



NINTH ITEM ON THE AGENDA

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

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1. The Committee met on 5 and 8 November. Ambassador Soltanieh, Government representative of the Islamic Republic of Iran, was Chairperson. The Employer and Worker Vice-Chairpersons were Mr. Niles and Mr. Ito respectively.
2. The Chairperson welcomed delegates to this session of the Committee on Employment and Social Policy and expressed his condolences to those who had been affected by the events of 11 September in the United States. He also expressed his congratulations and gratitude to the Office for the successful Global Employment Forum.

I. Global Employment Agenda

3. A representative of the Director-General (Mr. Hultin, Executive Director, Employment Sector) introduced the Office papers¹ on the Global Employment Forum (GEF). The Forum had taken place at the right moment and had the right theme, although many ideas had been expressed during the Forum which were not always directly related to the Global Employment Agenda. This was understandable, given recent events and the global economic downturn. The Forum had provided an opportunity to address them.
4. Highlighting some of the interventions made at the Forum, Mr. Hultin recalled: the Director-General's call for a global stimulus package for developing countries; Mr. Reich's proposal for a coordinated global response to the economic downturn in the form of a new governance mechanism, an "Economic Security Council"; Mr. Figueres' proposal to cancel the debt of the poorest nations; Mr. Ricupero's point that trade liberalization did not keep pace with globalization; and Mr. Tou's call for international solidarity as regards debt issues and for improved governance and accountability at national level. He emphasized that while the Forum had generated a number of ideas, it was up to the Governing Body to decide on the action to be taken. Nevertheless, many of the ideas were very relevant to the Global Employment Agenda and provided a foundation for further work. Trade and investment, ICT, entrepreneurship, and social and environmental sustainability were forces in the world that nobody could ignore. The importance of ICT in particular had been underlined by many speakers at the Forum, such as Professor Castells from the University of Berkeley, who had also called for a kind of "Marshall Plan" to bridge the digital divide.
5. Change inevitably created winners and losers, and that was why open social dialogue on change was important, as well as social protection, investment in skills, support to labour market institutions, gender equality, in short, core elements of the Decent Work Agenda. Mr. Hultin called for the formation of global alliances to ensure the necessary political will, as echoed in the UN Secretary-General's opening speech to the Forum. Also, a specific suggestion had been made for the Governing Body to consider how the Global Employment Agenda, in conjunction with the reporting on Convention No. 122 on employment policy, could be made use of in developing and implementing national action plans for employment promotion. Mr. Hultin recalled current efforts of the Office to prepare for an integrated approach to employment standards, and the proposal for a general survey on the application of Conventions Nos. 122 and 142 and Recommendation No. 189. Information on work carried out on good practices in employment and human resource development policy was now available on CD-ROM. A more comprehensive report of the Forum would be prepared before the end of the year. In conclusion, he invited the

¹ GB.282/ESP/1/1 and GB.282/ESP/1/2.

Committee to provide guidance to the Office on how to further advance the Global Employment Agenda.

6. The Worker Vice-Chairperson acknowledged the partial success of the GEF. However, he felt that the importance of including both titular and substitute members of the Governing Body, who had the same duties and obligations, had not been taken into account. The fact that only titular members had been invited to the Forum was regrettable from the Workers' point of view. At the same time, over 120 NGOs had been represented, and he requested information on the funding of their participation. He expressed concern about what the Workers saw as shift in the Office over the years from a focus on collective bargaining and industrial relations to civil dialogue, which was mistaken for "social dialogue", which had allowed this magnitude of participation from the NGOs. He felt that labour management relations still constituted the core of ILO concerns. His group was also dissatisfied with the fact that hardly any reference had been made at the Forum to the agricultural sector and the informal economy, which represented large parts of the working population in developing countries. Another source of dissatisfaction for his group was that many companies were using the events of 11 September as an excuse for making workers redundant. It was regrettable that the interventions and speeches from the Forum were only available in the original language; translations into at least the working languages would have been desirable.
7. Supporting the suggestion made in paragraph 35 of the Office's submission on the Global Employment Agenda, he emphasized the critical role of education for employment creation, especially in the least developed countries, and suggested that consideration be given to the establishment of a global fund for this purpose. The Workers' group intended to make a specific proposal to that effect.
8. For the Workers, one of the key messages from the Forum was that a new paradigm was necessary to replace the Washington consensus. The impact of interest rates and exchange rates on investment and employment in developing countries also needed to be addressed in the context of the present recession in developed countries. Referring to paragraph 13(iii) of the summary report of the Global Employment Forum, a reference should have been made to the importance of democracy and good governance as the key to decent work in the debate on global governance.
9. The Office paper on the Global Employment Agenda rightly emphasized the importance of the Decent Work Agenda, and that the four strategic objectives needed to be advanced together, as reflected in the Executive Summary of the background paper to the Forum, *A Global Agenda for Employment*. The Workers fully supported the statements made in paragraph 10 of the Global Employment Agenda document on the importance of social policy and on the impact of poor industrial relations on economic growth, and endorsed paragraphs 11, 12, 13 and 14 of that document. Furthermore, the Workers concurred with the recommendations made in paragraph 15 and requested the Office to take this into account in the preparation of the next paper. Such an analysis should include the revision of stabilization policies, slowing the pace of financial market liberalization, the introduction of a Tobin tax to encourage long-term foreign direct investment, the promotion of industrial policies that moved developing countries away from their dependency on primary commodities towards higher value manufacturing, a revision of trade arrangements that discriminated against agricultural and textile exports from developing countries, and a review of the TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement to incorporate the concerns of developing countries, particularly as regards access to and affordability of HIV/AIDS medication. The Workers also urged countries to ensure that the ODA (Official Development Assistance) target of 0.7 per cent of GNP was met, and that labour standards were implemented and the resulting productivity benefits were accrued. The Workers also felt that debt relief beyond

the HIPC (Heavily Indebted Poor Countries) initiative was a necessary component if poor countries were to advance on the Global Employment Agenda, and that the IMF needed to speed up the process of debt relief. Moreover, conditions set by the international financial institutions that restricted fiscal deficits or imposed tight monetary policies on developing countries should be revised. Although the Office paper referred to income and resource redistribution brought about by labour-intensive investment programmes, strengthening of the local infrastructure and targeted programmes on health and nutrition and land transfers, more detailed proposals for action would have been desirable. The proposals on human resource development and the management of change contained in the paper were interesting, and the Workers supported the recommendations concerning skills training, occupational safety and health, and active labour market policies. Measures to counteract the current recession and stimulate economic growth should also include income tax cuts for low-income groups and support to the poor in the form of welfare payments in order to boost spending. The Workers strongly hoped that all these recommendations would be taken into account in the preparation of the document for the next Governing Body, and that that document would include specific responses to the current economic crisis.

