



TWELFTH ITEM ON THE AGENDA

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

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1. The Committee met on 14 March 2001. Ambassador Soltanieh, representative of the Government 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. He expressed regrets that the Committee had not been allocated three sessions as requested and announced that, following consultations with the Officers of the Committee, it was suggested to postpone agenda item 3 (The ILO's relations with the Bretton Woods Institutions: Assessment of the ILO's involvement in the PRSP process) and agenda item 6 (Microfinance for employment creation and enterprise development) to the November 2002 session of the Committee. The Committee had no objection to this change. The Chairperson also announced that agenda items 1 and 2 would be presented and discussed together.

I. Global Employment Agenda

II. Policy responses to address the employment and social consequences of the events of 11 September 2001

3. A representative of the Director-General (Mr. Hultin, Executive Director, Employment Sector) introduced the Office paper¹ on the Global Employment Agenda. He emphasized that substantive consultations had taken place with the social partners and governments since the last session of the Committee, and that the outcome of these consultations was duly reflected in the Global Employment Agenda document.
4. The Office paper gave an indication of what needed to be addressed in order to move the agenda from print to practice. While it reaffirmed the central role of employment for people's lives and the ILO's recognition thereof, there were two new elements. Firstly, the agenda made it explicit that in order for decent work to become central to all economic and social policies, other members of the national and international policy community had to be engaged, such as finance and planning ministries and the international finance institutions and development banks. The challenge was to convince policy-makers that employment could not simply be viewed as an indirect outcome or residue of other macroeconomic choices. This was not an easy task. An agenda for decent work worked in favour of the productivity gains upon which sustainable economic and employment growth were based, rather than a social cost tacked on to an economic agenda. The second innovation related to the creation of global alliances, building on shared concerns in the multilateral system and capitalizing on the momentum that an alliance could give to the successful pursuit of the employment agenda. In citing the examples of the working group with UNESCO on technical education and vocational training, the round table organized in conjunction with the forthcoming G8 employment ministers' meeting, the ILO's involvement in the Poverty Reduction Strategy Paper (PRSP) process and the Jobs for Africa programme, he underlined that global alliances were action-oriented rather than theoretical as was feared by some. National initiatives, such as the China Employment Forum planned for October and the interest shown by a number of countries in developing national action plans for youth employment in connection with the UN/World Bank/ILO

¹ GB.283/ESP/1.

Youth Employment Network, also demonstrated that action was being taken. In conclusion, he emphasized that the constituents needed to play their part to move the agenda forward, and he looked forward to hearing the Committee's views on how to make employment the central aim of macroeconomic and social policies and actions.

5. A representative of the Director-General (Mr. Rodgers, Director of the Policy Integration Department), introduced the second Office paper.² He stressed the employment dimension in terms of employment losses and the critical role that employment policy played in responding to shocks in the global economy. Policy responses also needed to address other concerns, such as insecurity and uncertainty, and the Decent Work Agenda provided the basis for a balanced response. The Global Employment Agenda set out a strategic framework. The paper on the policy responses to 11 September 2001 focused on the design of a short-term response, most of which lay within that strategic framework. In particular, the paper stressed the importance of global macroeconomic policy coordination and the need to consider the situation of developing countries. The goal should be to spread the process of recovery rapidly throughout the global economy. A short-term stimulus was needed which could be applied in a way that did not endanger the longer term need for macroeconomic stability referred to in the Global Employment Agenda. While recovery in the US economy had been much more rapid than expected, there was still a great deal of uncertainty over the recovery of the global economy.

6. The Employer Vice-Chairperson associated himself with the Chairperson's comments on the limited time that had been allocated to this Committee session. He noted in this connection that there seemed to be no difficulty in getting additional time for the Working Party on the Social Dimension of Globalization, and recalled his earlier prediction that the Working Party would devour the ILO. Regarding the Global Employment Agenda, the Employers' view was that it remained work in progress as the Governing Body had not yet adopted it. He welcomed the fact that all the groups had been given the opportunity to comment on earlier versions of the document. It was, however, regrettable that the Employers' views had not been taken into account in the revised document, which had been received very late. The Employers were therefore not in a position to discuss its implementation at this session. He suggested instead a series of discussions starting next November, taking up the key elements of the Global Employment Agenda in turn. The first pillar to be addressed should be *Promoting entrepreneurship and private investment*, followed by *Promoting employability by improving knowledge and skills* and *Ending discrimination in the labour market*. The topics of *Promoting decent work as a productive factor* and *Making the future more socially and environmentally sustainable* were closely related and could therefore be discussed jointly. The topic of *Generating decent and productive employment by the working poor* was an overarching issue and should be woven into the discussion of each of the other items. The issue of *Building a new macroeconomic framework for employment growth policies* was best discussed in other institutions that had the appropriate mandate and expertise. The Employers considered the Global Employment Agenda one of the most important pieces of work of the ILO, and an equally important item on the agenda of this Committee. While further revision was required on the document, it provided an excellent starting point for future action. He agreed that the cooperation of other international institutions in implementing the agenda was desirable, but wondered whether the formation of global alliances to achieve this was not too ambitious.

7. Turning to the Office paper, the Employer Vice-Chairperson took exception to the view expressed in paragraph 7 that competition may lead to a "race to the bottom". Referring to

² GB.283/ESP/2.

paragraph 18, the Employers agreed with the concept of promoting employability by improving knowledge and skills, but thought that the reference made to health as well as social protection was inappropriate as it had nothing to do with improving the workforce's employability. He sought clarification on the meaning of the phrase "from any source" in the third bullet point of paragraph 19, and on the phrase "universal access" in paragraph 21. Referring to paragraph 35, he felt that the outcomes of the World Trade Organization (WTO) conferences in Doha and Singapore with respect to the responsibility for core labour standards had been misrepresented as those meetings simply stated that the ILO was the appropriate place to discuss core labour standards. The Employers would have liked to see more references to the need for democratic systems and the importance of good governance and transparency for job creation and economic growth. Finally, it would have been useful to refer more clearly to the issue of how to mobilize dead capital in developing countries, which amounted to US\$9.3 trillion.

8. Turning to document GB.283/ESP/2, the Employer Vice-Chairperson strongly contested the validity of claims made concerning the impact of the events of 11 September 2001 on decent work and on women's employment. There was no empirical evidence that women were in precarious forms of employment and it was also demeaning to them to say so. He cautioned against Cassandra-like warnings about global economic development, as discussed at the Global Employment Forum, pointing out that despite the events of 11 September economic growth had resumed in the United States, labour productivity had increased by 5.2 per cent and the economy was expected to grow by 2.5 per cent. The effects of this would quickly spread to developing countries through trade.
9. The Worker Vice-Chairperson, in response to Mr. Niles' statement regarding the feasibility of further discussing the Global Employment Agenda, emphasized that the Workers' side should also be heard before a decision was taken on whether to proceed with such a discussion. The Global Employment Agenda was an important pillar of the ILO. It was important now to make it work so that decent jobs could be created in large numbers. In view of the importance of employment issues for the ILO, he reiterated the Workers' request that at least one-and-a-half days be set aside for the ESP Committee, and regretted that this had not been possible at this session.
10. Regarding agenda item 1, concern had been expressed in his group that neo-liberal views were reflected too strongly in the paper. The Office should therefore reconsider this position. The shift of tone in the paper from theory towards practical implementation was welcome, as were the details on the global alliances given from paragraph 39 onwards. The Workers strongly supported the contents of paragraphs 42 and 44 and the establishment of round tables as described in paragraphs 48-50, and encouraged the Office to make available the necessary human and financial resources in order to start with their implementation as soon as possible. The Workers were very dissatisfied with the fact that the comments they had provided during the last Committee session and during the consultations mentioned earlier had virtually been ignored in the paper. They were particularly disappointed that their idea of an education fund for developing countries had not been taken into account. Furthermore, the matter of quality of employment had not received due attention. One of the reasons why poverty was not being adequately alleviated was because of uneven distribution of the fruits of economic growth, leading to widening income gaps especially in developing countries. Existing mechanisms to redress that widening gap were inadequate. Freedom of association and collective bargaining played an indispensable role in fair distribution, and collective bargaining should therefore also be listed as a benchmark. The right to strike was an equally important indicator that was missing from the paper.
11. Concerning the issue of productivity raised in paragraph 5, the Workers felt that there was some inconsistency between the full text of the Global Employment Agenda itself and the

