. Organizations should consult each other, but each should be allowed to carry out its mandate without the intervention of other agencies. He welcomed the report’s emphasis on governance at the national level, commenting that even if all the recommendations for changes in international trade and financial systems were adopted, many countries would not benefit substantially on account of failures in either governance or corruption, or both. One shortcoming in the report was its tendency to shift responsibility for the implementation of international agreements away from governments to other actors, often corporations. The implementation of international agreements was, and must remain, the responsibility of ratifying governments, as the policies and programmes of international organizations such as the international financial institutions and the WTO must remain their responsibility. Concluding, he recalled that wealth creation was fundamentally the role of business.

*The representative of the Government of Germany, Mr. G. Andres, Ministry of Economic Affairs and Labour*, said the report supplied a coherent and balanced picture of globalization, acknowledging its ability to create wealth, but demanding that more should be made of its development opportunities. The Government of Germany was of the opinion that dynamic and growth-oriented policies and markets were required – and that policy coherence at an international level should be fostered. The national level was the starting point for all political answers to globalization. Good governance at the national level, the creation of functioning democratic rules, respect for human rights, social justice, and the creation and enhancement of partnership structures in the world of labour, constituted an indispensable basis for effective and equal participation in the world economy. Germany supported greater regional integration as a key element of effective global economic management and advocated enhanced dialogue between individual world regions, particularly in the areas of growth and employment. To this end, close and constructive cooperation between stakeholders was essential and could be achieved through a greater and more effective exchange of information between international institutions as well as more coherence in political target setting. Better interconnection between international players – such as the ILO, the WTO and the Bretton Woods institutions – would also be an appropriate step.

He thanked the Office and fully supported its role in implementing the report.

*The representative of the Government of the Republic of Korea, Ambassador Choi*, conveyed warmest congratulations to the members of the World Commission on the completion of their mandate and expressed deep appreciation for the work of the Co-Chairs. The report was a ground-breaking achievement and a systematic attempt to analyse the social dimension of one of the most prominent and complex phenomena of the era. He echoed the need for efforts to begin at home. Free, creative and empowered individuals were a country’s most important asset in meeting the challenges of globalization. The Republic of Korea concurred with the observations on the need for social protection, creation of decent work and open social dialogue. There was also a necessity for better global governance. The proposals for policy coherence initiatives, policy development dialogues and globalization policy forums went to the heart of global policy coordination and he



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looked forward to constructive and efficient Office follow-up measures and initiatives to muster support from the broader international community.

*The representative of the Government of Venezuela, Mr. R. Dorado Cano-Manuel*, congratulated President Mkapa, his Co-Chair, and the Commission members for the document. He saw the debate on globalization becoming a discussion of democracy in the world economy. He supported the idea of a humanist economy and said that achieving this required political will and international coherence. It was vital for the State to play a key role as a promoter of public policy to ensure general welfare.

*The Worker member from Benin, Mr. G. Attigbe*, added his congratulations to the members of the Commission and saw the report as a major analysis of the nature and social impact of globalization. He spoke of the continuing impoverishment of Africa and outlined proposals for the future of the continent. The first was to focus attention on the role of the State and the public sector at the national level, as Africa needed democratic States that would utilize the market, world trade and economic policy to meet the development needs of their population and not external demands. The second was world governance and the need for fair rules in international trade and finance. Finally, he stated that the Workers' group keenly awaited the definitive decision on follow-up to the World Commission's recommendations.

*Ms. L. Pavan-Woolfe, European Commission*, welcomed the report as an important contribution towards better addressing globalization, and expressed compliments and thanks to the members of the Commission for their work and commitment. The report delivered balanced, critical but positive messages, contained an interesting analysis and innovative proposals to improve policy coherence, which were worth further investigation. She welcomed the emphasis on operational proposals and effective follow-up. Key issues in her opinion were balanced economic, employment and social policies, better governance, policy coherence, the strengthening of multilateralism, and trade and development. She declared that the report was relevant for European Union policies, competencies and strategies, both internally and externally, where the European Union was already promoting the social dimension of globalization. The European Commission agreed that governance of globalization started at home and that reform of global governance was needed as well as the strengthening of coordination between organizations and stakeholders. The report made important observations on the potential merits of south-south trade and the European Commission was in agreement that complementarities were needed between multilateral commitments in trade and domestic policies and reforms, in order to make growth sustainable. Regarding human rights and core labour standards, the European Commission was of the opinion that the ILO's capacity for promoting their implementation should be reinforced. The management of migration was necessary at the international level and called for multilateral dialogue and initiatives. The objectives of sustained growth and more and better jobs should be at the top of the agenda. Effective and systematic follow-up to the report's recommendations was of vital importance and the European Commission hoped that the ILO would give guidance on the way it intended to initiate the different processes at a global level.

*The representative of the Government of Burundi, Mr. D. Nditabiriye, Minister of Labour and Social Security*, thanked President Mkapa and the Commission members for a report of high quality, based on objective analysis, despite the diversity of its authors. The recommendations were powerful and so appropriate that comment was hardly necessary. He remarked that the Commission now had the difficult task of convincing world leaders to join it in bringing about a change in globalization. He urged that the starting point be Africa and African governments. He also proposed that the ILO appoint the Chairperson of the Commission to draw up a report and an action plan on the moral dimension of globalization.

*The Employer member from Pakistan, Mr. A. Tabani*, speaking on behalf of the Employer members from the Asian region, said that the Commission represented diverse views and perspectives and that making recommendations could not have been an easy task. He commended the Co-Chairs, Commissioners and the Director-General for their work. He found the most significant aspect of the report to be its recognition that globalization had generated many significant benefits throughout the world and even more importantly had the potential to lift people out of poverty. In view of this, individual governments needed to face up to their responsibilities and create the conditions to enable globalization to be spread wider. Regarding the importance of governance, he found the idea of national commissions to be worth exploring. He pointed out two

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specific areas that required more prominence, i.e. policies to address the situation of the rural poor; and special poverty reduction programmes, which, in the past, had often failed to deliver results.