10. The Employer Vice-Chairperson expressed his appreciation to the Office for the successful organization of the Forum, which had been a very timely event. He agreed with the statement made by the Worker Vice-Chairperson regarding the role of the NGOs. The main point was that the ILO was a tripartite organization and, although it welcomed the ideas of the NGOs, an expanded concept of social dialogue could not replace tripartism in the institution. Turning to the further advancement of the Global Employment Agenda, he emphasized that this should be an ongoing process that needed periodic interaction with the social partners. There could be a case for setting up a working party for this purpose, as well as making use of the Internet so that contributions could be made to the Agenda as it evolved.
11. Commenting on the summary report of the Forum, he indicated that the report did not accurately reflect the discussion and that important views had been left out. He felt that it should have included a reference to the points made by Minister Tou from Burkina Faso on the important role that developing countries should play by preparing to take advantage of further trade liberalization, debt relief and increased ODA by taking steps to improve governance and create an enabling environment for enterprise creation. Moreover, he would have appreciated references in the document to some of the statements made by Employer representatives on the role of the enterprise in employment creation. The idea of global alliances for employment was important but he emphasized that the Office must be clear not only on its substance and purpose but also on the ILO's position in any such alliance, which can only be from a tripartite perspective.
12. Referring to the Global Employment Agenda document, he welcomed the statements made in paragraph 28 on trade and employment. However, he would have hoped to see some recognition of the fact that the objectives listed in that paragraph could best be achieved through a new multilateral trade round. He appreciated the emphasis given to FDI (foreign direct investment) as a force for enterprise development particularly for developing countries. In 2001, FDI would show a decline worldwide from the previous year. More importantly, it was still dominantly flowing between developed countries, with only 1 per cent going into Africa. More detailed analysis on the reasons for this was needed.
13. Regarding information technology, he agreed that the digital divide needed to be bridged but noted that in paragraph 29 the fourth bullet point relating to the telecom sector was the most important. On entrepreneurship, paragraph 30 appeared to confuse cause and effect. The first bullet point was in fact the most important, and the others resulted from it. Similarly, in paragraph 45 priority should have been given to the fifth and sixth bullet points, as well as to the point made in paragraph 46, which listed the key issues for job

creation. Paragraph 46 should have usefully included a reference to the importance of good governance and democracy for economic development. It was essential to bear in mind that it was economic growth that leads to job creation. It was in this context that the Office also needed to further examine issues pertaining to monetary and fiscal policies.

- 14.** The representative of the Government of Brazil, speaking on behalf of the Latin American and Caribbean Countries Group, indicated his satisfaction with the objective of the Global Employment Agenda. Employment was the core concern of economic and social policy rather than a residual issue and within employment decent employment was key. Growth must therefore be geared towards producing decent employment. For this to happen, demand would need to be stimulated, infrastructure improved and conditions met for foreign investment to flow. The big challenge now was how to implement such measures. In this context, GRULAC welcomed the Office's suggestion for a general framework of cooperation between organizations of the UN system and the Bretton Woods institutions and hoped that such a framework would be submitted to the next meeting of the Committee in March. The proposal contained in paragraph 26 of the Office paper concerning a web site on good country practice was welcome. Finally, GRULAC supported the idea of organizing a debate on international migration as mentioned in paragraph 38 of the Global Employment Agenda document.
- 15.** The representative of the Government of France, speaking on behalf of IMEC (Industrialized Market Economy Countries), noted that the format of the forum was successful and thanked the Office for its excellent organization. She emphasized that productive employment had the same importance as fighting poverty and bringing about fairer distribution. Employment policies were thus on the same footing as economic policies. There was a need to understand that common principles and goals existed in a global strategy, but this also meant that in a globalizing world it would be wrong to proceed as if one size fitted all. IMEC was of the view that trade barriers needed to be lowered in all countries, as protectionism was detrimental to both developed and developing countries. Further discussion of the needs of the informal economy was also necessary. IMEC supported the idea of global and regional alliances, and was of the view that the need for the ILO to be working with the WTO and the Bretton Woods institutions was greater than ever. The Office should also give more thought to the implications of the Global Employment Agenda on the ILO's technical cooperation programme, in particular in the area of skills development and training. Given the present recession, a medium-term programme for growth was called for and would be an important part of the new vision of growth that generated productive and good jobs. The Office now had to translate the outcomes of the Forum into action. This required prioritizing, defining what action had to be taken under the ten points, and clarifying the role of the social partners. In this regard, governments should have the role of facilitators rather than regulators, when it came to job creation. Some thought should also be given to how to build global alliances, how to set up national employment programmes, and on developing vocational training programmes. The Agenda should encourage the ILO to strengthen its research and analytical capacity, in particular through the Institute.
- 16.** The representative of the Government of Slovakia, on behalf of the Central and Eastern Europe and Central Asia countries, endorsed the comments made by the previous speaker.
- 17.** The representative of the Government of Sudan, speaking on behalf of the African group, described the contractionary effects of the IMF's structural adjustment programmes, which focused on controlling inflation in developing economies. Even when they did lead to some growth, they did so often without too much of an impact on poverty, and without increasing decent employment. Reforms also affected basic services of health and education adversely, and these were services accessed by the poor. Reforms generated a stability gap. Promoting stability meant the cancellation of debt. Commenting on table 1 of

the Global Employment Agenda document, he argued that the third scenario of halving both unemployment and the working poor rate was the interesting one for developing countries. The question was how such a scenario could be supported. It was clear, however, that employment policy needed to be a part of economic policy. It was regrettable that the informal sector, which provided a very large part of employment opportunities, was not given due attention in the document.

- 18.** Mr. Mansfield (Worker member) supported the promotion of the Decent Work Agenda. Some developing countries could not tighten the belt any further without jeopardizing social stability and democracy. Member States with high unemployment should be assisted by the ILO. He stressed the need for productive relationships between social partners as well as the need for good governance and absence of corruption, for education of the workforce and adequate investment in infrastructure. Open economies and strong levels of investment were equally important.
- 19.** In his response to the comments made, Mr. Hultin made clear that the ILO provided no financing for NGOs. He stressed that the Global Employment Agenda was work in progress and that the composition and nature of the envisaged global alliances would be further developed. Serious note would be taken of the valuable guidance that had been provided during the Forum. The March version of the Global Employment Agenda would be the result of very active consultations with constituents.
- 20.** The Worker Vice-Chairperson suggested that the steering committee that had been set up for the Forum could meet in order to decide on the possible composition of a working group.
- 21.** The representative of the Government of India stated that employment concern was central for her country, not only because of the large number of unemployed but also because of the low income level. In India there was a lot of underemployment in the agricultural sector and the rural economy should be more diversified. Particular emphasis should be given to employment as the focus of development policies, to training and to youth employment. Also, an increase in development assistance was necessary.
- 22.** The Government representative of France supported the IMEC statement and underlined the urgency to implement the Global Employment Agenda. He stressed the need for the ILO to participate in all international meetings where employment issues were raised directly or indirectly, such as the forthcoming conference on the financing of development in Monterrey, Mexico, next March. The ILO should send a high-level delegation to this important conference. Referring to some of the statements made at the Forum and the situation in some of the European countries, he called for a stronger role of ministries of labour in influencing economic policies. The “Economic Security Council” proposed at the Forum would need to take into account a balance between social and economic dimensions. Finally, he supported the idea of a working group for the further development of the Global Employment Agenda, and thanked the Office for the organization of the Forum and quality of the documents distributed.
- 23.** The representative of the Government of the Islamic Republic of Iran expressed his appreciation to the Office for organizing such an excellent event. Referring to paragraph 1 of the Global Employment Agenda document, he pointed out the need for a redistribution of wealth and the elimination of discrimination. Misappropriation and corruption had to be stamped out in order to overcome poverty. Job security for workers and investment security for employers were inseparable parts of one package. Employment had to remain at the centre of macroeconomic and development policies. The challenge was to find global solutions that would help reduce migration towards developed countries and the brain drain from developing countries.