said paragraph in the Office paper. Productivity gains might help to create high-quality jobs, but he questioned whether they could really be considered the cornerstone of employment creation. In the absence of any discussion of collective bargaining and fair distribution, productivity appeared to be more of a tool for exploitation of workers. Productivity gains had to be backed by consultations between the social partners and needed to be shared in a fair manner. This perspective was lacking in the paper. The use of indicators and benchmarks to accelerate job creation was welcome. The difficulty lay in using them for evaluation. He wondered, for example, how freedom of association could be used as a benchmark for economic performance. More effective indicators should therefore be sought, and the ones mentioned in the paper, such as in paragraph 17, should be re-examined.

- 12.** The paper did not spell out clearly how the Global Employment Agenda would be implemented at the country level. The ILO was already involved in a number of initiatives, such as the country employment policy reviews (CEPRs), decent work country programmes, and the PRSP exercises. It was essential to know how these activities were linked or coordinated at the country level, and, more importantly, how the Global Employment Agenda would be connected to them. He therefore sought clarification whether the Office intended to collect information on indicators and benchmarks in all these countries. Moreover, the Office needed to evaluate its involvement in these initiatives.
- 13.** Turning to agenda item 2, he reiterated the Workers' sympathy for those who had been affected by the tragic events of 11 September. It was gratifying to see the recent signs of economic recovery in the United States. He thanked the Office for the high quality of the paper and expressed his appreciation for its efforts in addressing the effects of 11 September, such as the emergency meetings on civil aviation and the hotel and tourism industry that had been held shortly after the events. The effects of 11 September were not confined to industrialized countries.
- 14.** The Workers were puzzled by the apparent differences in the macro-policies approaches advocated in the two Office papers before the Committee. The macroeconomic framework described in the first paper³ reflected a very conservative approach. Such a policy could not lead to the creation of more jobs. The Workers favoured the more progressive approach outlined in section 3.2 of the second paper.⁴ That approach also appeared to reflect the views of eminent economists and the IMF. The Global Employment Agenda should therefore be revised along those lines. Referring to paragraph 17(b), he reiterated the Workers' request for debt relief for least developed countries and for an increase in Overseas Development Aid (ODA) of industrialized countries. Little progress had been made in this regard, and he requested the Office to provide an update on the outcomes expected from the forthcoming Conference on Financing for Development. Finally, the Workers supported the statement in paragraph 17(c) on the importance of building integrated policy frameworks to advance both economic and social goals. They expected that the World Commission on the Social Dimension of Globalization would take up this issue and provide recommendations on how to improve the global policy architecture.
- 15.** Mr. Mansfield (Worker member) informed the Committee that this was his last term as a Governing Body member and recalled the serious responsibility that the Committee had in overseeing and shaping the work of the Office. The two papers before the Committee showed encouraging signs that the ILO was moving away from individual activities to

³ GB.283/ESP/1.

⁴ GB.283/ESP/2.

becoming a major player in international forums. Referring to the first Office paper,⁵ there was indeed no one-size-fits-all solution to low levels of economic growth and high levels of poverty and unemployment. The Workers particularly valued the recognition given to the role of public expenditure, to the dismantling of trade barriers, debt relief, the potential for some structural adjustment policies to have negative employment consequences, and to the fact that competition, although a generally positive factor, could lead to a race to the bottom, but also called for a balanced recognition of the ILO core standards. He called on the Office to reflect these factors, as well as the importance of respect for core labour standards, in its policy statements on economic and employment development.

16. The principal challenge of the Global Employment Agenda was the reinstatement of employment in all economic and social policies. Citing the concluding remarks made by Joseph Stiglitz at the Global Employment Forum in November 2001, Mr. Mansfield expressed the view that a measurement of the ILO's effectiveness would be how its voice on the issues referred to by Mr. Stiglitz was both expressed and heard.
17. Referring to the papers before the Committee, he called upon the Committee to reflect on the elements necessary in his view to achieve growth and development. These included: (i) governments that provided a positive framework through economic and social policies that promoted both economic growth and social justice; (ii) reliable transport, energy and communications infrastructure; (iii) efficiency and absence of corruption in public administration; (iv) competitive and productive enterprises with strong levels of investment; (v) an educated and trained population; (vi) constructive and fair relationships between the social partners and promotion of ILO Conventions; (vii) opportunities for increased trade along with respect for ILO core labour standards; (viii) absence of civil conflict and reductions in wasteful arms expenditure; and (ix) the recognition that change and reform were ongoing processes. He called upon the Committee to attempt to reach agreement on the ten most important factors for promoting economic growth and social progress, rather than discussing details of the Global Employment Agenda.
18. The proposal on building global alliances was a valuable one for the Workers. However, the introductory remarks by the Office seemed to imply a stepping back from the proposition that this was partly a responsibility of the ILO. Yet the ILO was the only institution that had the mandate to speak out on these issues from a decent work perspective. This was the challenge that had been expressed by Mr. Stiglitz. Mr. Mansfield associated himself with the comments made by the Worker Vice-Chairperson on the statement concerning productivity, contained in paragraph 5 of document GB.283/ESP/1.
19. Finally, he felt that the efforts made by the Committee in the past now seemed to come together in a more cohesive strategy, and that its contribution to decent work could be even more significant in the future. The Global Employment Agenda brought together a number of important and valuable initiatives, and he urged the Employers, the Governments and the Office itself to stand behind this Agenda in a constructive way. Following the Employers' suggestion that the Global Employment Agenda would remain on the agenda of the Committee for at least the next few meetings, he called on the Employers to act constructively and intelligently. To deal with individual parts of the Global Employment Agenda would result in the Committee discussing these matters for the next ten years.
20. The Chair requested the Office to take due note of the dissatisfaction expressed by both Employers and Workers – with which he associated himself – of the time allocated to this Committee session.

⁵ GB.283/ESP/1.