*The representative of the Government of Argentina, Ms. N. Rial, Deputy Minister of Labour, Employment and Social Security, thanked the World Commission for its excellent work. The report was rooted in the unique and moral mandate of the ILO and had started a long-overdue debate. She declared that globalization had not been the ideal tool for achieving decent work and a process based on solidarity was needed. The policy for the consolidation of global governance should place people at its centre, which also meant enhancing the responsibility of civil society. The rules imposed on developing countries needed revision to ease the burden of foreign debt. Investment in infrastructure was perceived as unproductive public expenditure and this had to be reviewed. Finally, core labour standards should be applied to all workers to ensure that globalization offered equality and opportunity.*

*The representative of the Government of France, Mr. P. Séguin, Former Minister, hailed the quality of the work accomplished by the World Commission, led by Presidents Mkapa and Halonen. He offered thanks to all, including the Director-General, without whom the Commission would never have got off the ground. It was the ILO that had organized the initiative and this deserved mention. He declared that the report's recommendations were in keeping with France's own thinking on globalization, especially the need to strengthen governance at both national and international levels, as well as regarding an increase in the regular budgets of United Nations organizations, including the ILO. New ideas in the report, such as that of a multilateral framework for cross-border movement, a world forum for migration and a permanent forum on globalization, were, in his opinion, also of interest as they allowed improved coordination of international efforts on decent work and the fight against poverty. He thought it necessary to create a list of priorities of the proposals outlined in the report and to identify both the ILO's responsibilities and those of others. It was vital to reflect on ILO operational action and to study the resources available to the international community to act alongside the ILO. There had to be reflection on the role of not only international institutions but also of civil society organizations. He looked forward to in-depth discussions at the Conference which would provide a mandate for the ILO to carry out follow-up work on the report.*

*The representative of the Government of Gabon, Mr. C. Ivala, Minister of Labour and Employment, expressed his gratitude to President Mkapa for having co-chaired the Commission and strongly supported regional integration, which was already a strategic objective of the New Partnership for Africa's Development. He also approved the creation of a forum on globalization.*

*The Worker member from Mexico, Ms. H. Andersen, recalled that Latin America had been brought into turmoil by globalization. Democratic processes, eradication of hunger, universal education and decent work were key in countering the technological and economic trends which had prevailed to date. In America, people aspired to equality in the workplace – especially to allow the predominantly female section of the informal economy to shift to the formal economy. She also sought the application of core labour standards and fair trade rules.*

*The representative of the Government of the United Kingdom, Ms. M. Niven, appreciating the fact that the report did not suggest creating a plethora of new structures, strongly agreed that increasing employment was key to reducing poverty, particularly in developing countries. Work and employment were critical to meeting the needs and aspirations of individuals and families: record increases in unemployment could not be allowed to continue. She welcomed the emphasis on the particular needs of women, youth, indigenous groups, ethnic minorities and, particularly, workers in the informal economy, as well as the ILO's commitment to pursue and intensify its efforts to integrate employment into Poverty Reduction Strategy Papers. Education and training were paramount in an employment-focused agenda for poverty reduction and she was pleased to note the assessment that all countries needed to increase investments in education and training if they were to maximize the benefits of globalization. However, as the report argued, there was a need to look beyond employment creation and embrace the concept of decent work and freely chosen employment that provided a reasonable income and respected labour standards. It was encouraging that over half of the ILO's member States had ratified all eight ILO core labour Conventions. She commended the World Commission for its report and looked forward to a plan for specific action.*

*The representative of the Government of Lithuania, Mr. R. Kairelis, Ministry of Social Security and Labour, said the report was comprehensive and would serve as a basis for wider discussions, analysis and follow-up. He stressed that relevant national policy, regional integration*

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and cooperation could promote a more equitable balance of globalization. He looked forward to discussions on regional policy coordination at the follow-up to this debate to be held at the forthcoming session of the Conference.

*The representative of the Government of Norway, Ambassador Johansen*, commented on the fine job carried out by the Commission and remarked that the report not only represented an important contribution to understanding the phenomenon of globalization but also provided interesting ideas on how to achieve fair globalization. The fundamental spirit of the report closely resembled the approach taken by the Government of Norway. The focus on people was one of its strengths. He shared the report's fundamentally positive assessment of globalization, but there was a need to adjust course if the potential of the phenomenon was to be realized. Its placing of decent work at the centre of national and international policy-making, its clear focus on coherence in policy-making, particularly among existing international organizations, were very positive. The increased openness, interdependence and connectivity of a globalized world represented an immense potential for inclusion, greater solidarity and commitment to shared values. A stronger and more effective United Nations was the essential instrument in creating a democratic, legitimate and coherent framework for globalization and the report could be very useful as an input to the ongoing work initiated by the United Nations Secretary-General on how to improve the functioning of the world body. Norway believed that the key challenge was to make existing institutions and mechanisms work more effectively for the common good.

*The Employer member from Brazil, Mr. Lima Godoy*, speaking on behalf of the Employer members of Latin America and the Caribbean, applauded and welcomed the report. The work of the Commission provided a clear call for a fair globalization, which recognized human values and the need to promote welfare by raising prosperity, security and well-being. Competition played a fundamental role in the globalization of the economy; furthermore, each country and each national government bore primary responsibility for ensuring that the fruits of globalization were reaped. On the first point, the Employers agreed that governance on the international level would come about through greater coordination between multilateral organizations. On the second point, governments of developing countries would require outside help both in implementing international trade rules and procedures as well as in the area of migration, in order to put an end to protectionism in agriculture and the creation of barriers by developed countries to products from developing countries. Clear intellectual property rules and foreign investment rules were also required. Poorer countries needed official development assistance and debt relief. The conclusions of the Commission confirmed that the process of globalization fell very short of making the world a better place. To do so, the process needed to be less haphazard, and to be guided by progressive, democratic governance, operating at all levels from local to global.

*The representative of the Government of Bulgaria, Mr. A. Evtimov, Ministry of Labour and Social Policy*, expressed gratitude for the comprehensive report and satisfaction for the work done by the Commission. He called for respect of core labour standards to ensure decent work for all. He supported the initiatives within the framework of the relevant international organizations aiming at the development of more balanced policy conducive to fair and more inclusive globalization.

The Government of Bulgaria was eager to host, with ILO assistance, a subregional tripartite conference for south-eastern Europe on the social dimension of globalization, to be held in the latter part of 2004, in Sofia. High-level meetings of this sort, bringing together national ministers of finance, labour and social policy to review policy coherence, preferably with the participation of the social partners, would play a key role in expanding the scope of the positive effects of globalization.

*The representative the Government of Nigeria, Ms. Koripamo-Agary, Ministry of Labour*, found the report compelling and balanced, as it addressed the critical social problems related to globalization. She congratulated the Commission and the Director-General for their work in producing a document that was fair, while scrutinizing the critical social problems created by the phenomenon. She reflected that, while globalization had produced some benefits, they were a remote concept to ordinary people in developing countries. The situation in Africa was compounded by the high rates of HIV/AIDS infection and loss of manpower through brain drain.

The Nigerian Government strongly agreed with the statement that there was a serious democratic deficit at the heart of the system of global governance, resulting in developing countries having very limited influence on global negotiations on rules, and on determining the policies of key financial and economic institutions.