- 24.** The representative of the Government of Denmark congratulated the Office sincerely for the highly successful Forum. The Office had demonstrated in a very professional and timely way that it was capable of being dynamic, innovative and relevant in its message on employment. More events of this nature would be most welcome. Her delegation supported the IMEC statement. The fact that there was now a proposal for a Global Employment Agenda was in itself a major accomplishment, but even more so since the Forum had shown how crucial the role of employment was for economic growth. The challenge now was to determine the next steps and to take concrete action. Referring to the proposal made by the Employer Vice-Chairperson, she was confident that the Office would move in the right direction and that it was not necessary to set up a working group. Finally, she requested clarification on the nature and composition of the steering committee referred to by the Worker Vice-Chairperson.
- 25.** The representative of Government of the United Kingdom fully supported the statement by the IMEC group and the proposals contained in the Global Employment Agenda. She congratulated the Office on the organization of an excellent and dynamic forum. Recalling some of the recurrent themes of the forum, such as productive employment as a means of social inclusion and poverty alleviation, and the need to emphasize the centrality of people, their skills and employability, she emphasized that employment should be at the heart of economic and social policies globally. The ILO's efforts in integrating employment into PRSPs (Poverty Reduction Strategy Papers) were most timely and appreciated. The recognition of the importance of macroeconomic stability in enabling job creation was welcome and should be given particular attention, along with active labour market policies, in future work. Further analysis should be carried out on how to translate growth into jobs, and on the importance of political and social stability. The ten-point summary provided a flexible framework on which a global employment strategy could be built. Global alliances needed to be established where appropriate, with a view to bringing about changes in partner institutions that would ensure that productive employment was central in their policy support. The forthcoming conference on development funding and the World Summit for Sustainable Development provided excellent opportunities in this regard. She suggested that the Global Employment Agenda broaden its outlook to address all forms of discrimination, not only that related to gender. Finally, she pledged her Government's continued commitment towards developing and implementing a global employment strategy.
- 26.** The representative of the Government of the Netherlands fully endorsed the IMEC statement and thanked the Office for organizing the Employment Forum. The inclusion of participants from other UN organizations and from civil society had been of great value. She called for concrete action plans at national and regional levels on specific policies. Such plans should focus on at least one specific policy process. Indicators and concrete targets to measure progress would be helpful. Both strong governments and open constructive social dialogue were needed in order to manage change in a sustainable way. She did not support the establishment of a working group on the Global Employment Agenda and requested clarification on the steering committee mentioned by previous speakers.
- 27.** The representative of the Government of China congratulated the Office on the successful convening of the Global Employment Forum. Referring to paragraph 44, he supported the need for constructive proposals regarding global alliances. International peace and stability were important components for decent work, and he urged the international community to intensify its efforts to create stable and secure conditions.
- 28.** The representative of the Government of Malaysia indicated his appreciation for the comprehensive Office document. He outlined the situation in his country and the measures taken to promote economic development, such as skills development and lifelong learning.

The ILO could contribute to national efforts by providing technical assistance for institutional capacity building. Also, he called for a reactivation of the Asian Pacific Skill Development Programme.

- 29.** The representative of the Government of Trinidad and Tobago agreed with the statement made by GRULAC, as well as with the substance of the IMEC statement. She commended the Office on hosting such a successful Forum. The Forum had clearly demonstrated the ILO's relevance at the global level. Among the suggestions made by the Reporter of the Forum, her delegation supported in particular the organization of round tables as a platform for promoting wider discussion of the real impact of Keynesian economics on people and developing societies and the importance of employment in economic development. She encouraged a more visible presence of the Director-General at national level with a view to promoting convergence among policy-makers. More research in the field of indicators and methodologies to assess the employment impact of economic strategies and the impact of technology choice on employment would be necessary, and the International Institute of Labour Studies would be the appropriate place to carry out such analytical work. With respect to paragraph 9 of the Global Employment Agenda document, she pointed out that the first bullet point did not adequately reflect the reality in developing countries, where unemployment was just as serious a problem as in developed countries.
- 30.** The representative of the Government of South Africa supported the view expressed by the representative of the Government of Sudan on behalf of the African group and congratulated the Office on finding innovative ways to advance the Global Employment Agenda. It was high time that decent work and the eradication of poverty were given centre stage. The ten-point summary of the Forum gave useful guidance for further discussions on the topic. He welcomed the call for more analysis of the role of fiscal and macroeconomic policies in job creation. The issue of market access for products from developing countries was pertinent to make the Decent Work Agenda viable. The Forum had been a resounding success in that it had started off a dialogue on key and even controversial issues related to employment. The challenge was now for the constituents to take decisive steps to ensure the promotion of decent work for all.
- 31.** The representative of the Government of Namibia supported the statement made by the GRULAC group. The organization and outcome of the Forum had indeed been very successful. He associated himself with the comments made by the Worker Vice-Chairperson on issues related to the developing countries. The ILO's tripartite structure was appropriate as it was and, while NGOs should be included in the dialogue, this should not dilute the mandate of the constituents. More emphasis should have been given in the Office paper to creating a level playing field for developing countries, especially in the field of ICT. As mentioned by the Employer Vice-Chairperson, foreign direct investment needed to be more balanced and lead to higher employment rates. He expressed concern about the lack of reference to subsidies, which prevented developing countries from accessing vital markets. The EU initiative to open all markets to everything but arms should be fully supported. Finally, he felt that the Governing Body itself was in the best position to move the Global Employment Agenda forward; a separate working party was therefore not necessary.
- 32.** The representative of the Government of Portugal congratulated the Office on the results of the Forum, which had been a most stimulating event. He fully supported the statement made by the IMEC group. He highlighted the main messages emanating from the Forum, namely the central role of employment in macroeconomic, social and developing policies, the need to democratize the benefits of globalization, the need for a new architecture of international relations, and the value added of inter-agency and tripartite consultations enriched by civil society participation. Regarding the creation of a working group on the

Global Employment Agenda, he shared the reservations expressed by the representatives of the Governments of Denmark and the Netherlands.

33. Mr. Sithole (Worker member) sought clarification on the concept of an economic security council and its possible composition. Also, he wondered what criteria would be applied for selecting member countries and what levels of poverty a country would have to reach before intervention by such a council.
34. The representative of the Government of Mexico congratulated the Office on launching a global programme that put employment at the centre of economic and social policy, and on the excellent organization of the Forum. She fully supported the statement by GRULAC. She recognized the importance of promoting decent work and better coordination of policies to achieve development. However, national plans of action and follow-up in the framework of Convention No. 122 were difficult to set up in cases where this Convention had not been ratified, such as her own country. In order to exchange successful national experiences with voluntary plans of action, she proposed the introduction of a discussion forum, ideally on a permanent basis. She gave full support to the idea of improving productivity and working conditions through social dialogue.
35. The representative of the Government of Germany associated himself with the enthusiastic comments on the Forum made by IMEC. There was no need for setting up a working group or steering committee for the Global Employment Agenda at this point in time. He strongly welcomed the participation of NGOs in the Forum as it was essential to listen to other voices and to bring the ILO's message across to civil society.
36. The Worker Vice-Chairperson suggested that the Working Party on the Social Dimension of Globalization would be a suitable place to address the issue of global alliances and provide conclusions. The idea of an economic security council could be useful but required further information from the Office. The Workers' proposal for a World Education Fund would be submitted to the Office soon; he hoped it could be included in the agenda of the next session. Regarding the proposed steering committee, the Workers did not wish to insist on its establishment but felt it might be useful to have such a mechanism in order for the Office to come up with good documents. His group associated itself with the statements made by the representative of the Government of South Africa and of the Government of Namibia. While he did not doubt the important role of NGOs in society, he stressed that the unique tripartite structure of the ILO within the UN system should be maintained.
37. The Employer Vice-Chairperson underlined the importance of the exchange of best practices in the area of employment generation. He pointed out that Convention No. 122 had been adopted in 1964 and was probably no longer up to date. It was important to note that the ten-point summary often referred to by previous speakers was not equivalent to the Global Employment Agenda. Finally, he agreed with the representative of the Government of Namibia that the issue of subsidies should be included in the discussion.
38. In response to the discussion, Mr. Hultin (Executive Director, Employment Sector) confirmed that best practices as well as work done to further the Global Employment Agenda would be disseminated through the ILO web site. He informed participants about the ongoing preparations for the informal sector discussion at the International Labour Conference next June. The idea of an economic security council had first been floated by Mr. Reich at the Forum with the intention of laying emphasis upon global responses to a global crisis. Further broad-based discussion beyond the ESP Committee was required before this idea could be put into practice. The proposed global alliances should reflect the tripartite nature of the organization, and this was already the case for the Youth Employment Network. He shared the Workers' view on the importance of education and

training. Education and training was an example where the international community was able to work together on operationally oriented activities in line with the idea of a global alliance for employment. This issue was a substantial element of the Global Employment Agenda, and a positive reaction had already been received from UNESCO regarding cooperation in the field of lifelong learning. He thanked the Committee for the many positive comments on the Forum and expressed his gratitude for the support provided by social partners and the many governments involved in the preparations. Special thanks were due to the Government of Switzerland, who generously supported the Forum. In conclusion, he stated that the Agenda was work in progress and that it would be further developed by March, based on the guidance received from the Committee. There was no steering committee per se. The process of consultations with workers, employers and the regional groups would continue as before and an effort would be made to ensure enough time for consultations between the regional groups and their respective capitals.