21. The representative of the Government of France, speaking on behalf of the Industrialized Market Economy Countries (IMEC) group, welcomed the Global Employment Forum as well as the work that had been carried out by the Office on the Global Employment Agenda since then. She underlined the importance of the proposed seven pillars of action, each of which merited individual and detailed discussion by the Committee. IMEC supported all seven pillars. Regarding the issue of promoting employability and skills development, IMEC wished to emphasize the need to focus on youth employment. On the promotion of sustainable development, the Office should seek to ensure that the Global Employment Agenda became an integral part of the World Summit on Sustainable Development. As regards discrimination, IMEC encouraged all policies that were aimed at removing barriers to labour market access. The relevant indicators should therefore take into account gender aspects, persons with disabilities, indigenous peoples, disadvantaged youths and older workers. The report to be prepared by the World Commission on the Social Dimension of Globalization was expected to provide an interesting contribution to the seventh pillar related to macroeconomic frameworks. It was hoped that the role and potential of the informal sector, as well as the impact on employment of opening markets in developing countries to imports from other regions, would be the subject of in-depth analysis. IMEC endorsed the suggestion made to strengthen dialogue at the international level through global alliances. However, further information was required from the Office on how to achieve this, what progress had been made to date, and what the Office intended to do about follow-up on its invitations addressed to other institutions. Consensus within the ILO was essential for making a convincing case before the other international organizations. It would therefore have been useful for the Office paper – and as a matter of principle for all papers before the Committee – to contain points for decision, such as those listed in paragraph 42. IMEC also supported the proposed round tables, adapted to local or regional needs. She requested the Office to provide information on how the ILO integrated its work and indicators into the millennium goals, and whether it would be possible to produce a short paper on this for the Committee at its November session. Finally, she expressed her hope that all the relevant sectors of the Office would be associated with the further development of the Global Employment Agenda and that the Agenda would become a reference document not only for the Employment Sector, but for the ILO as a whole.
22. The representative of the Government of Sudan, speaking on behalf of the African group, commended the work of the Committee in adopting a systematic approach to a wide range of issues. The African group supported the main policy challenges outlined in paragraph 11 of document GB.283/ESP/1 as well as the issues addressed in paragraph 5, which dealt with some of the concerns of the group. He emphasized that African countries needed assistance in stimulating growth in micro- and small enterprises by, for example, improving access to credit and capital. It was equally important that industrialized countries opened their markets to manufacturing products from developing countries and removed quotas and tariffs, which caused balance of payment deficits and debt problems. The African group shared the concerns expressed in the document about the link between health care and the promotion of employment. Diseases such as HIV/AIDS and malaria continued to take their toll on the African labour force. The African group therefore welcomed the ILO/UNAIDS partnership and hoped it would be kept informed on a regular basis about its progress.
23. Referring to the Jobs for Africa programme, the African group welcomed the work undertaken by the Office in this regard. As the programme had limited resources and expertise, it was the collective responsibility of African governments and social partners, together with the international donor community, to mobilize resources. It was important that all initiatives of the programme were placed within the context of the New African Initiative for Poverty Alleviation and Development (NEPAD). The African group also

called for the proposed global alliances to be directed exclusively towards employment creation and poverty reduction.

24. Referring to document GB.283/ESP/2, the African group felt that the paper provided an in-depth analysis of the effects on employment of the 11 September events and contained policy recommendations for sustained economic recovery. The informal sector, which constituted a large part of most African economies, was most vulnerable to the negative impacts of these events. The African group therefore expressed its support to coordinated global recovery efforts that took into account the special measures to assist the informal sector.
25. The representative of the Government of Brazil, speaking on behalf of the Latin American and Caribbean countries group (GRULAC), pointed out that as indicated in paragraph 7 of the Office paper,⁶ many countries in Latin America had experienced a rapid deterioration in financing conditions in the wake of the 11 September events. In view of the expected increases in unemployment, underemployment, informal jobs and poverty, it was essential that the Global Employment Agenda was translated into action as soon as possible. GRULAC was satisfied with the efforts undertaken by the Office in this respect as reflected in the paper under agenda item 1. It considered the Office's assistance in developing national action plans an important element of this process. A one-size-fits-all approach to employment strategies was clearly not desirable. GRULAC supported the idea of global alliances as a means to achieve an international environment conducive to social development and employment promotion and to move towards cohesion in monetary, financial and commercial systems. Among the themes listed in paragraph 44 of document GB.283/ESP/1, GRULAC was particularly interested in those related to macroeconomic policies and to development strategies. An alliance on macroeconomic policies should maintain a rather broad approach and should not only focus on the relationship between debt and employment. With respect to entrepreneurial development and social responsibility, some thought should be given to establishing global alliances with the United Nations Industrial Development Organization (UNIDO), the United Nations Conference on Trade and Development (UNCTAD), the financial institutions and the development banks, who were all undertaking work in this field. GRULAC also felt that all enterprises, irrespective of their size, should be socially responsible. The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy was a useful tool in this respect.
26. As for a possible alliance between the ILO and the WTO, GRULAC recommended that the ILO examine trends and decisions in international trade since they had an influence on the world of work. In doing so, the ILO should be mindful of the repercussions these decisions could have on job creation and working conditions. GRULAC cautioned that introducing the subject of labour standards into such an alliance could result in the development of initiatives to create trade barriers. Finally, the ILO's supervisory mechanism should not be put into question by such an alliance.
27. The representative of the Government of the United States felt that the Global Employment Agenda still contained some elements on which the Committee could not reach consensus. He therefore supported the suggestion made by previous speakers, in particular the IMEC representative, to discuss each pillar separately at consecutive Committee sessions. He also endorsed the IMEC request that future Office papers contain points for decision or other appropriate mechanisms that would facilitate consensus outcomes. Turning to GB.283/ESP/2, he thanked the Office and the Committee for their concern and support

⁶ GB.283/ESP/2.

following the terrible events that had taken place on 11 September. The paper deftly showed that the economic fall-out of these events might have the most severe impact on the world's poorest.

- 28.** The representative of the Government of Japan supported the IMEC statement and welcomed the Office's initiatives to further the Global Employment Agenda. His Government fully endorsed the concept of promoting employability by improving knowledge and skills, as shown by the fact that it supported projects in this field in the Asian region. Promoting entrepreneurship and private investment was equally important, as was building a new macroeconomic framework for employment growth. However, the link between the latter and the ILO mandate was not clear. The issue of trade liberalization in agriculture referred to in paragraph 15 of document GB.283/ESP/1 was an important one and currently under discussion at the WTO. Debt-forgiveness mentioned in paragraph 35 was a contentious topic in other international forums. He supported the comment made by the Employer Vice-Chairperson concerning the misrepresentation of conference outcomes in that paragraph. While the link between employment and economic and social policies was undeniable, the ILO should seek to remain within its own mandate. Finally, his Government supported the idea of round tables, which it hoped would be tripartite, and requested information as to a possible draft schedule for these round tables.
- 29.** The representative of the Government of the Netherlands supported the IMEC statement on agenda item 2. Without wishing to underestimate the short-term effects of the events of 11 September, her Government considered the current economic and social challenges to be the effects of cyclical changes in the global economy caused, for example, by developments in the information and communications technology sector and low consumer confidence. The ILO should therefore not focus on the short-term policy responses but try to find answers to the adverse effects of global economic changes in general. In this respect, she found the proposed global stimulus package very useful.
- 30.** The representative of the Government of India expressed his Government's appreciation for the Global Employment Agenda. He stressed the fact that there was no one set of prescriptions applicable to all countries. The concept of decent work in terms of productivity and income was welcome, but should be interpreted differently for developed and developing countries and policy suggestions adjusted accordingly. Citing the example of his own country, he pointed out that developing countries faced the challenge of skill development and vocational training for the informal sector and emphasized the need for a global skill development fund. He hoped that the Global Employment Agenda would also address the issue of access to international markets for developing countries. The twin objectives of productivity gains and employment generation required the mobilization of private and public funds. Assistance in the area of public infrastructure development was particularly useful as it had a multiplier effect on employment generation. He concluded by expressing his hope that the Global Employment Agenda be implemented without delay.
- 31.** Turning to document GB.283/ESP/2, he reiterated previous comments concerning the timeliness of the initiative. The effects of 11 September had aggravated a worsening global employment scenario. The impact was worse in developing countries, as experience from his own country had shown. He supported the call for a global stimulus package, one that reflected a coordinated policy response to explore all avenues of growth. Policy prescriptions in a global stimulus package needed to be reoriented to cover all sectors of the economy, including the informal one.
- 32.** The representative of the Government of the Islamic Republic of Iran, while commending the Office for the documents, emphasized that for realizing the idea of productivity growth as an engine of sustainable development and change, technical cooperation was crucial. Amongst the issues he highlighted were increasing foreign direct investment (FDI), closer

cooperation with the WTO with a view to dismantling barriers to trade for products where developing countries had a comparative advantage, and the promotion of small and medium-sized enterprises. He also requested that the results of the PRSP experience mentioned in paragraph 28 of document GB.283/ESP/1 and those of research on discrimination referred to in paragraph 32 be widely disseminated. Finally, he hoped to see further support from the ILO and other UN agencies in the promotion of technology transfers to developing countries, which would help to strengthen the ILO's strategic objectives and its Decent Work Agenda.