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It was clear that the success of national development efforts was critically dependent on the emergence of a set of fairer rules as well as a more equitable process of rule formulation. It was imperative for developing countries to be given the necessary policy independence to respond to the challenge of development in the era of globalization. Such independence should be complemented by special treatment in the multilateral trading system as well as by fairer rules in the international financial system and in policies of cross-border movement of people. It was also important to emphasize respect for core labour standards. Proper governance of globalization should be based on a stronger ethical framework and driven by dialogue and universally shared values; her Government had taken note of the recommendations on policy coherence initiatives, policy development dialogues as well as on the establishment of a globalization policy forum.

*The Worker member from Malaysia, Mr. Z. Rampak*, speaking on behalf of the Workers of the Asia-Pacific region, expressed appreciation for the comprehensive report, and was in agreement with its key recommendations, but wondered how it would be possible to move towards their implementation. It was high time for world leaders to take full account of the social costs of globalization and implement an appropriate plan of action to sustain social stability, particularly in developing countries. The workers called for a globalization that empowered the State to establish a socially inclusive delivery system.

*The representative of the Government of South Africa, Mr. L. Kettleidas, Deputy Director-General, Ministry of Labour*, commended the Commission for its report and applauded the consultative spirit that had guided the approach. The current path of globalization, as the Commission had identified, must change: its advantages were too distant for too many. To be fair, globalization had to create opportunities for all. Agreeing with most of the report's recommendations, he took heart from the recognition of better global governance as being critical to the reform of the multilateral system – to make it more democratic, transparent, accountable and coherent. The proposals in the report regarding resource mobilization, debt relief and the adoption of more equitable international trade and finance policies were very welcome. A global policy forum would further debate on how globalization could be of benefit to all and serve as a constant reminder that the developing world needed fair, people-centred development and that as partners in this development, the developed world should begin to provide a comprehensive system of assistance that addressed national challenges. It was through processes such as the global policy forum and the implementation of many of the report's recommendations that further impetus could be given to the United Nations Millennium Summit, the Doha Development Round, the Monterrey and the Johannesburg Summits. He supported follow-up action that spread awareness of the report and initiated steps to change the current process of globalization.

*Mr. C. Fortin Cabezas, Deputy Secretary-General of UNCTAD*, complimented the excellent and comprehensive report, and was pleased to observe that its premise of making globalization into a positive force was also the main thrust of the UNCTAD XI Conference, to be held in June 2004. Technological progress in information and communication processes was inevitable, irreversible and highly welcome, but the national and international policies of globalization were neither inevitable nor irreversible. The report correctly maintained that globalization could and must be improved, to make it a "positive force for all people and countries". The notion that globalization involved minimizing the role of the State should also be rejected. The issue of policy space for national governments had emerged as central and controversial in discussions and preparations for the UNCTAD Conference and was particularly relevant in connection with WTO rules, disciplines and commitments, which had a legally binding character and were enforceable through the WTO dispute settlement process. UNCTAD believed that policy space had three dimensions: agenda setting – bringing new ideas to the negotiation of trade disciplines; implementation – preserving a maximum of national policy space for the application of trade rules and compliance without entailing a flouting of obligations and rules; and interpretation – attempting to favour the preservation of national policy space. In these respects, he found the report's discussion enlightening.

*Mr. J. K. Ingram, World Bank Special Representative to the United Nations and the World Trade Organization*, believed that the report constituted a milestone in comprehensively addressing the issue of the social aspect of globalization and welcomed its presentation. He thanked the members of the Commission for their dedication, wisdom and insights in preparing it. He said the report presented a fair picture of the challenges faced in creating a more inclusive globalization with benefits extending to all members of the global population. He appreciated the recognition that the increasing interconnectedness of trade, finance and production systems had increased global

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welfare. It was essential for States to pursue sound governance for sustained economic progress and a stronger, not weaker, State was needed, one that facilitated private investment and provided social services. The World Bank fully concurred that the Millennium Development Goals could be effective targets which served to unify both government and donor efforts to create equitable development, and could also be effective in helping to increase financial assistance. On the question of migration, he welcomed the report's support for assuring the appropriate movement of labour, within an agreed international framework that provided respect for human rights of transient and migrant labourers. The World Bank, perceiving this as an emerging issue of critical importance to the development process and to the alleviation of poverty, had created a research group on migration which was working in partnership with the International Organization for Migration (IOM) and closely cooperating with the recently formed Global Commission on Migration, whose Co-Chair was one of the World Bank's managing directors.

The World Bank was in broad agreement with the priority attached by the report to the creation of decent work and employment, and would continue to support the efforts of governments to identify how best to create such employment.

The World Bank also supported the call for a renewed commitment to the multilateral system, which would be effective through greater policy coherence at the global level amongst members of the international donor community. Such policy coherence should begin at the national level to reflect consensus between ministers of labour, industry, finance, social policy and others. Regarding the report's recommendation that a policy coherence forum should be created, the World Bank was giving serious consideration to this proposal, while bearing in mind the forums already in place in the United Nations system.

*Mr. A. Di Liscia, Assistant Director-General, UNIDO*, congratulated the Commission for the report and said that the conclusions of the report matched the central topic of UNIDO's corporate strategy, which focused on the promotion of productivity growth for sustainable industrial development by reinforcing the links between entrepreneurship, technology, productivity enhancement and growth. The report had not only implications for the work of UNIDO, but was becoming a source of inspiration for the concept that UNIDO was developing in relation to the need to enhance coordination of the multilateral system to support better the challenges of globalization and to obtain real and sustainable economic development. An integrated thinking approach was necessary within the United Nations system as well as more multilateral coherence, he concluded.

*Mr. J.P. Chauffour, Senior Economist, International Monetary Fund*, commended the World Commission, saying the report contained much with which the IMF could agree. Better policies at country and global level were required, together with better global governance. The IMF was taking action in this respect. Domestic ownership of the reform agenda was one of the main guiding principles of IMF involvement in low-income countries through the Poverty Reduction Strategy Papers. Successful implementation of country-owned poverty reduction strategy would require a considerable transfer of expertise to build capacity and, to this end, the IMF had been providing more focus on prioritized technical assistance, had improved coordination with other technical assistance providers, and significantly expanded its network of regional training institutes and assistance centres, including in sub-Saharan Africa. For advanced economies to play their part, official development assistance levels needed to rise well above current commitments – if progress was to be made towards meeting the Millennium Development Goals. Regarding better global governance, the IMF was trying to mitigate the negative effects of globalization on the international system in two ways: by ensuring the stability of the international financial system and by helping individual countries take advantage of the financing offered by international capital markets in endeavours to reduce vulnerability to adverse shocks or changes in investor sentiment.