39. The Chair expressed his appreciation for the full cooperation and fruitful contributions made by the Government, Employers' and Workers' representatives

II. The Second World Assembly on Ageing

40. The Office paper was introduced by representatives of the Director-General (Ms. Fortuny, InFocus Programme on Skills, Knowledge and Employability, Employment Sector, and Mr. Léger, Finance, Actuarial and Statistical Services Branch, Social Protection Sector).
41. The Office paper highlighted developments that had taken place since the beginning of the preparatory process for the Assembly and of the ILO's contribution to it.² The paper also presented a number of employment and social protection issues in relation to older workers and population ageing. The document noted that while ageing was not a "catastrophe", it did pose a policy challenge and that coping mechanisms had to be found in the world of work and in the social transfer systems. It also stressed that the ILO had a vital role to play in developing far-sighted solutions and setting these mechanisms into motion. The Committee was now invited to discuss the type of contribution the Office should make to the Second World Assembly on Ageing as well as to consider policy issues that could be reflected in such a contribution.
42. The Worker Vice-Chairperson welcomed the report and stated that ageing had a different meaning for developed and developing countries and that these differences, as well as the cultural and traditional factors, had to be taken into account. However, something was missing in the paper as regards health and safety at the workplace, and that measures were necessary to deal with this. While the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Maximum Weight Convention, 1967 (No. 127), covered some aspects, further concrete policy recommendations for the ageing workers would be needed. While strongly supporting the ILO's approach to the matter, in particular the four points listed in paragraph 2, he regretted that the issue of intergenerational solidarity was not sufficiently addressed. He also expressed some concern about the meaning of statistics for the developing countries and wondered how the data would be affected if China was excluded from the sample. The issue of health-care costs and the importance of preventive medicines also needed to be addressed. He also stressed the importance of an adequate working environment and occupational health and safety at the workplace as well as the implementation of training and retraining. Finally, he affirmed

² GB.282/ESP/2.

that the ILO must continue its effort to convey a clear message and expressed his group's support for the point for decision.

- 43.** The Employer Vice-Chairperson stated that ageing was a very important issue and that the Employers welcomed the Office paper. However, the paper did not reflect adequately the discussion on social security that took place during the 2001 International Labour Conference, nor the provisions of the Older Workers Recommendation, 1980 (No. 162). His group would like to be informed in the March session of the Governing Body on the contribution of the Office to the Assembly and hoped that these concerns would be taken into account. He also sought clarification on the intention of the Office to send a tripartite delegation to the Assembly. There was a close relationship between the increasing number of older workers, retirement and social security systems. Although the ageing issue differed from country to country, the systems in which people continued to retire early were unsustainable in both developed and developing countries. He stressed the importance of lifelong learning to enable older workers to make a productive contribution longer, especially in the context of rapid technological improvements. Regarding paragraph 45, the Employer members agreed with bullet points 1 to 6. Point 7 was an important issue that had to be taken up more firmly as it was the key issue in the paper and at the heart of the discussion; it would be wrong to suggest tax increases in order to increase the revenues of pension schemes because this could result in a destruction of jobs. The phrasing of bullet point 8 was not clear. He concluded by stressing the importance of the issue of informal sector workers, who were excluded from formal social security systems.
- 44.** The representative of the Government of the Netherlands, speaking on behalf of the Industrialized Market Economy Countries (IMEC), stated that the Second World Assembly on Ageing provided an excellent opportunity to share the expertise and experience of many partners and to develop a coordinated approach. The effect of ageing had direct links with the work of the ILO and the Office therefore had an important role to play in following developments and signalling effects. However, the ILO's role had to be proactive. She expressed her support for the main themes identified in the Office's report. They were relevant to all regions of the world, although the emphasis on relevance might differ from region to region. She asked for clarification on the statement about the importance of maintaining rights after transfer of residence from one country to another as well as regarding the development of mechanisms that keep the social transfer system in financial equilibrium. Concerning the options for the ILO's contribution mentioned in paragraph 11, she suggested that the ILO's input should be concentrated in the form of a report. Finally, she invited the Office to keep the Governing Body informed of developments and to prepare a document for the Governing Body session in November 2002.
- 45.** The representative of the Government of Namibia, speaking on behalf the Africa group, emphasized the need to take into account the impact of HIV/AIDS in the data of the report. He noted that data in southern Africa showed that the 20-45 age group was experiencing higher mortality rates due to HIV/AIDS and that the overall life expectancy was dropping significantly. HIV/AIDS therefore had an important impact on skills availability. Lifelong learning was critical for this group. He also noted the importance in Africa of traditional safety networks, such as family networks, and suggested that the strengthening of such networks should be added as an issue for discussion. Youth unemployment was a serious problem, and the Office should further address the issue of early retirement as a means to mitigate the youth unemployment problem.
- 46.** Mr. Wade (Employer member) expressed his concern regarding the relationship between youth unemployment and postponing retirement age. This issue was at the centre of negotiations between employers, workers and governments in order to try to find a compromise. He stressed the importance of decent conditions of work in order to facilitate

active and healthy ageing. Moreover, due account should be taken of the fact that a growing number of workers moved from the formal to the informal economy once they had reached retirement. He suggested to add this as another issue for discussion in paragraph 45.

47. The representative of the Government of India noted that the focus of the topic and supporting arguments revolved around the system and situations in developed countries, particularly European countries, and that references to Asian or South Asian countries were scarce. He stressed that in India family links were still strong and relationships across generations were maintained in such a manner that older people would get assistance from the family. He agreed with the Office's view that older people were a rapidly growing population group for whom social inclusion was particularly significant and that the ILO had an important role to play in ensuring that employment and social protection issues were firmly placed on the agenda of the Second World Assembly on Ageing. He emphasized that gender and age turn out to be agents of double discrimination against women. Concerning the issue of migrant workers, he noted that this topic had to be studied in greater detail by the Office.
48. The representative of the Government of Italy supported the IMEC statement. Italy was experiencing a rapid ageing of the population and a very fast drop in birth rates. Migration could therefore play an important role. He pointed out that ageing was an important topic for the Government as well as in public opinion, especially in relation to the financing of pension systems and health care. The sustainability of social security systems was linked to the capacity of his country to increase the total level of employment. New technologies could play an important role in prolonging working lives. A radical change was needed in the approach to managing enterprises and occupations and in training.
49. The representative of the Government of Portugal also supported the IMEC statement. She stressed the important role of continuous training and information technologies to prevent social exclusion. In Portugal, a "Tripartite agreement on employment, labour market, education and training" had been signed, which integrated measures that encouraged older workers to remain longer in the labour market.
50. The representative of the Government of Japan expressed his appreciation for the ILO's active participation in the preparations of the Second World Assembly on Ageing. He commented on the second point of paragraph 45 regarding age discrimination and suggested the use of the term "irrational discrimination" as in Japan it was permissible to treat people differently based on their age.
51. The representative of the Government of China noted that ageing was a result of social progress and that the Second World Assembly on Ageing was a good opportunity to discuss this important issue. His Government supported paragraph 45. The ILO should promote the establishment of social security schemes including universal pension, health care and safety as well as lifelong learning, and should intensify research on these issues.
52. The representative of the Government of Chile, while congratulating the Office for the report, noted that page 16 of the Spanish version was not very clear and should be redrafted. Changes in society had modified the demographic structure, placing a large burden on the working population to fund the retirement benefits of an expanding ageing population. However, he believed that increasing the age of retirement would not be particularly beneficial given the high unemployment rates.
53. The representative of the Government of Trinidad and Tobago endorsed the policy issues listed in paragraph 45. She agreed with other delegates that the document tended to focus on developed countries. It was important to deal realistically with the different situations in

developed and developing countries, which required quite different policy measures and solutions.