- 33.** The representative of the Government of Italy thanked the Office for launching the Global Employment Agenda initiative and its efforts to integrate the comments of this Committee into the Agenda. It was now urgent to put this Agenda into practice in order to create decent jobs. His Government supported the seven pillars highlighted in the paper, and the measures it planned to introduce in the near future were in line with these key elements. Italy endorsed the statement made by the IMEC group. He emphasized that due consideration should be given to strategies that addressed the informal economy. He underlined the importance of investment in education and training in ensuring the employability and productivity of workers. His Government supported the establishment of global alliances for employment and of a general framework for cooperation with the UN organizations and the Bretton Woods institutions. These alliances should reflect the tripartite nature of the ILO, as was already the case for the Youth Employment Network.
- 34.** The representative of the Government of China welcomed the Global Employment Agenda and called on countries to formulate national employment policies along its lines as soon as possible. He pointed out that the ILO and his Government were in the process of organizing the China Employment Forum in October, an event which he considered an important practical step in this process. His Government supported the possible themes and partners for global alliances referred to in paragraph 44 of document GB.283/ESP/1 and the round tables proposed in paragraph 48. Two further themes for global alliances could be added, namely the impact of new technology on labour relations, and the role of labour-intensive enterprises in poverty alleviation.
- 35.** The representative of the Government of the Libyan Arab Jamahiriya fully supported the statement made on behalf of the African group concerning the Global Employment Agenda. Global alliances with other agencies needed to be based on the principles which the ILO stood for. International labour standards should not be linked with trade issues. He noted that despite the knowledge that labour issues fell directly within the mandate and competence of the ILO, there were still attempts to circumvent this. The ILO should make every effort to make its position clear in all forums, including future global alliances. He noted that while the events of 11 September had had dire consequences for the United States, the ripples were felt all over the world. Developing countries in particular, which were already experiencing poverty and weak economies, were now experiencing the fall-out from 11 September with falling oil prices, airlines in crises and negative effects on tourism. Any programme adopted would need to take this into consideration.
- 36.** The representative of the Government of Cyprus fully endorsed the IMEC statement. The use of indicators for the seven pillars of the Global Employment Agenda as a valuable tool for moving from theory to practice was welcome. She endorsed in particular paragraph 18 of the Office paper on promotion of employability through knowledge and skills and did not share the reservations shown by the Employers on the role of health and social protection in this regard. Finally, she expressed her agreement with the nine elements for economic growth and social progress mentioned by Mr. Mansfield.
- 37.** The representative of the Government of Cuba supported the statement made on behalf of GRULAC. The document before the Committee rightly indicated that there could not be a

uniform model for economic and social development. It was important that lessons learned from current experiences should feed back into the process of moving the Global Employment Agenda from theory to practice. Her country was prepared to participate in an evaluation of experiences at the national level. The seven pillars were an appropriate basis for identifying practical measures, although broader consultation on some of the issues would be desirable. Investment in human resources was an essential element of employment policies and had been a priority in her own country. She also supported the concept of promoting decent work as a productive factor. In this context, relevant indicators should include basic social protection for workers in the informal sector. The approach on promoting entrepreneurship and private investment outlined in paragraph 14 of document GB.283/ESP/1 should be somewhat broader. It was first and foremost the State that had the responsibility to develop effective employment policies that were in line with Convention No. 122. The private sector alone could not provide responses to unemployment problems. The role of the public sector in employment creation should therefore not be excluded from the discussion of appropriate employment strategies. In conclusion, she suggested that the Committee continue its debate on these issues in order to ensure that the international dimension remained an important element of employment and sustainable development.

- 38.** The representative of the Government of Portugal endorsed the statement made by the IMEC group. Her Government considered the issue of a macroeconomic framework for employment creation fundamental to the Global Employment Agenda as well as to questions related to investment and sustainable development. Global alliances were essential for promoting the implementation of the Agenda, and the ILO should focus on the need to create more and better jobs in these alliances. It was equally important to establish the themes of the proposed round tables as soon as possible so that a real contribution could be made to the Johannesburg Summit. A work programme should now be set up to ensure rapid progress in the implementation of the Agenda.
- 39.** The representative of the Government of Trinidad and Tobago associated her Government with the statement made earlier on behalf of GRULAC and thanked the Office for the work carried out prior to and since the Global Employment Forum. The document before the Committee could be considered yet another milestone in refining the Global Employment Agenda. While the document was somewhat difficult to read, the framework for employment creation articulated appeared to be both logical and comprehensive. Considerable work still needed to be done, especially with respect to knowledge creation. She therefore sought further information from the Office as to its strategy for carrying out a programme of research, which was vital for the development of sound employment strategies.
- 40.** The representative of the Government of Mexico expressed her Government's support for the Global Employment Agenda and the measures proposed for its implementation. Her Government considered social policy based on sustainable human, economic and social development for all a priority. The current outlines of the labour policies in her country corresponded to the priorities of the Agenda. Referring to paragraph 17(b) of Office paper GB.283/ESP/2, she drew the Committee's attention to the forthcoming International Conference on Financing for Development and the outcome document prepared at the last prepcom, the so-called Monterrey Consensus. In recalling some of the elements of that document, she pointed out that this reflected the important role the ILO had had at the international level in achieving the consensus expressed in the document. She also highlighted some of the measures proposed in the Monterrey Consensus, which coincided with those contained in the Global Employment Agenda.