To strengthen the framework for crisis prevention, the IMF was encouraging its members to increase the transparency of their financial and corporate sectors as a way of reducing financial abuse, such as money laundering and fraud, and ensuring a level playing field for all investors. This could also be achieved through the promotion of international standards and codes based on international best practices. The IMF was also stepping up its surveillance of international capital markets and improving its ability to predict and pre-empt crises. To strengthen the framework for crisis resolution, the IMF had been supporting more orderly processes, for example, through a voluntary code of conduct for restructuring debt or the use of collective action clauses in international bond issuance. In the context of the report's call for change in the governance structure

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of the Bretton Woods institutions, the IMF's Executive Board had agreed to increase staff dealing with over 20 member countries, including those in sub-Saharan Africa.

*The representative of the Government of Australia, Mr. J. Lloyd, Department of Employment and Workplace Relations, thanked the Governing Body for opening the discussion to non-members. Agreeing with the report's assessment of globalization, declared that the Australian Government continued to support the approach taken to trade and labour standards in the 1996 WTO Singapore Ministerial Statement. This supported the ILO as the body competent to set and deal with core labour standards. Any duplication or dilution of this ILO authority to supervise implementation of international labour standards would be a matter of concern. Regarding the proposal that formal consultative structures, similar to those operating within the OECD, be established for the World Bank, the IMF and WTO, with a view to enhancing transparency, accountability and credibility, the Australian Government supported measures to improve the governance arrangements of international financial institutions and encouraged the use of capacity-building measures to improve the quality of representation for developing countries. Australia also supported enhanced voting power of countries that had increased their share in the world economy over the last 50 years. Regarding the report's recommendation on increasing resources available to the ILO for the supervision and monitoring of labour standards, and promoting the follow-up to the Declaration on Fundamental Principles and Rights at Work, he asked member States to bear in mind the recent increases in contributions and large surplus. Consideration should be given, he said, to the scope of the implementation of appropriate recommendations within the existing budget.*

He also asked that proposals for a multilateral framework of labour migration be examined carefully. While issues relating to workers' rights and to host countries were important, he was of the opinion that they could be addressed effectively without the need for a migration framework. Another potential issue was the extent to which a multilateral labour migration scheme would recognize the fundamental right of each country to determine who should pass its borders. These issues should be addressed as part of the general discussion on labour migration at the Conference.

*The representative of the Government of Belgium, Mr. M. Jadot, Federal Public Service, said that it was an advantage for the ILO to have such a high-level report at its disposal. It was neither complacent nor did it set the protagonists against each other. He was of the opinion that States should undertake the reforms necessary in a globalization context with the assistance of the international organizations in order to pre-empt the damage done by major crises. Minimal social protection safety nets were needed to attenuate the impact of financial crises and, alongside employment, should be a priority of the social agenda. The call for a platform of international cooperation, made at Copenhagen in 1995, was still as valid as ever, and he was disappointed that the report was unclear in this respect. Belgium believed that the United Nations should carry out this task and organize itself to this end, but did not see the need for a new body to be created, rather a coherent approach to international commitments around the Millennium Development Goals, sustainable development and the Copenhagen development platform. The global stakes should not be reduced to a debate over labour standards and trade, although such a debate was necessary. He wondered if the Governing Body should not be the forum where issues such as growth and public expenditure would be identified as well as a forum for many of the players in globalization.*

*The representative of the Government of China, Ambassador Sha, congratulated the World Commission on the report which had required two years of hard work, and he expressed sincere appreciation to the Co-Chairs. He spoke of China's experience with globalization, saying that the country had adopted an open door policy and put into practice economic and social policies that led to sustainable development, while protecting workers' rights and interests, particularly those of vulnerable groups. China was, however, still faced with a series of challenges associated with unemployment, a widening gap in income, insufficient coverage of social security. The report, he said, presented quite innovative recommendations as to follow-up measures. It was his Government's belief that the ILO should make full use of tripartism in cooperating with member States to eradicate poverty, promote employment, protect the fundamental rights of workers, enhance social protection and social dialogue and realize decent work. Developed countries and international organizations should be encouraged to provide, in real terms, more effective technical assistance to developing countries and raise their capacities to participate in the globalization process and enable them to benefit fairly from the outcome of economic globalization, so as to realize common prosperity and development worldwide.*

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*The Employer member from Switzerland, Mr. M. Barde*, also speaking on behalf of the European group of the International Organisation of Employers, was pleased to note that the report had provided answers to the various criticisms of globalization by accepting the need for a market economy and its link with democracy, the need for good governance at all levels, human rights, gender equality, social equality and the respect for the rule of law. On the role of the State, it was his opinion that there was a need for a strong State in matters of arbitration and redistribution, but a State that was less active in the management of the economy. The United Nations supported the idea of initiatives for policy coherence as well as multiparty dialogue on policy development, the first of which could focus on the coherence of world growth, investment and job creation, and decent work. The year 2005 would see the review of the Millennium Development Goals and Copenhagen's tenth anniversary. He hoped there would be high-level cooperation with the ILO to find specific forms of cooperation.

*Mr. J. Baudot, Coordinator of the International Forum for Social Development, Department of Economic and Social Affairs, United Nations*, found the report to be accurate and that its recommendations reflected the concerns of the international community. He highlighted three aspects of the report that he found to be of particular importance. Firstly, it gave back its real meaning to the word "social", i.e. the search for individual well-being and the harmonious functioning of society. There was a political and moral dimension to the word "social", that implied processes and institutions that sought freedom and justice. Secondly, the report showed depth of analysis; thirdly, it demonstrated the need for global governance.

*The representative of the Government of the Russian Federation, Mr. Y. Lyublin, First Deputy Minister of Labour and Social Development*, expressed gratitude to the members of the Commission and to the Co-Chairs. He said the report gave very specific answers to the problems involved in the process of globalization and was a successful attempt to provide a balanced picture of the way in which globalization was developing and of its consequences, in particular regarding labour-related issues. He highlighted that the report was unique and that it provided an excellent basis for discussions at national level, with involvement of the various political and social forces existing in a country, particularly the social partners. His Government supported the idea of coordinated efforts by international organizations, with the ILO playing a leading role as far as social and labour problems were concerned.

*The representative of the Government of Pakistan, Ambassador Umer*, thanked the Commissioners for a landmark study, based on in-depth scholarship, intellectually sound analysis and supported by statistics. As endorsed by leading economists such as Professor Stiglitz, it contributed to a much-awaited shift in the discourse on globalization. He noted that the report constituted a much-awaited shift in the discourse on globalization. Developing countries had long advocated a realistic rather than an idealistic approach to globalization and the report was a step in that direction. The shrinking national policy space and erosion of economic sovereignty in developing countries were crucial issues. A review of global rules, particularly trade rules, to allow greater policy space must be operationalized. It was paradoxical that the protagonists of globalization called for improved national governance, yet the present set of global rules progressively encroached on developing countries' essential policy space. The report's recognition of the responsibility of the international community towards an even and fair distribution of the fruits of globalization, as spelt out in the Millennium Development Goals, and the all-important question of resource mobilization were a welcome development. He expressed the belief that debt swaps for social sector development could significantly contribute to addressing simultaneously the problem of unsustainable debt, on the one hand, and meeting the demands of good governance, on the other. Issues he listed that required more elaborate treatment related to cases of developing countries that achieved robust GDP growth rates but failed to acknowledge and analyse issues of persistent poverty, agricultural subsidies – that adversely affected the mostly agro-based economies of the developing countries, with profound social consequences – as well as corporate social responsibility.