54. Mr. Trotman (Worker member) felt it was important to distinguish between ageing in developed and developing countries.
55. The representative of the Government of Denmark expressed her gratitude to the secretariat for the presentation and the report and fully supported the statement made by the representative of the IMEC group. She welcomed the ILO's contribution to the Second World Assembly on Ageing and stressed that the ILO had a very important role in ensuring that employment and social issues were adequately reflected. She also agreed with the five themes identified in the document as well as the list of policy issues in paragraph 45. Finally, she endorsed the comments made by the Employer Vice-Chairperson to have a stronger focus on the challenges regarding the informal sector and supported the proposals made by the representative of the Government of Namibia to address to a larger extent all the consequences of the HIV/AIDS pandemic in relation to the ageing issue.
56. Mr. Mansfield (Worker member) noted that, as already mentioned by the Employer Vice-Chairperson, the discussion and conclusion of the last International Labour Conference in relation to social security as well as the Older Workers Recommendation, 1980 (No. 162), should be well reflected in the ILO's contribution to the Second World Assembly on Ageing. In the social security discussion there had been a choice of either a negative or a positive agenda to address the issue of ageing. A negative agenda would include reducing social security standards and government support for the health system. The Conference instead had adopted a positive agenda, which posited that economies needed to be more productive and grow faster, that policies needed to be introduced to allow people to remain in the workforce longer – such as lifelong learning and retraining strategies – and that more people needed to be attracted into the paid workforce, such as women and the unemployed. The Worker members supported such an approach, and the Office should continue to follow the positive agenda adopted by the ILC in June. Finally, he remarked that the Worker members would not necessarily advocate increased taxes to address the issue of ageing. However, an increase in taxes to fund transfer payments would not necessarily have a negative impact on employment levels.
57. The representative of the Government of the Libyan Arab Jamahiriya remarked that providing decent work to disabled and aged persons would need to be reconciled with the fact that there were new entrants to the labour market as well as unemployment due to economic recession. The ILO was the most suitable speaker on this subject and should seek to raise that issue at the Assembly.
58. The representative of the Government of Nigeria suggested that ILO should collect and disseminate information on pension systems.
59. The representative of the Government of Brazil considered the issue of ageing of such importance that it required a more in-depth review; regional meetings of experts should be organized for this purpose. Her Government supported paragraph 46 of the Office paper.
60. Mr. Lambert (Employer member) stated that the world of pensions had changed and that 30 years ago experts could not forecast that people would live another ten to 15 years after retirement. Moreover, poor economic conditions encouraged people to take early retirement, which meant that in some cases people's retirement period was almost as long as their working life. There was no easy solution to this problem. It was interesting to note in this context that, currently, companies in the United Kingdom were thinking of switching their pension investments from equities to bonds, which gave lower but safer returns.

- 61.** The Worker Vice-Chairperson requested an additional point to paragraph 45, namely “the development of work and of the working environment as key issues to reduce long-term invalidity and to ensure decent retirement and health at old age” and submitted the addition to the secretariat for its inclusion. He supported the Employer Vice-Chairperson’s proposal for tripartite participation in next year’s World Assembly on Ageing. The Worker members supported the issue raised by the Government of Namibia regarding HIV/AIDS and ageing but did not share the view of the Government of Japan regarding paragraph 46. The process of ageing was unstoppable and progressing, and it was important that the ILO took action on the formulation of relevant policies.
- 62.** The Employer Vice-Chairperson emphasized that there was not a single scheme that would fit all countries. The issue was not a North-South one. Using an example from his own country, he pointed out the importance of adjusting social security systems to demographics. He noted that many social security schemes were largely financed through employment taxes. Raising these to fund social security schemes would therefore discourage companies from generating employment. It was obvious that job creation was and continued to be a crucial factor when addressing the issue of social security.
- 63.** The representative of the Director-General (Mr. Aro, Director of the InFocus Programme on Skills, Knowledge and Employability, Employment Sector) thanked the delegates for their important contributions. In the preparations of the ILO approach, an attempt had been made to take into account various regions, situations and stages of development. It was fully understood that the Office would continue to do so in future work. Regarding the conclusions of the 89th Session of the International Labour Conference as well as the Older Workers Recommendation, 1980 (No. 162), Mr. Aro noted that paragraph 32 already made that connection but that it would be further emphasized in the future. He also stressed the importance of the issue of the work environment as proposed by the Worker members. Regarding the informal economy, he pointed out that this was addressed in several points of the document and this issue would be discussed in the forthcoming 90th Session of the International Labour Conference. Concerning the issue of discrimination raised by the representative of the Government of Japan, Mr. Aro clarified that the fact that the ILO opposed discrimination should not exacerbate any aspect of the approach to ageing issues. The forthcoming meeting of Officers of this Committee would be a good opportunity to discuss the tripartite participation in the Assembly.
- 64.** The representative of the Director-General (Mr. Cichon, Chief of the Finance, Actuarial and Statistical Services Branch, Social Protection Sector) thanked the delegates for their important contributions. He stated that it was obvious that older people had to be maintained in the labour market for a longer period of time. He linked the question of solidarity to that of financial equilibrium and stressed that a key issue was to keep older workers in employment, which required more than legislation. Regarding health care, he remarked that no one could anticipate how much health care costs would increase. If the current levels of expenditure were maintained, this was an investment in longer working lives. He noted that in OECD countries, there would be a shortage of labour by the year 2020 at the latest, and therefore current concerns on youth unemployment would no longer be valid and workers would have to age actively. In 1950, retirement represented 25 per cent of the whole working life; now that figure had gone up to 45 per cent. This trend should be reversible. In developing countries, ageing affected both formal social security schemes and informal support systems. HIV/AIDS was a considerable burden for families and could not be supported by informal schemes. In developing countries, system demographic rates were as bad as in developed countries. Regarding migration, he noted that there was a risk that developed countries would import the skills they needed, which were already scarce in developing countries. These issues could be reflected in the March session of the Governing Body.

65. The representative of the Government of Namibia requested the secretariat to add the point suggested in his intervention in the issues for discussion. The secretariat assured him that his point would be considered in the forthcoming March session of the Governing Body.
66. The Committee adopted the point for decision in paragraph 46.
67. *The Governing Body may wish to request the Director-General to take account, in preparing the ILO's contribution to the Second World Assembly on Ageing, of the opinions expressed by the Committee on the following issues:*
- *gradual and flexible transition from active working life to retirement as a means to give older workers the opportunity to remain active longer should they wish;*
 - *development of necessary measures to prevent discrimination in employment and occupation with special attention to older women workers;*
 - *implementation of policies to train and retrain older workers in order to help them adapt to new demands and opportunities using the guiding principle of lifelong learning as a long-term preventive strategy;*
 - *the potential of ICT to open up employment and training possibilities for older people including those with disabilities as well as the realization of this potential for the majority of the world's older people;*
 - *development of measures appropriate to national conditions and practice to enable older workers to stay longer in employment and to make it attractive for them to do so;*
 - *the social security challenge to respond to changing family structures and lifestyles by guaranteeing equality of treatment between men and women on, for instance, pensionable age and survivors' benefits;*
 - *development of mechanisms that keep social transfer systems in financial equilibrium by sharing the financial burden of ageing fairly between the active and inactive populations;*
 - *costs of ageing for health-care systems as well as the positive economic impact of healthy older workers;*
 - *the scope and limitations of migration replacement as a solution to population ageing;*
 - *importance of social integration, family links, multi-generational relationships and the rights of older people necessary to guarantee a secure and decent old age;*
 - *the development of work and working environment as key issues to reduce long-term invalidity and to ensure decent retirement and health at old age;*
 - *ways to strengthen traditional and family-based safety networks as a means to mitigate the negative effects of HIV/AIDS.*