41. After consultation with the Vice-Chairpersons, the Chair gave permission, on an exceptional basis, to the representative of the Government of Algeria (which is not a member of the Committee) to take the floor.
42. The representative of the Government of Algeria thanked the Office for the documents before the Committee, which provided many valuable suggestions. His Government considered employment the main driving force behind social and economic development. While he was in favour of global alliances for employment creation, he expressed some reservations concerning the involvement of the WTO in this process. Paragraph 44 of document GB.283/ESP/1 should be revised to avoid the impression that the purpose of partnerships and alliances was to promote trade rather than employment. He felt that the call by the WTO at its Doha meeting for respect for labour standards ran counter to the tripartite nature of this Organization. The paragraph in question should have rather reflected the recognition of the ILO's unique mandate in the area of labour standards. The document should also analyse the structural factors that were at the origin of the current employment crisis. Finally, he asked for clarification on the link between sustainable development and the promotion of employment.
43. The representative of the Director-General (Mr. Hultin, Executive Director, Employment Sector) thanked the Committee for this open and constructive exchange of views. He recalled that the document was first discussed during the November 2001 session of the Committee on Employment and Social Policy. The consultation process following these consultations had made it clear that the document had to become more operational, and this had been reflected in the document now before the Committee. In this ongoing process, as confirmed by many speakers, there were three main points of departure in the Global Employment Agenda. The first was decent work. The second was economic growth and productivity, and the third related to social dialogue. Another important building block was the forces of change such as trade, technology, entrepreneurship and sustainable development affecting the global economy. The challenge was to channel the positive forces to achieve the best employment outcomes, while mitigating the effects of the negative ones. A further important element was how to manage change by looking at important areas that had an impact on workers, such as labour market policies, skills development, social protection, and occupational safety and health measures. All these building blocks were necessary to set up macroeconomic and development policies, for growth and for poverty alleviation. The policy challenges identified in each section of the Agenda needed to be the focus of future reflection and development in this ongoing process.
44. Referring to some of the concerns expressed with regard to the global alliances and round tables, the idea was to engage international institutions in the issue of employment promotion. Both these mechanisms should therefore be considered as part of the process of gaining insights from other partners.
45. Many of the questions raised at these sessions could not be answered at this stage but would be taken into account when developing the Agenda further. Referring to questions concerning the "race to the bottom", Mr. Hultin emphasized that competition alone could not be a guarantee for social progress and better working conditions, though it was certainly important for growth. The right policy framework to ensure both increases in productivity and positive effects of competition therefore needed to be defined.
46. In response to the Worker Vice-Chairperson's question on indicators measuring freedom of association and collective bargaining, he agreed that this issue was important. Further guidance by the Committee in this respect was welcome. He also assured the Committee that in view of the ongoing process, there would be further opportunities to take into account earlier or additional comments. As to the interrelation between the Global

Employment Agenda and other initiatives, such as the Decent Work Agenda and the CEPRs, the Global Employment Agenda could be considered the employment component of decent work. Concerning country-level and regional activities, he hoped the Global Employment Agenda would inspire the Jobs for Africa and similar programmes. It was precisely through such initiatives that the Global Employment Agenda was made more specific to local needs. The concern about health-care issues expressed by the African group was duly noted and reflected in the chapter on social protection.

47. In response to a question from the representative of the Government of China on employment-intensive public works and on the impact of the information and communication technologies (ICT) on labour relations, he referred to the section on development policies in the Global Employment Agenda document. The issue of sustainable development would also be dealt with in the next item on the Committee's agenda. In answer to the question raised by the Employer Vice-Chairperson on the recognition of individual skills, he pointed out that this was an important element in building national frameworks of qualification, which enhanced labour mobility. Referring to paragraph 22, he informed the Committee that the Office was working on a database on investment in training, as mandated by the International Labour Conference in 2000. Summing up the debate, he first turned to the point raised by the Worker Vice-Chairperson on productivity, and agreed that more work was needed for a better understanding of productivity issues, which the Employment Sector would undertake. Secondly, the discussion by the Committee had recognized that the Agenda, as a "living document", had already proved to be a valuable tool for increasing coherence in the work of the Employment Sector. Thirdly, he pointed out that the proposed round tables and global alliances for employment were an integral part of the Agenda process. In conclusion, he thanked Mr. Mansfield for his encouraging words on the Global Employment Agenda and his long-standing efforts for the cause of employment.
48. In responding to the debate on the policy implications of the 11 September events, the representative of the Director-General (Mr. Rodgers, Director, Policy Integration Department) stressed the consistency between the approaches in the Global Employment Agenda and the coordinated global policy response set out in the paper on the policy responses to address the employment and social consequences of 11 September 2001. The coordinated global policy agenda addressed both anti-recessionary policy and a shorter time frame, one which required a different set of instruments from those needed for longer term macroeconomic stability. The approaches in the two documents were complimentary and consistent. Responding to the concerns expressed by the Employer Vice-Chairperson he pointed out that the paper had sought to address the implications of the 11 September for the four strategic objectives of the ILO, and should be read in that light. The inferences concerning the disproportionate effect that the events were likely to have on women were made based on the sectors, activities and types of jobs likely to be most affected. It was the job of the ILO to now track these effects.
49. The points made regarding the need for an integrated approach were well taken, and efforts were currently under way to promote greater policy integration in the work carried out in various parts of the Office. If requested, the Office would be able to prepare a paper giving more details on this subject. In responding to a request from the Worker Vice-Chairperson for more information on ILO involvement in the Conference on Financing for Development to be held in Monterrey in the following week, he noted that the ILO had been fully involved in the two-year preparatory process. The Monterrey Consensus contained references reflecting ILO concerns. In respect of the part that dealt with the governance of the global economy, specific reference was made to supporting and encouraging the ILO's ongoing work on the social dimension of globalization.

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- 50.** The Worker Vice-Chairperson thanked the Office for these comments. Several speakers had mentioned the link between trade and labour standards. This was certainly an important issue that would continue to be discussed. The Workers' group felt, however, that the major issue was the fair redistribution of income in developing countries. Freedom of association, collective bargaining and other core ILO values were essential elements of this process. He agreed that productivity was one pillar of growth, along with other pillars, such as investment, education, new technology and management practices. The fruits of productivity gains also needed to be distributed more evenly. This would involve prior consultation with the trade unions before implementation and the creation of the appropriate mechanisms for the sharing of the productivity gains. In conclusion, he underlined that education constituted the basis of growth and living standards, adding that productivity gains in developing countries should be invested in basic education.
- 51.** The Employer Vice-Chairperson appreciated the responses to the debate provided by the Office, in particular on the issue of the "race to the bottom". He still sought clarification though on the meaning of the expression "skills acquired from any source". More importantly, he felt that no clarification had been provided to his question on the status of the Global Employment Agenda and its use in international forums such as the World Summit on Sustainable Development. He therefore reiterated his earlier proposal for a step-by-step discussion of the various elements of the Agenda.
- 52.** The representative of the Director-General (Mr. Hultin, Executive Director, Employment Sector) replied that, as had been mentioned before, the Global Employment Agenda was an ongoing process and that the proposed global alliances and round tables were part of this process. As to the question of tripartite involvement in the process, he referred to the example of the side event at the G8 meeting in Montreal, where both workers and employers were actively involved, which was a sign that tripartism was reaching out to other international agencies.
- 53.** The Employer Vice-Chairperson asked whether the Global Employment Agenda would be presented in meetings with other international institutions as a document approved by the Governing Body or as an unfinished product.
- 54.** The representative of the Director-General (Mr. Hultin, Executive Director, Employment Sector) repeated that the Global Employment Agenda should not be positioned as a formal policy document. Rather, it was a living document, part of an evolutionary process.
- 55.** The Employer Vice-Chairperson agreed that in the context of interactive processes such as the Montreal meeting this was an acceptable approach. Certain doubts regarding terminology continued to remain but could be discussed outside this Committee. Finally, he reiterated his understanding of the debate that the topic would remain on the agenda of this Committee and that some of the elements of the Global Employment Agenda would be discussed in more detail at future Committee sessions.
- 56.** The Chairperson closed the debate on agenda items 1 and 2 by seeking, and receiving, confirmation from the floor that this was also the Committee's understanding of the outcome of the debate.