*The representative of the Government of Sudan, Ambassador El Haj*, said that the report proved the Director-General right in setting up the Commission. He expressed thanks to the members and the Co-Chairs and thanked the ILO and the Director-General for supporting the work of the Commission. He called for non-discriminatory rules to govern globalization, democracy, free institutions and accompanying social and economic policies, decent work, better copyright and intellectual property rules, open markets, direct investment, open borders for migrant workers, and

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better international institutions that served developing countries, with increased budgets. Given its importance, he trusted that the report would be translated into Arabic.

*A Worker member from Germany, Ms. U. Engelen-Kefer*, stressed the importance of the report as a global analysis of the financial, economic and social developments in countries with different developmental levels; it also provided useful conclusions and recommendations for action at all levels. She appreciated the report's focus on the human dimension and decent work. Europe itself needed an effective campaign against unemployment. She was in favour of an integrated approach, as isolated treatment of policy areas would not lead to the desired results, and she hoped that the proposals in the report would be taken up constructively with a view to overcoming blockages and achieving forms of cooperation between the ILO, the World Bank, the IMF and the WTO. When dealing with international and national coherence building, tripartism was of the essence because governments, employers and workers were the parties best equipped to deal with the conditions of work and economic and related human issues. A reasonable form of cooperation with NGOs was also required that supplemented these partners' work.

*The representative of the Government of the Philippines, Ambassador Manalo*, spoke of the importance of a global conscience, sensitive to inequities, as vital for enhancing the benefits of globalization. The global goal of full employment and decent work could be achieved by enhancing coordination of macroeconomic policy among countries. Making full employment a goal of macroeconomic policy would guarantee that developing countries, such as the Philippines, were provided with policy space to implement employment-generation activities that directly impacted on higher employment levels without eliciting adverse reactions in international markets. The promotion of decent work in global production systems should form part of economic and social policies. Respect for core labour standards should be at the heart of a broader international agenda for development; affording a minimum level of social protection was a prerequisite of the global economy. Finally, he said, a policy of inclusiveness was a guarantee that the gains from globalization accrued to the benefit of the population.

*The representative of the Government of Mexico, Mr. R. Vasquez*, said the Government of Mexico supported the report, and associated himself with the GRULAC statement and particularly supported the consistency of international action taken by States through commitments such as those made at the Monterrey Summit, which could be an important step forward in increasing official development assistance levels. He noted and supported the importance that the ILO, the United Nations and other organizations attached to the family, social responsibility and solidarity, as well as to the dignity of the individual. He believed that the focus should be not only individuals but also their families, especially in view of the fact that a properly functioning market economy required the promotion of social responsibility and solidarity. He requested an additional reference to the important issue of legal reforms in respect of the informal economy, stressing the need to recognize the existence of the so-called informal economy.

*The representative of the Government of New Zealand, Ms. D. Tse*, congratulated the Commission for a robust and comprehensive report. She remarked that working to achieve greater coherence between economic and social policies, both at the international and national levels, would result in a more holistic approach which was essential for capacity building and sustainable development. These two elements were at the heart of strong States and successful globalization. The proposals in the report specific to the objectives of decent work should be integrated into the work programme of the ILO. New Zealand considered that the ILO could demonstrate leadership by facilitating dialogue between United Nations system organizations and agencies to ascertain their views on the report and to look for ways of working together, within the scope of their respective mandates, to pursue the stated objectives. But she cautioned against any extension of the ILO mandate in following up on the recommendations of the Commission. She looked forward to the development of a clear plan of action at the Conference.

*The representative of the Government of Canada, Ms. C. Bradshaw, Minister of Labour and Human Resources*, congratulated the Commission for a very comprehensive report, reflecting the aspirations of all people everywhere for a fair globalization that created opportunities for all. Canada sought efficient multilateral institutions and increased cooperation between countries in the fight against poverty. The Canadian Government had launched an integrated review of its international policy and the report would contribute to efforts to achieve greater policy coherence in this domain. Her Government had invited a member of the World Commission to lead a dialogue on the report with labour, business and other key Canadian stakeholders. She shared the desires of the



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World Commission to make globalization a means to expand human well-being and freedom, and to bring democracy and development to local communities. Dialogue was the key to achieving the goals of democracy and development. In the Americas, a historic breakthrough on policy coherence was achieved when the Ministers of Labour of Brazil and Mexico joined Canada in presenting a report on the social dimension of globalization to trade ministers of that hemisphere in autumn 2003. Canada accepted the simple economic principle that those who produced the products and services in the economy should also be able to consume them, which was why growth and employment and respect for fundamental labour standards had to be made the focus of coherent social and economic policies. This all implied national democratic institutions, transparent public governance, the rule of law and fair social and economic institutions as well as investment in health, education, employment, training and skills development.

*An Employer member of Burkina Faso, Mr. B. Nacoulma*, said that, in setting up the World Commission, the ILO and its Director-General had once again proved their vision and capacity to respond to social needs. He reported that a Pan-African Employers' Confederation study had shown that Africa received only 2 per cent of direct investment and, in an attempt to correct this situation, the Confederation had developed a code of good governance for both governments and company heads in order to combat corruption and promote transparency. African employers were also seeking, through social dialogue, to promote national policy based on decent work, as well as regional integration. He, like other Employers' delegates, argued for a greater role for the Governing Body in the follow-up to the report.

*The representative of the Government of Belarus, Ambassador Aleinik*, expressed full support for the report and appreciated the work of the Commission. The proposals made were ambitious, courageous and innovative, and fully justified the establishment of the Commission. The nature of globalization needed urgent change, saying that it was a threat to the culture and national identity of small countries and was having a negative impact on the environment. Belarus had already experienced the various consequences of globalization since independence in 1991, given its reliance on the import of raw materials and energy, and had decided on gradual development rather than shock therapy. The results were that Belarus was in 53rd position in the United Nations *Human Development Report* for 2003, out of a total of 175 countries worldwide. Belarus supported basic labour standards and minimum standards of social protection for individuals and families.

*The representative of the Government of Indonesia, Mr. E. Situmorang, Ministry of Manpower and Transmigration*, welcoming and supporting the report, stated that within a global partnership, the problems of poverty and underdevelopment could be tackled in the fulfilment of the Millennium Development Goals. Concessional financing, particularly in the form of official development assistance, he said, was imperative. He supported decent work, noting that the Government of Indonesia had developed the National Decent Work Agenda which involved the social partners. In addition, it was of the greatest importance to develop a global framework for an orderly and well-managed migration process. If globalization was to become a force for progress, it was necessary to work at the national and global levels in tandem so that the two could interact and reinforce each other.