III. ILO relations with Bretton Woods institutions

68. A representative of the Director-General (Ms. Ducci, Director of the Bureau for External Relations and Partnerships) introduced the Office paper.³ Highlighting the main points, she emphasized that ILO collaboration with the Bretton Woods institutions was influenced by the shared objective of making the benefits of globalization work for all. This year's spring meetings of the Bretton Woods institutions had emphasized three main issues of relevance to the ILO: (a) the objective of combating poverty; (b) the need for stronger international cooperation; and (c) a clearer definition of the division of labour between the different organizations of the multilateral system. The bilateral relationship between the ILO and the Bretton Woods institutions and the concrete areas of cooperation were the main focus of this paper, whereas the relationships within the broader context of the multilateral approach to globalization were receiving greater emphasis in the Working Party on the Social Dimension of Globalization (WP/SDG).
69. A major focus of cooperation was the reduction of poverty and the formulation of development strategies. ILO participation in the Poverty Reduction Strategy Paper (PRSP) had two main objectives: (a) introducing employment creation and decent work as a central concern; and (b) promoting the participation of the social partners as a contribution to strengthening country ownership and the participatory process. As outlined in the paper, the PRSP process, on the basis of comprehensive development principles, offered a number of areas where the ILO, with its focus on employment and decent work and its tripartite approach, could contribute substantially. Collaboration, especially with the World Bank, was progressing in the specific areas outlined in the paper. The joint agenda was being supplemented by two important new areas of cooperation, relating to youth employment in the context of the Millennium Declaration call for a High-Level Network on Youth Employment, and to cooperation in the field of HIV/AIDS through the introduction of the ILO code of practice. In this latter regard, an agreement had been reached to work together on a pilot basis in a number of countries, and activities were progressing well. The Global Employment Forum (GEF) had an important role to play in the context of ILO-Bretton Woods relations. Both institutions had contributed to the preparation of the ILO report and participated significantly in the Forum, and the deliberations at the Forum had provided the Director-General with the basis for a strong message to be conveyed to the meetings of the International Monetary and Financial Committee (IMFC) and the Development Committee in mid-November.
70. The Employer Vice-Chairperson, referring to the first paragraph of the Office paper, expressed his group's general support for collaboration and cooperation between the ILO and the Bretton Woods institutions, but cautioned against any attempt to introduce a new form of conditionality based on international labour standards or decent work. He questioned the relationship between the Decent Work Agenda and economic growth and development, asking whether the former led to the latter or whether the latter made the former possible. In the United States, economic growth and development had made possible the progressive introduction of the elements generally associated with decent work. Efforts to introduce decent work at the country level before a country had reached a significant level of economic development should not make economic growth and development more difficult. Referring to paragraph 6, he emphasized the impact of private capital flows and trade liberalization on economic development, and supported the negotiated elimination, in a new WTO round, of discrimination in developed countries against exports from developing countries, especially in the fields of agricultural products

³ GB.282/ESP/3.

and textiles, as being very important for economic development. Such an objective, however, could only be achieved in the context of a new multilateral trade round, which he hoped would be agreed in the World Trade Organization Ministerial Meeting this weekend. In this regard, two good initiatives were the United States “Africa Trade and Development Act of 2000”, which gave enhanced access by African and Caribbean countries to United States markets in agricultural products and textiles, and the European Union’s proposal that, in the context of a new multilateral trade round, all products from the 44 least developed countries, except arms, would be free of quotas and tariffs.

- 71.** The ILO, in its cooperation with the Bretton Woods institutions, should focus on its mandate and concentrate on areas where it could really add value, such as those specific areas outlined in the paper, especially HIV/AIDS and child labour. With respect to paragraph 21, he stated that his group was not opposed to a discussion of core labour standards, but reiterated the view that this should not take the form of conditionality.
- 72.** The Worker Vice-Chairperson emphasized the importance of the ILO’s relationship with the Bretton Woods institutions, and thoroughly supported the efforts made by the Director-General to have the ILO spirit recognized in their work; however, it was frustrating that this did not seem to be producing satisfactory results at the country level. More information was needed on how the ILO’s efforts and policies were specifically reflected in their country-level workings and policies. The Workers’ group fully supported efforts to introduce employment and social protection issues and social dialogue into the PRSPs. Economic growth was important but its benefit should be for all, not just a privileged few, so it was natural that this should be promoted by the ILO’s efforts to introduce decent work. It was not appropriate to promote economic growth and simultaneously undermine decent work. In this regards, he wished to raise three questions: (1) Was the ILO’s work on employment and social protection being supported and encouraged by the staff of the World Bank and the IMF? (2) Was the Office confident that the ILO’s contribution on employment and decent work would be fully and fairly reflected in the final PRSP documents? (3) Would funding be forthcoming to finance the programmes and policies suggested by the ILO in the PRSP context? The trade unions were often not included as part of the voice of civil society or of the private sector in the consultation process in many of the ongoing country PRSP processes, whereas the five special-focus country exercises showed that trade union participation from the early planning stages was an important ingredient of success. It was therefore important to impress upon the Bretton Woods institutions that trade unions should be systematically integrated into the PRSP development process. It would be useful in future to have more detailed information on related meetings with these institutions, and information on results concerning how they had been translated into action by the Bretton Woods institutions.
- 73.** The current economic slowdown had led to large-scale corporate bankruptcies. Capitalist economies and neo-liberal governments had promoted the privatization of state corporations. Governments felt that, as long as the bankrupt entity was a private concern, the government would not be required to inject public funds but, in reality, public funds were being made available to avoid serious repercussions on the economy and on the livelihood of citizens. Therefore, the World Bank and the IMF, which are funded by the very same countries, should review their conditionality, particularly on privatization, and should refrain from introducing policies that were unfair to developing nations. It was ironic that donor countries were introducing policies that were contrary to those that they advocated through the international finance institutions.
- 74.** Finally, in answer to the Employer Vice-Chairperson, he stressed that the Workers’ group had consistently insisted that in the process of economic development ILO standards should be respected so that workers in developing nations could lead a more humane and

comfortable life and, whatever the economic policies being adopted, it was essential for the implementers to bear in mind the importance of ILO core and other labour standards.