IV. The ILO's contribution to the World Summit on Sustainable Development (Rio +10)

57. The representative of the Director-General (Mr. Kohler, Bureau for External Relations and Partnerships) introduced the report.⁷ The Summit was intended as a ten-year review of the effect given to the outcomes of the United Nations Conference on Environment and Development (UNCED, Rio de Janeiro, 1992). The United Nations Commission on Sustainable Development was acting as the Preparatory Committee for the Summit and would hold a total of four preparatory meetings. The third preparatory meeting would be held in March-April 2002 in New York, and the fourth, at the ministerial level, in Indonesia in May-June 2002. The preparatory process gave high priority to ensuring a balance between economic development, social development and environmental protection as the three mutually reinforcing pillars of sustainable development. Two types of official outcomes were expected of the Summit: first, the traditional text negotiated by States to assess progress and to reinvigorate the political commitment to sustainable development at the highest level; secondly, a series of commitments, targets and partnerships by individual governments, intergovernmental organizations such as the ILO and the so-called "major groups", which included workers' and employers' organizations.
58. The aim of the Office paper was to explain the preparatory process and the ILO's contribution to it. A large number of national, regional, international and thematic meetings had reviewed the progress achieved since Rio and identified new opportunities to implement Agenda 21. One of the important initiatives of the Commission on Sustainable Development had been the use of "multi-stakeholder dialogue sessions" to facilitate the active participation of a number of "major groups" in its work: two of these, "trade unions and workers" and "business and industry", had been especially active and supportive of this dialogue process, and had presented reports to the second preparatory meeting (New York, January 2002) which dealt with many relevant ILO issues.
59. The Office paper also provided a review of some highly relevant ILO activities implemented as follow-up on the Rio Conference: particularly significant were the activities of the Bureaux for Employers' and Workers' Activities, which had both completed projects aimed at developing the capacity of workers and employers and their organizations to address specific environmental and sustainable development issues in the world of work. Other significant ILO activities concerned chemicals, occupational safety and health and the working environment, as well as sectoral activities related to sustainable development in forestry, agriculture and tourism.
60. The ILO's Decent Work Agenda and Global Employment Agenda offered new integrated approaches for action within the ILO. The ILO hence had an opportunity to bring together in a more coherent way a number of its employment and social programmes and initiatives within an evolving sustainable development framework. However, as that framework had not yet given sufficient attention to employment or other social issues, a special effort to draw attention to the ILO's past and present activities in this area would be a useful contribution to the preparatory process. The ILO also had an opportunity to play a proactive role in the Agenda 21 implementation process to catalyse action by the UN system and others with a view to their addressing more effectively the social dimensions of their own efforts to implement Agenda 21. Here, he referred to possible collaboration with the World Bank, UNEP, the FAO and the United Nations Framework Convention on Climate Change.

⁷ GB.283/ESP/4.

- 61.** The Office planned to organize a small satellite event at the third preparatory meeting in New York to mobilize national delegations, other intergovernmental organizations and “major groups” to discuss ways to strengthen the social pillar in the Chair’s proposed negotiating text by highlighting the role of employment and social dialogue and other social dimensions of sustainable development. As also noted in the Office paper on the Global Employment Agenda, a further special satellite event or round table on employment and social dialogue at the fourth preparatory meeting in Indonesia in late May could provide a unique platform for the ILO to help ensure that these and other social issues were addressed in both types of proposed Summit outcomes.
- 62.** The Office was endeavouring to promote the following considerations: that productive employment, more and better jobs and decent work were essential to reduce poverty; that the coupling of economic growth and social progress was equal in importance to the decoupling of economic growth from environmental degradation and pressures on natural resources; and that social dialogue and partnerships were essential to manage the significant changes implied by the transition to sustainable development in a smooth and fair manner, including at the workplace. The ILO was also highlighting ways and means to ensure greater equilibrium and integration between the three pillars. Common to all three was investment: investment for growth and prosperity, investment for more and better jobs; and investment for resource efficiency and cleaner technologies. Another bridge would be the promotion of social governance as an integral part of global governance. ILO initiatives, including the Global Employment Agenda and alliances and ILO sectoral activities, offered an excellent platform to convene round tables and other practical venues for social dialogue and new partnerships to enable the social partners and others to discuss and resolve the issues of change related to implementing the outcomes of the Johannesburg Summit. The Office would welcome guidance on how best to use its resources to provide a significant and unique contribution to the Summit outcomes and to their implementation.
- 63.** The Worker Vice-Chairperson paid tribute to the ILO’s activities since Rio to give effect to Agenda 21 and efforts to promote the correct balance between economic development, social development and environmental protection. The ILO had in the past decade achieved much in the field of social development, in particular through its Declaration on Fundamental Principles and Rights at Work and the Decent Work Agenda, which were based on the concept of human dignity. The Workers’ group supported the statement by the Government of France earlier that the Summit outcomes should incorporate elements of the ILO’s Global Employment Agenda. The Summit should not renegotiate Agenda 21, but identify the obstacles to its effective implementation. The five priorities set out in paragraph 5 of the Office paper deserved support. He wondered, however, whether the business and industry and workers and trade unions “major groups” had in fact really been able to participate fully in the preparation of national reports. There was a clear need for such involvement, especially for workers and trade unions. The four priority themes identified in 1992 for future ILO action following the Rio Summit remained relevant but, as stated in paragraph 11, success could only come from the ILO’s new strategic approach to a Decent Work Agenda that combined employment, rights at work, social protection and social dialogue within a strategy driven by sustainable development. Here there was a role for the ILO’s Working Party on the Social Dimension of Globalization and the World Commission on the Social Dimension of Globalization. The Office paper had also rightly drawn attention to the value of the ILO’s unique tripartite structure and capacity for analysis, which should contribute to the development of sustainable production and consumption processes. The Summit would rightly focus on three priority sectors: agriculture, transport and energy, and the ILO should ensure that the conclusions of its sectoral committees on these issues were taken into account in Johannesburg. The Summit should also offer an opportunity to promote the ILO’s Safety and Health in Agriculture Convention, 2001 (No. 184), and this possibility should be pursued at the final preparatory meeting. In conclusion, the ILO had a wealth of experience to contribute to the Summit,

but it was important to concentrate on its areas of specialization in which it had a particular advantage.

- 64.** The Employer Vice-Chairperson considered that the ILO's past activities placed it in a good position to make a positive contribution to the Summit. The Office paper had been issued on 25 January, and much had happened since then. The preparatory process was complex, if not chaotic, and it would be difficult to cover all the necessary ground before the Summit began. The outcomes foreseen for the Summit were still uncertain, but it was clear that priorities needed to be specified in view of the broad agenda. While other organizations had a less well-defined role in the process, the ILO must define clearly its own role and priorities in relation to the Summit and its follow-up and give serious consideration as to how the Summit outcomes will actually be implemented. National governance had correctly been identified as an important issue affecting how countries would implement those outcomes: the rule of law and its enforcement, the fight against corruption, training and the formation of human resources would have an important influence on sustainable development. Paragraphs 14 and 15 of the Office paper were assumptions regarding the probable outcomes. The ILO should analyse in detail its achievements in the field of sustainable development since Rio, and in particular how its major achievements of the past few years, including the Declaration on Fundamental Principles and Rights at Work and its Follow-up, the Worst Forms of Child Labour Convention, 1999 (No. 182), the International Programme on the Elimination of Child Labour (IPEC), its code of practice on HIV/AIDS in the workplace, the Jobs for Africa programme, the Youth Employment Network and the InFocus Programme on Small Enterprise Development, could contribute to the objectives of the Summit. The emphasis in the Office paper on investment and employment was appropriate, and this policy should be pursued. However, the ILO should not support attempts to impose the North's solutions on the South's problems. Developing countries should not have the highest standards applied to them. Finally, he emphasized the importance of the active participation of employers' and workers' representatives in the WSSD preparatory process and asked whether it was the intention of the Office to send a tripartite Governing Body delegation to the Summit.
- 65.** The representative of the Government of France, speaking on behalf of the IMEC governments, congratulated the Office on the paper, which clearly set out the ILO's experience in this field and the specific technical contribution that it could make to the Summit. While other agencies could contribute their expertise regarding the environment and sustainable development, the ILO was rightly concentrating on the sustainable development of people for people. Any strategy for sustainable development would necessarily entail a genuine political will to find long-term solutions to promote development and well-being for all humankind. It was essential to adopt and implement agreed principles and standards at the international level. The ILO, as an institution of reference on social issues within the system of world governance, should play its full role in this area and strengthen its activities. The Summit offered a unique opportunity to give the ILO a central role in promoting decent work and fundamental rights as an essential precondition for sustainable development. This would strengthen the coherence of the multilateral system. In practical terms, this meant that the ILO should help develop the expertise and necessary skills to design and implement measures and standards ensuring decent work that preserved human dignity. The Office paper rightly stressed the relevance of the Working Party on the Social Dimension of Globalization and of the World Commission on the Social Dimension of Globalization, which were unique in offering opportunities to discuss the specific concerns of individuals and countries worldwide who feared the effects of globalization on their life and environment. She therefore strongly supported the ILO's contribution to preparations for the Summit.