*The representative of the Government of the Islamic Republic of Iran, Mr. S. Heftadan, Director-General for International Relations, Ministry of Labour and Social Affairs*, remarked that if the world was not to slide into further insecurity, terrorism, hatred and conflict, an urgent rethink of globalization was needed. Globalization should be utilized to create balance, sustainable development, political convergence and unity of all nations. He declared that equal rules for unequal players would never secure equal outcomes.

*The Worker member from Lebanon, Mr. G. Ghosn*, spoke of the negative social impact of globalization in the Arab world, which had not been mentioned in the report. Globalization had had a negative impact in the region, as the region had not sought to maximize its developmental possibilities. The main losers were workers, whose capacity to organize had been reduced. This had led to opposition in certain quarters to free trade and to free movement of capital. The hegemony of transnational corporations over the local markets further impeded local developmental possibilities and concentrated production potential and capacity in the hands of a few. The flagrant contradiction that could be concluded from the impact of globalization could be measured in the pattern of the flow of goods and the restrictive nature, or its restrictive impact, on the migration of manpower. International organizations, he suggested, could be one of the means of assisting change in the Arab

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world as they could be the channel to overcome resistance and refusal and to improve the rights of workers' and human rights.

**Mr. J. Vandermoortele**, *Socio-Economic Development Group, UNDP*, applauded the report and said that it shared many concerns addressed in several human development reports, as well as in the UNDP publication entitled *Making global trade work for people*, published in 2003. Common positions were based on five basic premises. The first was that globalization, if it was to be sustained, must have a human face. Second, globalization represented interconnectedness, not only between firms, markets and financial systems, but also between people. Third, globalization led to a continuous shrinking of time and space, as better communications raised aspirations around the world. Fourth, globalization was only as good as the rules, tools and institutions that governed it. Fifth, globalization created many opportunities, but also aggravated insecurities and vulnerabilities. The linkages between human development and decent work were strong and obvious. Their common denominator was human rights. Both were crucial for enlarging human choices. Ultimately, he said, the question to be asked was – what happens to people? The benefits of globalization were not equally distributed and it was often the countries and the people who most needed to gain from globalization that benefited the least.

He commended the ILO for taking the debate on globalization forward in a balanced and professional manner. The World Commission had produced a landmark report. Global governance had to be enhanced if it were to meet the challenges of poverty, trade development and gender equality. Equality and the empowerment of women would be crucial to the success of the Millennium Development Goals.

**Mr. G. Malempré**, *Representative to the United Nations and Specialized Institutions in Geneva, UNESCO*, spoke of the three world commissions that had been convened by UNESCO in recent years. Experience with these had clearly shown their usefulness in bringing prominent personalities together. However, they only served a purpose if they led to action. There were two areas of concern regarding globalization which were common to UNESCO and the ILO: the need to create an ethical reference framework based on human, civil, political, social and cultural rights, and, on the other hand, a governance of the processes of globalization that would prevent the marginalization and exclusion of a large part of humanity.

**Ms. C. Golden**, *Division of Social Science Research and Policy, UNESCO*, was pleased to note that many of the report's recommendations were of high relevance to UNESCO, including the Education For All (EFA) fast-track initiative, the Millennium Development Goals and policy coherence initiatives. For UNESCO, such issues included, inter alia, the eradication of poverty and gender inequality, the promotion of education, and the empowerment of women.

**Mr. R. Torres**, *Directorate for Employment, Labour and Social Affairs, OECD*, associated himself with those speakers who had expressed satisfaction with the report and added that it was an important document, which provided a balanced approach to the issue of globalization in that it made clear that action was needed at both national and international levels. It also formulated a comprehensive set of recommendations aimed at improving the returns from globalization. He saw the implementation of the report's recommendations as a key issue and mentioned three areas where OECD work might be relevant in this respect. First was the issue of efficient redistribution mechanisms, such as social protection systems that compensated for income losses of those affected by trade and investment liberalization; this included core labour standards, which could help create conditions for workers and employers to discuss how to share the gains from trade and investment liberalization; second was wealth creation in sectors that offered new opportunities; and third was the implementation of the report's recommendations. On this last point, he saw solutions in the form of viable tax collection systems, as well as a comprehensive approach to ensure that various reforms did not conflict. Other priorities for a comprehensive approach were the interlinkages between core labour standards and economic development, as well as migration. He was confident that the OECD and the ILO would find common ground for cooperating on these issues.

**Mr. M. Cox**, *Sustainable Development Department, FAO*, agreed particularly with what had been said by the representative of the World Bank that, for the first time in many years, the international community would be able to address the issues which concerned it through the eyes of ordinary people, not simply from the point of view of an ideological, a particular, or a market-designed instrument. He pointed to hunger as affecting the primary right of all humankind to food. He agreed with the vast majority of the recommendations contained in the report. He recalled that, for the report's recommendations to be achieved, it had to be borne in mind that 66 per cent of the

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poor lived in rural areas and that their livelihood was inextricably linked to agriculture, which had borne the brunt of the negative aspects of globalization. The initiative launched by the FAO and ILO on rural development was extremely promising and the FAO would be submitting further proposals for cooperation.

*Ms. V. Kulaçoğlu, Director, Trade and Environment Division, WTO,* considered the work of the Commission to be valuable and believed that the social dimension of globalization merited serious consideration. She stated that the Doha Development Agenda, launched in 2001, promoted an open, equitable and non-discriminatory multilateral trading system and was undergoing an important phase, with serious attention being paid to agriculture, market access and trade in industrial goods. The Doha Development Agenda could play an important role in contributing to economic growth and generating employment opportunities. It had the capacity to deliver benefits to developing and developed countries alike. However, she said, careful management of trade liberalization and globalization was required at the national and international levels to ensure the inclusiveness of globalization. She welcomed the complementarity of the ILO's work in this respect.