75. Ms. Ducci, in response to the comments made by the Employer Vice-Chairperson, recalled the international endorsement of the core labour standards by the Social Summit in 1995, and the subsequent agreement on the promotional nature of the ILO Declaration on Fundamental Principles and Rights at Work, in which it was made clear that it should not be used for protectionist purposes. It was in this sense that the ILO continued to promote the fundamental principles and rights within the whole multilateral system. The link between core labour standards and Twelfth Replenishment of IDA had already been decided. The advancement of the fundamental principles and rights at work was promoted as an integral part of the Decent Work Agenda along with all its other components, and the Office believed that the Decent Work Agenda effectively contributed to boosting development and balancing social and economic concerns. The ILO would continue to develop its new collaboration in the field of HIV/AIDS and in the other areas outlined in the Office paper where the ILO added value, and would continue to make ILO's concerns heard, not only by the officials of the Bretton Woods institutions but also by their constituencies through participation in the IMFC and the Development Committee.
76. Responding to the comments made by the Worker Vice-Chairperson, she emphasized the receptiveness of the heads of the Bretton Woods institutions during several meetings with the Director-General, but it was true that there could be some problems in getting the message across to the field level and to some technical areas; nevertheless, progress was being made. It was of crucial importance that the voice of the constituents be heard at the country level. In the nationally-owned PRSP process the key voices were coming from within the countries themselves. In this context, relations between ILO and World Bank-IMF officials would not have sufficient impact. It was hoped that the training activities undertaken by the ILO would have influenced officials of the Bretton Woods institutions, but this was no guarantee of success; rather, a strong capacity was required from the ILO constituents to influence significantly the process at the country level.
77. With regard to ILO experience in the five selected pilot PRSP countries, a representative of the Director-General (Mr. Radwan, Advisor to the Director-General on Development Policies and Counsellor on Arab Countries) explained that two important lessons had been learned. There seemed to have been a misunderstanding on the part of Bretton Woods officials who viewed ILO concerns about job creation as bringing up the old vision of the state as the main creator of employment. Much progress had been made in getting them to understand that, if employment was included as an explicit objective of employment and social policy, this could make a significant difference. In the past this question had not been addressed in a very rigorous way to match the frameworks provided by the Bank and the Fund but, as demonstrated during the GEF, some progress had been made. Secondly, it was clear that at the country level, countries were asking the ILO for a second opinion and, in this context, the pertinent question of the relationship between labour standards and growth had to be addressed. There was no simple answer, as the issue was one of process where persuasion and promotion also had an important role. For purposes of information it was planned to provide the Committee with a detailed evaluation of the ILO's PRSP experience in one or perhaps two countries. The process in Mali, for example, was highly advanced, and the recent PRSP document dealt quite well with the issues of employment and decent work. The ILO experience with the introduction of employment and decent work elements into the PRSP in Tanzania had been mixed but the latest outcome was positive, and most recently the ILO undertook a specific exercise on the social dialogue aspects, where it was discovered that the social partners had only been marginally informed. The results of this exercise were also feeding into the process.

- 78.** The representative of the Government of Namibia, speaking on behalf of the African group, expressed the hope that this discussion would be deepened during the forthcoming discussion of the report on the GEF, when he would comment further. The Decent Work Agenda was concerned with improving the living conditions of all people in the developed and developing world, and his group agreed that economic growth should first and foremost benefit the poor. It therefore welcomed efforts to introduce social and people-centred policies into the work of the Bretton Woods institutions. It was also welcome that HIV/AIDS had been taken up as one of the policy initiatives which should bring progress to that desperate situation in Africa. This was a good example of where social policies had influenced the policies of the Bretton Woods institutions. The ILO, with its tripartite structure, was in an excellent position to represent the economic needs of working people, and it was appropriate for it to be advising these institutions on policy matters concerning the Decent Work Agenda and the needs of people. It was hoped that such cooperation would not end up as a fight for turf, but would lead to concrete technical and financial assistance aimed at reducing persisting poverty and poor living conditions. Finally, it was hoped that the different sets of policy advice being given to developing and developed countries would be discussed, and that these ambiguities would disappear when needs of people were placed at the centre of the discussions.
- 79.** The representative of the Government of China agreed that unemployment and underemployment were the hardest constraints on poverty alleviation, where employment was a central issue. Poverty alleviation and employment creation were principal priorities of the ILO, and cooperation with the Bretton Woods institutions should strengthen the importance of employment creation. As expressed in the GEF, first there had to be work before there could be decent work. The Decent Work Agenda should be integrated into social development policy without applying it for any protectionist purpose. Cooperation should help the developing countries in their development and help to increase employment, rather than adding constraints. Globalization had had both positive and negative impacts and, in promoting the globalization process, there was a need to protect disadvantaged groups. Inappropriate action would have negative effects on developing countries and on the development of small and medium enterprises, would exacerbate the inequitable allocation of resources and extend the North-South gap. The ILO should promote awareness that the Global Employment Agenda had a decisive impact on decent work, and try to mobilize more financial resources for this.
- 80.** The representative of the Government of India stressed the importance of continued structured and useful discussions on relations with the Bretton Woods institutions. She maintained that the globalization of the economy promised unprecedented opportunities, but felt there were many areas of concern for developing countries. Globalization was not yet working for the benefit of all and was imposing constraints on the autonomous capacity of the social partners to determine their own destiny through independent policies. Therefore the ILO's collaboration and cooperation with the Bretton Woods institutions was of utmost importance for the development of coherent guidelines in economic and social policies. ILO efforts should lead to promoting the Decent Work Agenda with adequate emphasis on poverty reduction, employment generation, skill development and training, which should be reflected in policies of the Bretton Woods institutions. Continued involvement in the IMF's World Economic Outlook Report should produce desirable results, including the promotion of tripartism in the development of major social and economic policies. It was important to create an environment conducive to employment and job creation, where the centrality of employment and good quality employment was essential for economic and social policy-making. The interest of the Bretton Woods institutions in the work of the WP/SDG was welcome. While the integration of ILO objectives into the policies of these institutions through the CDF and the PRSP was welcome, the promotion of international labour standards should be achieved as laid down in the Constitution and the follow-up to the Declaration, rather than through

conditionalities on investment. The issue of labour standards should never be linked to programmes and policies for employment generation and poverty reduction, where the approach should invariably be development-friendly. Following the Social Summit there was a commitment to foster international cooperation in macroeconomic policies, trade liberalization and investment to promote sustained economic growth, employment creation, and an exchange of experiences of successful policies and programmes aimed at increasing employment and reducing unemployment. This required substantial material support from the Bretton Woods institutions, especially for employment generation.

- 81.** The representative of the Government of Mexico stated that the ILO had much to offer in the design of global strategies impacting on employment. ILO efforts to promote decent work and more and better jobs were an excellent platform for giving a human face to policies, and for taking the best advantages of the opportunities of growth and development which were lost without decent and productive work. The ILO's relations with the United Nations and the Bretton Woods institutions were fully supported as a way of providing a representative vision and a tripartite input to their policies but care should be taken lest these discussions be based solely on international labour standards and used as a basis for conditionalities in trade and investment.
- 82.** The Employer Vice-Chairperson, in his concluding remarks, expressed his group's interest in the PRSP process, and the need for more detailed information at the Committee's next meeting on ILO involvement in the PRSP exercise and the role of employers and workers, who should play a very prominent role in a nationally-owned process. It was assumed that the ILO, as a general rule, was encouraging their full participation in the countries concerned. He also drew attention to the changing roles of the Bank and the Fund, and in particular to the recommendations of the Meltzer Report, which it seemed likely would be adopted with respect to the IMF, which would shift its focus away from development assistance back to systemic financial issues and emergency situations. He wondered how this would affect the ILO's relationship with the IMF.
- 83.** The Worker Vice-Chairperson welcomed the preparation of a report on the PRSPs, which could be submitted to the next session of the Committee, and expressed his group's strong support for the full participation of the social partners in the PRSP process.
- 84.** Ms. Ducci concluded by expressing appreciation for the full support given to ILO involvement in HIV/AIDS as a new area of cooperation. The ILO was working closely with the Bretton Woods and many other institutions to achieve a more coherent and integrated concept of partnership, and this should help avoid the possibility of disagreements over mandate. Concerning the discussion of the GEF, the message given there by the Director-General concerning the advice that should be given by the Bretton Woods institutions, and particularly by the IMF, to developing and developed countries would very likely also be conveyed by him to their meetings in November. Concerning the need for more financial resources, it was hoped that more effective donor coordination through the PRSP process would provide the ILO with a better opportunity for accessing donor funds. She reiterated that the work with the Bretton Woods institutions, particularly through the PRSPs entailed no element of conditionality and was conducive to development. It was expected that the further assessment of the PRSP experience would reveal some of the difficulties faced and progress made. As already stated repeatedly, the role of the social partners was a key element and more effort was needed to strengthen cooperation with them and with ministries of labour to ensure that their voices were heard clearly in the PRSP process. Concerning the Meltzer recommendations, it was not yet known whether any of these would be implemented; however, the Managing Director of the Fund had stated his intention to concentrate more on basics and systemic issues. A consistent message from the meetings of the Bank and Fund was that there was a need for a clearer institutional division of labour with respect to these institutions, and other

international organizations as well. In this context, the ILO could expect to have a greater opportunity to contribute in its fields of competence and concern, as would other international organizations. The Bank would probably focus more on development, while the Fund would likely focus more on systemic and financial areas.