66. The representative of the Government of Indonesia paid tribute to the Office paper and to the ILO's contribution to preparations for the Summit. It was essential to renew commitments to the principles set out in the Rio Declaration on Environment and Sustainable Development and in Agenda 21. The forthcoming Summit provided an opportunity to make further progress in establishing an appropriate balance between the three pillars of sustainable development – economic development, social development and environmental protection. The final preparatory meeting in Indonesia would prepare a concise and focused draft reflecting the importance attached by his Government, as by many others, to all the outstanding questions. The ILO's unique tripartite structure should be fully utilized to formulate more integrated and comprehensive strategies to achieve progress in all three areas. The ILO had a meaningful contribution to make to the discussion on poverty eradication, which was an issue of major concern. The ILO's sectoral meetings had discussed a wide variety of issues relevant to sustainable development, including the question of unsustainable patterns of consumption and production and the changes necessary to address this issue. The conclusions of past sectoral meetings could hence be explored as a basis for key input to the Summit on a number of topics. The Decent Work Agenda also offered a useful platform to promote sustainable development. The review to be presented at the Summit would be a document of considerable importance that assessed real progress since 1992. In ten years significant progress has been achieved, but many obstacles still need to be overcome. Creative and constructive solutions were needed, and the ILO had an important contribution to make to the decisions reached in Johannesburg and the processes for the implementation.
67. The representative of the Government of Denmark fully supported the statement made by the IMEC group. The ILO's contribution to the Summit would be of crucial importance, and she welcomed the ILO's renewed commitment to sustainable development, an issue that has received less attention since the completion of the interdepartmental project on environment and the world of work. The Summit should recommend ways of ensuring an appropriate balance between economic development, social development and environmental protection. In this respect she highlighted the importance of the ILO's contribution, both in the preparatory process and at the Summit, to ensure that full attention was given to social development. The ILO's tripartite structure was of particular value not only in the preparatory process, but also in the implementation of its outcomes and in the building of new partnerships. The Global Employment Agenda had rightly advocated environmentally friendly technologies and patterns of production and consumption, and she encouraged the ILO to ensure that it was taken fully into account in Johannesburg.
68. The representative of the Government of Sudan, speaking on behalf of the African governments, emphasized the relevance of the Global Employment Agenda to sustainable development. He welcomed the statement in paragraph 14 of the Office paper that the Summit was expected to promote a major boost in investment based on a shift to sustainable technologies that separated economic growth and social development from pressures on national resources and the environment. However, it was difficult to see how this would be implemented if developing countries were not given better access to new technologies and expertise. Differences in levels of technological development were key issues to be addressed. The outcomes of the Summit must be operationalized effectively or the problems would remain. The Summit must identify the concrete measures needed and should attach particular attention to poverty alleviation programmes and institutions, taking full account of differences in levels of socio-economic development and national priorities.
69. The representative of the Director-General agreed with the Employer Vice-Chairperson that the preparatory process was complex, but at the same time it offered an opportunity to bring together ILO activities in different spheres. He agreed with the representative of the Government of Sudan on the need to operationalize the commitments made in

Johannesburg, and here the ILO had an important opportunity to play a significant role through social dialogue and the contribution of its expertise. The Office paper was perhaps overly optimistic regarding the expected outcomes of the Summit but there remained an opportunity for the ILO to strengthen the social pillar within this process. As regards the question concerning the intentions of the Office to send a Governing Body delegation to the Summit, this was for the Committee to consider and to formally recommend to the Governing Body for decision. In any case, the ILO's involvement in the preparatory process would continue to be based on proactive consultations with the Employers' and Workers' groups.

70. The Chairperson invited the Committee to confirm its wish to recommend that the Governing Body appoint a Governing Body delegation to attend the World Summit on Sustainable Development.

71. *It was so decided.*

72. *The Committee on Employment and Social Policy recommends that the Governing Body request the Director-General to take account, in preparing the ILO's contribution to the World Summit on Sustainable Development, of the opinions expressed in its discussion on the issues highlighted in the Office paper.*

73. *The Committee also recommends that, subject to approval of the financial arrangements by the Programme, Financial and Administrative Committee, the Governing Body appoint a Governing Body delegation to attend the World Summit on Sustainable Development.*

V. Effect given to the Conclusions of the general discussion on social security at the 89th (2001) Session of the International Labour Conference, including the ILO's submission to the Second World Assembly on Ageing (WAA-2)

74. A representative of the Director-General (Mr. Bailey, Social Security Policy and Development Branch) introduced the section of the Office paper⁸ dealing with the effect given to the conclusions of the general discussion on social security at the 89th Session (2001) of the International Labour Conference. Four major proposals were put forward at the Conference on "Social security: Issues, challenges and prospects" as regards addressing the problem of the exclusion of workers in many countries from adequate social security. It was proposed, firstly, that there should be a major campaign to promote the extension of coverage of social security. Secondly, governments should be encouraged to give social security more priority and should be offered technical assistance in support. In addition, the ILO should advise governments and the social partners on the process of formulating a national social security strategy and on ways to implement it, as well as collecting and disseminating examples of best practice.

⁸ GB.283/ESP/5.

75. Since the Conference, a publication “Social security: A new consensus” had been produced and was now widely distributed as part of a promotion exercise. With regard to technical assistance and cooperation, new schemes had been designed, established schemes extended to new groups of workers, improvements to governance had been made and gender equality promoted. Contacts with government and social partners had been increased with the objective of extending the scope of social security. Case studies had been undertaken in countries where innovative efforts have already been made to extend coverage. These examples of best practice would be published in a working paper series. Finally, a special workshop was held in December to outline a global campaign for the next five years. The campaign would promote extension of coverage through advocacy programmes, strengthen the knowledge base on methods of providing social security through research and experimentation and provide direct assistance on extension of coverage to ten selected countries.
76. The representative of the Director-General (Mr. Diop, Executive Director, Social Protection Sector) introduced the section of the Office paper dealing with the ILO’s submission to the Second World Assembly on Ageing. The main question was employment and social protection for aged workers. In developed countries, there had been a major drop in the age of retirement and thus the viability of social security was in doubt. In developing countries, the major concern was the extension of social security to workers in the informal economy. Another key issue was that women generally suffered dual discrimination. Reforms of social security and pension schemes were necessary in order to create an inclusive society, present and future. The Director-General would lead the ILO delegation at the Assembly and participate in the first round table.
77. The Employer Vice-Chairperson stated that the conclusions, adopted by the 89th Session (2001) of the International Labour Conference, should remain the basis for work in the social security area. He welcomed the start of the projects in Honduras, Mali and Sri Lanka with the involvement of ACTRAV and ACT/EMP. He pointed out that the 2001 Conference resolutions and conclusions should not be used to promote the ratification of social security standards. Private and complementary schemes should be encouraged in addition to the general social security framework. With regard to paragraph 10 of the Office paper, he expressed surprise about the meeting proposed for 14-16 May 2002 to discuss a global social solidarity trust fund and he noted scepticism about the feasibility of such a proposal, particularly the ILO’s involvement in its implementation. Referring to the terms of reference for discussion, he was particularly doubtful that global taxation for financing development would be feasible in the near term. The Employers would be participating in the meeting, albeit with some reservations. He welcomed and supported the information provided on the ILO’s submission to the Second World Assembly on Ageing and sought clarification as to whether a tripartite delegation would be attending the Assembly.
78. Mr. Mansfield (Worker member) observed that the ILO made a strong commitment in the Declaration of Philadelphia in 1944 “... of social security for all ...” which was unanimously renewed at the 89th Session (2001) of the International Labour Conference. The question was now how to deliver on this. Whilst welcoming the Office paper, he sought greater clarity in assessing progress and results. He wondered when the detailed paper on the proposed campaign would be available and whether input from the social partners would be sought through ACTRAV and ACT/EMP. Referring to paragraph 7, bullet point 3, he considered the extension of social security coverage to ten countries to be insufficient, when the majority of the world’s population had no access to adequate social security. He called for a more ambitious target in this respect. He reiterated a statement made by the Workers’ group last year that the poor must not bear the responsibility for their own social security. He underlined the importance of the involvement of the social partners, alongside representatives of governments at both national level and at ILO