*The representative of the Government of Italy, Mr. G. Tria,* expressed appreciation for the work carried out by the Commission and congratulated and thanked Presidents Halonen and Mkapa and its members, who had made a significant contribution on a key theme for the future of the world – how to make the globalization process beneficial to all countries and all peoples. He believed that governments everywhere had to take up the challenge, committing themselves to promoting discussions and exchange of ideas at both national level and within the international multilateral system, on the analysis and recommendations provided by the report. He said that his Government shared the World Commission's view of the importance of governance of the globalization process and believed that the definition and implementation of coherent national and regional policies for fair globalization had to be conceived within a framework of international rules. But global governance could be effective only if based on fair national institutions that ensured democracy, good governance, respect for human rights, social justice, economic freedom – and last but not least – national autonomy in drawing up policies and strategies for sustainable development. The Italian Government was concerned with the problems of labour immigration and cross-border movement of people, but was strongly committed to implementing policies for the inclusion of immigrant workers in the workforce where they could benefit from occupational safety and health measures and social insurance laws. Italy also shared the report's view on fair rules and policies at the international level and agreed with the proposal for a global forum, which should be examined by the competent agencies, namely the International Organization for Migration, the ILO and the United Nations system. He believed that industrialized countries could not avoid issues such as the access of goods from developing countries that allowed those nations to increase resources to attain the Millennium Development Goals. He was confident that the ILO would now identify the fields on which to focus its action and elaborate appropriate policies and strategies.

*The representative of the Government of Kenya, Ms. D. Ongewe, Ministry of Labour,* congratulated the Co-Chairpersons for the landmark report. She said that the core issue for the ILO was to identify the kind of globalization that was desired, then identify its actors and its beneficiaries. Positive measures should include fairer rules for international trade, investment, finance and migration, while all interests, rights and responsibilities were taken into account. Core labour standards and a minimum level of social protection should be seriously promoted and efforts to mobilize international resources for the Millennium Development Goals were also critical. Kenya agreed that fair globalization depended on better national governance and that decent work should be made a global goal. As far as Kenyans were concerned, poorly managed globalization had exacerbated poverty on account of a decline in investment and low wages for unskilled workers.

*The representative of the Government of Algeria, Mr. B. Sedki, Minister Plenipotentiary,* congratulated and thanked the Co-Chairpersons and the members of the Commission for the work accomplished, and assured them of Algeria's support for follow-up action and implementation of the report's recommendations. He noted the trend towards trade liberalization, as supported by developed nations; at the same time, there was a trend towards trade based on human, social, political and cultural rights, supported by civil society, NGOs and developing countries. Governments had to settle these economic and social differences within the framework of the ILO.

*The representative of the Government of the Dominican Republic, Mr. M. Guevara, Secretary of State for Labour,* thanked and congratulated the Commission for its extraordinary contribution.

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He also thanked the Governing Body and the Director-General for providing the vision and direction for the report. He believed that the World Commission had provided an impetus towards fair globalization, and had placed people at the centre of the process. He wished to see the family placed at the centre of the globalization process in a multilateral framework that applied transparent rules to migration. He believed the ILO should promote a globalization policy forum, inviting the IMF, the World Bank, the Inter-American Development Bank and others to the table.

*The Employer member from India, Mr. Anand*, urged action rather than debate and supported promotion of entrepreneurship initiatives. Entrepreneurship was where the private sector and employers could make the most significant contribution.

*The Employer Vice-Chairperson* concluded that radical reforms to the multilateral system were not called for; only fine-tuning was required. He noted employment as a fundamental issue and that there was a Global Employment Agenda to which entrepreneurs and employers had attached major importance. Youth employment in particular was a prominent issue that was connected to the elimination of child labour and the promotion of the Declaration on Fundamental Principles and Rights at Work. Social dialogue required a continuation of work within the ILO as a tripartite forum. The issue of migration would have outcomes at the 92nd Session (2004) of the International Labour Conference. With regard to the informal economy, interaction between various institutions and structures was necessary for the implementation of the conclusions of the 2002 session of the Conference. The fight against HIV/AIDS, the development of human resources and corporate responsibility were also areas where the Employers were willing to work actively. On the issue of regional action, he noted that Burkina Faso was to be the focus of the first regional project, and insisted that the process of learning should go from the local level upwards towards the global level. He accepted the challenge of working with other organizations and believed that the Turin Centre had its role to play. Speaking of policy coordination initiatives, he believed that it was urgent to harmonize fundamental information, particularly in the light of the divergence of data and statistics provided by the World Bank, UNDP and the report. He listed policy coherence, regional responses and education as constituting possible topics for discussions on globalization. In order to be able to support activities, initiatives and forums, all possible scenarios should be explored. He proposed that the Director-General, together with the Officers of the Governing Body, be responsible for looking at the alternatives which would contribute at the opportune moment its recommendations on the viability of such measures and their composition and characteristics. He proposed that the Director-General and the Officers of the Governing Body be responsible for investigating various possibilities for an agenda.

*The Worker Vice-Chairperson* praised the support for policy coherence and inter-institutional cooperation, and noted virtually universal support for core labour standards, which he highlighted as requiring a major promotional effort by the ILO and other international organizations. Effective follow-up activities were now required to ensure that the report became well known at grass roots and that its purpose was understood. He noted the cautious interest from institutions such as the World Bank and the IMF, and believed that the proposals for greater coherence between these institutions and the ILO needed to be followed up. He looked forward to an early start to discussions on the issues of growth, employment and investment. The challenge was to make proposals for follow-up in a way that was complementary to current ILO programmes and did not compromise the Decent Work Agenda or the Global Employment Agenda. He hoped that, following its declaration on helping Africa, the World Bank would assist the Workers' group in its demand for debt forgiveness or, alternatively, for the repayment of a country's debt to be diverted into its own education, health and social welfare programmes. He also expressed interest in the development of the theme of partnership in the UNCTAD XI Conference and was impressed by the number of speakers who urged more partnership, but deplored those interventions which specifically stated that the ILO should not go beyond a certain point in endeavours to achieve fair globalization. He also requested that national governments speak in a single voice before the different international institutions for the sake of coherence. He reminded the meeting that the Singapore Declaration had failed and he did not want the ILO to suffer a similar setback. Concluding, he stressed the importance of pressing ahead speedily with follow-up action. He requested that the Director-General move swiftly to investigate the potential for giving immediate effect to some of the most urgent conclusions on the basis of a full tripartite consultation with the various constituents of the ILO. He trusted that a successful balance between the imperatives of urgency and the requirements of due democratic process would thus be achieved.

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*The Director-General* spoke of the generally positive reaction to the report and the clear direction given by the meeting. His comments at the beginning of the meeting that the discussion was important in helping him shape his report to the Conference had been validated. He was struck by many of the words used to describe the report, such as “landmark”, “breakthrough”, “milestone”, “visionary”, but particularly by the word “balanced”, especially in view of the fact that the Commission had deliberately been created as a “non-like-minded” group. The report was neither the first nor the last on globalization, but it was the first to use dialogue to search for solutions and common ground. It was the first report that had sought to place dialogue at the service of finding solutions and common ground. This enhanced the ILO approach and philosophy, and demonstrated that dialogue could produce common ground.