85. The Chair expressed his appreciation for the fruitful contributions by the Committee members and the explanations of the ILO officials on this important topic.

IV. Report of the Tripartite Meeting of Experts on the Management of Disability at the Workplace (Geneva, 3-12 October 2001)

86. A representative of the Director-General (Ms. Murray, Coordinator Equity Issues, IFP/Skills) introduced the Office paper and provided an overview of the code of practice that had been finalized and adopted by the Tripartite Meeting of Experts in October.⁴ Disability management was a process in the workplace to facilitate the employment of persons with a disability through a coordinated effort to address individual needs, the work environment, enterprise needs and legal responsibilities. Effective disability management enabled disabled workers to contribute, and employers to benefit, from their contribution and was most effective when based on positive cooperation. Key actors in the process were enterprises, employers' organizations, workers' organizations, competent authorities, and organizations of or for people with disabilities. The code advocated a broad model of disability management which included recruitment, promotion, job retention and return to work. Such a broad approach was appropriate, given the intended application of the code to both industrialized and developing countries.
87. The objectives of the code were equal opportunities in the workplace, improved employment prospects, a safe, accessible and healthy workplace, minimal costs to employers, and maximum contribution of workers with disabilities to the enterprise. Its underlying principles were equal opportunity, equality of treatment, non-discrimination and mainstreaming. The code was based on the conviction that disabled persons faced obstacles arising largely from societal barriers. Once adopted by the Governing Body, the code would be disseminated on a wider basis and promotional material would be developed. Finally, she pointed out the positive measures that were being taken within the Office itself regarding persons with disabilities.
88. The Employer Vice-Chairperson welcomed the report. The code should be seen as a best practice model, primarily aimed at employers. He emphasized that, as indicated in paragraph 19 of the report of the Tripartite Meeting of Experts, the code was not legally binding and should be applied in accordance with national law and practice. Under these circumstances, the Employers agreed to approve it. He shared the view of some of the experts at that meeting, however, that the code was best suited to large companies and that small and medium-sized enterprises might have difficulties in implementing it. The code should certainly not be considered a first step towards standard setting.
89. The Worker Vice-Chairperson sought clarification on the meaning of the word "publish" in paragraph 4 of the Office paper. He quoted from the report of the Tripartite Meeting of Experts on HIV/AIDS and the World of Work, which authorized the Director-General to communicate the code (a) to governments, requesting them to communicate it to the

⁴ GB.282/ESP/4.

employers' and workers' organizations concerned, (b) to the international employers' and workers' organizations concerned, and (c) to the international organizations concerned. If publishing was understood in the same way, the Workers could support the point for decision. They welcomed the report as well as the code of practice and urged enterprises to implement it.

90. The code was not a Convention and therefore not binding. Its implementation depended on the situation in each country, with the objective of creating equal opportunities at work for persons with disabilities.
91. This code of practice sought appropriate measures for such persons, regardless of the level of economic development of a country, the size of the enterprises, or the existence of trade unions. The ILO's mandate was to make sure that the ILO's spirit of offering education, training and decent work for disabled persons was met. As stated in paragraph 6 of the report of the meeting, Convention No. 159 had been ratified by 73 countries, including 14 in the last three years, and this indicated a high level of interest in this issue. Cooperation with organizations of persons with disabilities was becoming increasingly important, as was cooperation between the social partners. Recent improvements in the employment situation of disabled persons, in particular in southern African and in Canada, were welcome.
92. The Workers' group representative appreciated that the code made no distinction between congenital and acquired disabilities. The fact that the code was based on a social rather than a medical point of view was rather revolutionary, and he encouraged trade unions to adopt a similar approach. It was important now to ensure that each country and enterprise applied the code of practice, regardless of economic development or the size of the enterprise. The comments that had been made by the Employers on this issue, reflected in paragraph 9 of the report of the meeting, were regrettable. It was also unfortunate that the code contained no reference to the relevant UN Conventions, did not deal with the informal economy and the self-employed, and did not reflect the views of disabled persons themselves. Furthermore, no mention was made of the ILO Declaration and its follow-up, nor of Conventions Nos. 100 and 111, except in the annex. He welcomed the attention given to the position of disabled women and to workers with family responsibilities for disabled persons in paragraphs 30 and 31 of the report and in paragraphs 3.1.5 and 2.2.13 of the code and urged that specific measures be taken to deal with the problems faced in particular by disabled women.
93. Two aspects of particular relevance for workers and trade unions had been addressed in the code: firstly, that governments were responsible for setting the legal framework and, secondly, the importance of cooperation between trade unions and organizations of people with disabilities. Good relations among all concerned would benefit the workers and would create a common understanding. He reiterated his request that the code be adopted in word and in spirit, regardless of the size of the enterprise or the level of economic development of a country. All those involved, governments, the social partners, organizations of disabled persons and the public, should cooperate in the management of disability.
94. The representative of the Government of Canada considered the code of practice an important instrument. She highlighted its contribution to the larger goal of inclusion of people with disabilities in all aspects of society and encouraged the Office to take concrete measures to raise the profile of the code. The First International Forum on Disability Management, to be held in Vancouver in May 2002, would provide a suitable opportunity to publicize the code.

95. The representative of the Government of Namibia requested clarification on the consultation process recommended in the code regarding workers' representatives who were elected and representatives of organizations of disabled persons who were not.
96. A representative of the Director-General (Mr. Aro, Director of IFP/Skills) responded to the issues raised by the floor. Stressing the importance of publication, he affirmed that the ILO would do its utmost to disseminate the code in the broad sense proposed for the code of practice on HIV/AIDS. Regarding the issue of standard setting, he pointed to the introduction to the code as well as to comments made in the course of the opening address of the meeting. Convention No. 159 was a highly relevant instrument, as reflected by the fact that there had been 14 new ratifications in the last three years. The code both supported and complemented Convention No. 159. Regarding the definition of workers' representatives, this was a direct quotation from Convention No. 135 on workers' representatives. The incorporation into the code of organizations of people with disabilities had been approved by the experts at the meeting in October. It was not for the ILO to prescribe what NGO a particular employer should consult; it was at their discretion. Nor could be ILO prescribe the manner of an NGO's association. Whilst emphasizing the importance of consulting with organizations of people with disabilities, there would be no deviation from the basic principle that the primary consultation was with the social partners. In response to query from the representative of the Government of Germany, he indicated that the number of languages in which the code would be published depended on a number of factors beyond the control of his department. Ideally, publication would be in at least all working languages.
97. Addressing further issues raised by the floor, the representative of the Director-General (Ms. Murray, Coordinator Equity Issues, IFP/Skills) indicated that, in the process of preparing the code, examples of good practice had been obtained from enterprises of all sizes, and that these examples would be incorporated in the promotional material to be developed in support of the code. The Office had already received an invitation from the National Institute on Disability Management and Research to present the code of practice at the forthcoming International Forum on Disability Management in Vancouver, and this was being actively considered.
98. The Committee took note of the report of the Meeting, as well as the request made by the Worker Vice-Chairperson concerning the publication of the code.
99. ***The Governing Body may wish to authorize the Director-General to publish the code of practice on the management of disability at the workplace.***

Geneva, 12 November 2001.

(Signed) Mr. Soltanieh,
Chairperson.

Points for decision: Paragraph 67;
Paragraph 99.