workshops. With regard to the reference for more resources in paragraph 8, he sought further clarification, observing that for the 52 countries of Africa, there was only one ILO specialist in the area. While it had been agreed during the general discussion not to address the issue of revising existing social security standards, these were obviously relevant for the ILO's work in this field. The idea of a global social solidarity trust fund deserved further consideration as it had potential, notwithstanding the many difficulties attached to it. He hoped the report to the Governing Body in 2003 would be more specific in terms of hard data on the progress achieved.

- 79.** In relation to the submission presented on the Second World Assembly on Ageing, he wondered how dramatic the ILO's policy responses would need to be and how quickly they would need to be taken. In this regard he did not think that radical changes in retirement age and pension benefit levels would be needed. In line with the conclusions of the 89th Session (2001) of the International Labour Conference, he indicated the Workers' preference for pursuing a positive agenda as a response to ageing. Such an agenda favoured increases in the employment rates of older workers, women, youth and people with disabilities, as well as increasing the levels of sustainable economic growth and integrating informal workers into the formal sector. The changes introduced should add flexibility in areas such as retirement. He warned against the development of an ageing "industry" through alarmist predictions.
- 80.** Mr. Sidorov (Worker member) observed that care must be taken in interpreting international recommendations. In this regard he drew upon the recent unsuccessful overhaul of social security in his own country, the Russian Federation. In spite of the involvement of an ILO consultant and of reference by state officials to international standards, the reform had led, amongst others, to a substantial loss of unemployment insurance coverage.
- 81.** The representative of the Government of Canada congratulated the Office on the papers presented, requesting a detailed workplan at the November session of the Committee. She invited the ILO to attend the conference being organized by "Human Resources Canada" in December 2002 with the aim of examining key challenges facing social security, including coverage.
- 82.** The representative of the Government of the United States welcomed the presentations, but expressed serious concerns about the idea of a global social solidarity trust fund. The administration of such a trust fund by the ILO was outside its mandate and the conclusions at the International Labour Conference were confined to national not international financing mechanisms. The ILO should confine itself to its areas of expertise and it was wholly inappropriate for the ILO to manage such a fund.
- 83.** The representative of the Government of Germany thanked the Office for the paper presented. He welcomed the promotion of social security in less developed countries to include workers from the informal sector. However, he observed that the background paper did not mention the new EU social security process introduced in Lisbon. With regard to the global social solidarity trust fund, a sceptical attitude was premature. He looked forward to hearing the outcome of the meeting planned for May. Finally, he welcomed the excellent submission to be presented at the World Assembly on Ageing.
- 84.** The representative of the Government of Cyprus congratulated the Office on the background report that moved from theory to practice. She requested the Office to find an innovative approach for including the excluded with regard to social security. Referring to paragraph 10 she welcomed the discussion on a fund, observing its innovative and ambitious nature, although recognizing that the report required more thought and

development. Contrary to what was said by a previous speaker, it was indeed within the ILO's mandate to consider both national and international social security measures.

- 85.** The representative of the Director-General (Mr. Bailey, Social Security Policy and Development Branch) thanked the Committee for their comments. He noted that progress had been considerable since the 89th Session (2001) of the International Labour Conference. Pragmatism was needed in two respects, firstly to include the excluded and secondly, as regards the speed of progress. He agreed that ten countries was not much but hoped this rate could be improved upon. He also acknowledged the conditions in developing countries, e.g. informal economy, obliged the ILO to look beyond general social security schemes, that micro-insurance was just a beginning and linkages were needed between the two. Regarding the global social solidarity trust fund, this was currently the subject of a feasibility study, and the results would be reported back to this Committee. Referring to the suggestion made by the representative of the Government of Canada, he agreed to the presentation of a workplan for the implementation of the action plan in November 2002.
- 86.** A representative of the Director-General (Mr. Oberai, Special Adviser, Social Protection Sector) highlighted some of the measures taken in developed countries to address social security concerns. Current generations would not necessarily be able to enjoy the same benefits as their parents. He agreed any reform of social security in this area must be flexible and contribute to economic growth and development. The International Plan of Action adopted at the Assembly would guide the future work of the ILO and this would undoubtedly encompass the issue of extending social protection to the informal economy. In addition, public social protection systems should be complemented by private systems.
- 87.** The representative of the Director-General (Mr. Diop, Executive Director, Social Protection Sector) promised that all comments would be taken into account, so as to build as strong a consensus as possible. In respect of the global trust fund, he emphasized nothing would be done until conclusions were reached by this Committee and recommendations made.
- 88.** Mr. Mansfield (Worker member), responding to the comments by the Employer Vice-Chairperson and the representative of the Government of the United States, considered that developing proposals on a global trust was within the mandate of the ILO, and referred to the conclusions of the ILC in this regard. He also stated it was wrong for the Office not to consider extending social security coverage to more countries, suggesting an increase by 50 per cent.
- 89.** The Employer Vice-Chairperson mentioned that in his understanding the conclusions of the 89th Session (2001) of the International Labour Conference meant that the ILO would not embark on a new effort to promote the ratification of social security standards.
- 90.** The Worker Vice-Chairperson sought information as to whether a tripartite delegation was being sent to the Second World Assembly on Ageing.
- 91.** The representative of the Director-General (Mr. Diop, Executive Director, Social Protection Sector), in response to Mr. Mansfield's comments on the number of countries, indicated that the ILO's activities on extending social security coverage were unfortunately limited by resource constraints. No formal decision had been taken at the last Committee meeting with regard to sending a tripartite delegation to the Madrid meeting, and therefore no action could be taken by the Office at this late stage.

92. The Worker Vice-Chairperson assumed a delegation would be sent, since this had also been the wish of the Employers' group, and this position had been made clear to the Office.
93. The Chairperson noted that the issue of a tripartite delegation would have to be coordinated with the Programme, Financial and Administrative Committee.
94. In closing the session, the Chairperson thanked everyone for their constructive contributions.

Geneva, 19 March 2002.

(Signed) Mr. Soltanieh,
Chairperson.

Points for decision: Paragraph 72;
Paragraph 73.