The report had been highlighted as both critical and positive. It did not seek to reject globalization, but to manage it, while pointing out that globalization itself was not the problem. It argued that globalization needed to be shaped through adequate management, rules and governance. Although the ideas posited had national political implications, the recommendations had been described as realistic, and not a single speaker had qualified the report as unsuitable. He personally found that the report had integrated the issues such as finance, trade, labour and education, making it a holistic work that required comprehensive solutions. Globalization was an integrated phenomenon that demanded integrated solutions, and global problems required global solutions. The limits of purely national action had already been observed. He also felt that it was a common sense report with sound propositions. However, there were dangers: governments should find ways of discussing the report at government level and not slice it up between ministries; the global vision will thus be protected.

The key message in the report, taken up by many, was that dealing with globalization began at home. The second was the need for fair rules in trade, finance, movement of people, labour standards and technology. The question of international governance was very strongly underlined, as was multilateralism. In addition, efficiency, effectiveness, transparency, accountability, democratic decision-making and, above all, the whole issue of coherence were frequently referred to. Another element in different presentations was that solutions required the convergence of the principal actors.

On the implications for the ILO, the Director-General thought that probably the most important was decent work as a global goal, which should be pursued through coherent policies within the multilateral system. This would respond to a major political demand from countries everywhere and would demonstrate the capacity of the multilateral system to find creative solutions to a critical problem. The message regarding the ILO’s strategic objectives was clearly a reinforcement of the Decent Work Agenda and of ongoing activities. At the same time, the report invited the ILO to intensify its relationship with the multilateral system, on the basis, and within the limits, of the ILO mandate, and he found this a very important subject for reflection. The report suggested that the ILO exercise its full mandate. There was a reference in the report to the Philadelphia Declaration, which required the ILO to examine economic and financial policies as they affected its mandate. This was a very important issue that would require careful consideration.

He addressed two specific proposals from the floor, one on policy coherence, the other on the globalization policy forum. The mandates of most international organizations intersected in different ways; it was important to focus on the ILO’s areas of strength, to promote its products, knowledge and experience where a qualitative edge was perceived. But the policy coherence initiative had been launched specifically because policy interaction among organizations was so highly developed. He suggested that growth, investment and jobs should receive priority treatment for a global approach.

The key challenge for the ILO was to see how globalization affected the Decent Work Agenda and to identify the ILO’s comparative advantages in dealing with the social dimension of globalization. This issue would be part of an entire follow-up process and would affect decent work country programmes, as well as deepen the core mandate. It required the strengthening of the external relations capacity with other international organizations, as with other actors, and development of the knowledge base. His own point of view was that the report boosted and challenged tripartism, especially at the international policy-making level. Social dialogue and tripartism were the foundation of fair globalization and could not be dispensed with. Tripartism would play an important role at national level and also with other organizations. The report clearly advised the ILO to become involved in national policy coherence. Tripartism had to face up to

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globalization and this would stimulate discussion within the groups. The one recommendation in the report that was aimed at Heads of State and prime ministers was responsibility for national coherence. In the separate group discussions, Governments, Employers and Workers would determine how they perceived this challenge, how they could organize themselves, and how the ILO could support them in their work.

On the issue of follow-up and implementation of the approach and recommendations of the World Commission, the Director-General said that other organizations would also play a role. He recalled that the report, written by an independent Commission, would carry forward into the work of organizations such as the WTO and the IMF. ILO follow-up was in the hands of the Governing Body and he was keen to consult with the Officers of the Governing Body for guidance so that he could gradually enter new territory with a basic framework for action. He saw at least four spaces for short-term follow-up. One was the normal ongoing work of the ILO; many of the aspects of the report would impact directly on existing projects and programmes. The immediate stages ahead were the Chief Executive Board of the United Nations in April 2004, where an agenda item for discussion of the report had been requested; this would provide an opportunity to obtain feedback from heads of agencies. He would also make a presentation to the Economic and Social Council (ECOSOC) in June 2004. Finally, reflection was required on how to bring the issues in the report to the attention of the United Nations General Assembly for discussion within a wider context.

*President Mkapa* spoke of the hopes the report had raised around the world. The next great challenge would be delivering on those hopes. The real test of the efficacy of the various actions that could be taken was whether their benefits would prove more inclusive. These actions did not need to be taken sequentially. Parallel initiatives could be taken at regional, national and international levels, as long as they were consistent and coherent. The thread that ran through all possible solutions was political will and he pledged to be proactive in preaching the need for political will among fellow Heads of State and Government. He once again stressed policy coherence, beginning at home – in all countries – with a political decision. The proposed improvement in the governance of globalization was a political decision. The policy coherence the Commission wanted had nothing to do with reallocation of duties and mandates among international organizations. The ILO was certainly not being asked to encroach upon the mandates of other organizations. Nations could not demand good democratic and participatory governance in international organizations and yet fail to address such issues nationally. Countries could not demand accountability within global institutions and yet fail to work for accountability within their own national institutions. It had to be remembered that international organizations were nothing but sovereign governments united for a particular purpose. The IMF, the World Bank, the WTO and all others were the sum total of their members, who were governments. The policy incoherence the report pleaded against occurred when a government supported an issue at one forum and undermined what it had agreed to in another forum. If governments agreed at Doha that negotiations should focus on development, the same focus should be echoed in all other different forums where governments met, as well as in national political decisions. In his view, the Doha commitments would have been met on schedule if there had been greater domestic policy coherence among the member countries.

He repeated that the report was never meant to encourage the ILO to go beyond its established and known mandate. It did, however, call for a comprehensive, consistent and coherent approach to global issues that affected the lives and prospects of people everywhere.

The question was where to start and what was the way forward? He echoed the Scottish writer Robert Louis Stevenson, who said: “You cannot run away from a weakness; you must sometimes fight it out or perish. And if that be so, why not now, and where you stand?” Governments, workers and employers must not run away from the weaknesses of globalization. They must fight now where they stood.

*The Chairperson* announced that a full report of the discussion would be appended to his report to the 92nd Session of the International Labour Conference. He noted that the World Commission’s report had struck most speakers as a credible basis for achieving a breakthrough in the quest for fair globalization and that there had been agreement that the values and basic orientations of the report should guide the follow-up process. There should be a focus on people and their needs, values and fundamental rights, as well as on fairness and good governance, from the local level up to the global. This would be a solid foundation for moving ahead with the follow-up process. He was encouraged by the convergence of views on many of the key instruments that the

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report recommended. The meeting had been of one mind that decent work should be a central global goal and that every effort should be made to advance all four components: employment, fundamental workers' rights, social protection and social dialogue. There had also been broad agreement that greater policy coherence at both national and global level was an essential condition for success in achieving the decent work objective. He indicated that the forthcoming session of the Conference would be an occasion to move forward, as would the Governing Body sessions in June and November 2004. But to maintain momentum, the Director-General would undertake consultations with other international organizations on relevant follow-up issues and remain in contact with the Officers of the Governing Body to review developments and consult on particular aspects of such follow-up action.

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