

Second sitting

Tuesday, 5 June, 2001, 3.15 p.m.

President: Ms. A. Sto. Tomas

SUBMISSION OF THE REPORT OF THE CHAIRPERSON OF THE GOVERNING BODY TO THE CONFERENCE FOR THE YEAR 2000-01

The PRESIDENT — The second sitting of the International Labour Conference is now called to order and I give the floor to Mr. Amorim, Chairperson of the Governing Body, to submit his report for the year 2000-01, which is contained in *Provisional Record* No. 1.

Mr. AMORIM (*Government delegate, Brazil; Chairperson of the Governing Body of the International Labour Office*) — May I first of all congratulate Ms. A. Sto. Tomas on her election to this important post. I have the honour to present to you the report of the work of the Governing Body during the past year, which is contained in *Provisional Record* No. 1. This report focuses on the highlights of the Governing Body's year, and does not cover in detail matters that are otherwise before the Conference.

The Governing Body discussed the results of the Special Session of the General Assembly of the United Nations entitled the World Summit for Social Development and Beyond, known as Copenhagen+5 and it took note with satisfaction of the outcome document. As a result of the heavy involvement of the ILO and its tripartite constituents throughout the preparatory process, and at the Special Session itself, the document included a political statement on the centrality of more equitable, socially just and people-centred societies; it provided strong support for the views and goals of the ILO, and clearly recognized the ILO's present and future role in implementing the Copenhagen Declaration and Programme of Action.

In responding to the Special Session's call for an integrated approach to social development, the Governing Body agreed to four mutually reinforcing activities: (1) to convene a global employment forum in November 2001; (2) to develop a coherent and coordinated international strategy on employment; (3) to operationalize decent work at the country level through an integrated cross-sectoral exercise; and (4) to contribute to the reduction of poverty throughout the world through the implementation of the decent work agenda.

The Working Party on the Social Dimension of Globalization also took up the issue of poverty reduction and decent work in a globalizing world. It reached a general agreement on the need to develop the decent work approach with a view to increasing the ILO's effectiveness as a partner in the international community's efforts to achieve agreed developed targets. In November 2000, the Working Party also

examined the question of basic freedoms and rights in the context of development in the global economy. There was a broad convergence that respect for principles of freedom of association and the effective recognition of the right to collective bargaining, as well as the institutions built on these rights, were not barriers to economic performance. Social dialogue was found to play an important role in consensus-building in respect of pro-equity and pro-efficiency policies.

When examining a paper on the ILO's relations with international financial institutions, the Governing Body observed a progressive complementarity between their objectives and those of the ILO. It noted that the aim of the ILO was to insert its decent work agenda into the economic and social policies of the multilateral development process. On their part, the Bretton Woods institutions have given higher priority to a more equitable distribution of the benefits of globalization.

The Governing Body continued to monitor the follow-up to the ILO Declaration on the Fundamental Principles and Rights at Work. In November 2000, it approved the "Priorities and action plans for technical cooperation" under the Declaration, the first such exercise focused on freedom of association and collective bargaining.

The Governing Body acted upon a number of observations made by the ILO Expert-Advisers and appealed to governments to use the reporting process as a means of promoting social dialogue.

The Governing Body approved an Office proposal to adopt an integrated approach to standards-related activities to be applied for the first time in the field of occupational safety and health. It further asked the Office to develop, by November 2001, proposals concerning possible modifications in the reporting modalities. It also wished to pursue the examination of the merits of developing groups or "families" of instruments.

The Governing Body noted with satisfaction that since its launching in May 1995, the campaign for the ratification of the ILO's fundamental Conventions had resulted in 287 new ratifications, including 129 ratifications of instruments regarding child labour.

Much interest was taken in the interim reports of the Special Representative of the Director-General for cooperation with Colombia, whose mandate was to address the complaint concerning the non-observance by Colombia of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

The Governing Body expressed its satisfaction at the opening of an ILO desk in Bogota in November

2000. It has been following closely the events in Colombia and has kept this subject under review on its agenda.

In accordance with the resolution adopted by the International Labour Conference at its 88th Session, the Governing Body examined whether the Government of Myanmar had implemented one or more of the measures to secure compliance with the recommendations of the Commission of Inquiry. In considering this matter, the Governing Body had before it the report of the ILO technical cooperation mission which visited Myanmar from 20 to 26 October 2000 and subsequent documents provided by the Government. While noting the information provided concerning various measures, the Governing Body concluded that the conditions set out in paragraph 2 of the Conference resolution had not been met. The provisions of paragraph 1 of the resolution therefore came into effect on 30 November 2000. The Director-General brought them to the attention of the Organization's constituents, international organizations and the Secretary-General of the United Nations. The matter has been proposed to the agenda of the July 2001 session of ECOSOC.

The Governing Body noted, on the other hand, that the Director-General should continue to extend cooperation to the Government of Myanmar in order to promote the full implementation of the recommendations of the Commission of Inquiry. The results of a recent visit to the country will be presented to the Conference by the Office.

In its Committee on Employment and Social Policy, the Governing Body discussed the latest issue of the ILO's *World Labour Report* as well as the *World Employment Report 2001*, in terms of their implications for policy and ILO activities. It also approved the follow-up activities to the Special Session of the General Assembly on Gender Equality, Development and Peace, which is referred to as Beijing+5. These foresee the incorporation of gender equality concerns through the process of operationalizing decent work in the four strategic areas.

Recognizing HIV/AIDS as a major threat to the world of work, the Committee concluded that a collective effort by governments, employers and workers, was essential in combating the spread of the disease and that education was the key to prevention. The Governing Body was also informed that, in accordance with the Conference resolution on HIV/AIDS and the world of work, the ILO had established a Programme on HIV/AIDS and the World of Work, and decided to hold, in May 2001, a meeting of experts to adopt a code of practice on the matter.

In November 2000, the Governing Body adopted amendments to the text and annexes of the Tripartite Declaration on Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), to reflect fully the substance of the ILO Declaration on Fundamental Principles and Rights at Work and the corresponding Conventions and Recommendations, including a new paragraph on minimum age and the effective abolition of child labour.

In March 2001, it examined the results of the Seventh Survey on the effect given to the MNE Declaration, which covered developments from 1996 to 1999; it also endorsed the convening of a tripartite forum in 2002 on the promotion of the MNE Declaration.

The Governing Body considered the report of the 29th Session of the Joint Maritime Commission which

had met in Geneva from 22 to 26 January 2001 and recommended that existing ILO maritime instruments should be consolidated into a single framework instrument on maritime labour standards. To this end, it established a working group which will have three meetings in late 2001 and 2002 and 2003. Furthermore, the Governing Body approved the recommendations of its Committee on Sectoral and Technical Meetings and Related Issues concerning the programme of sectoral meetings for 2002-03, and the composition and purpose of five sectoral meetings to be held in 2002. The Governing Body also adopted the Report and Conclusions of the Sixth European Regional Meeting.

The Governing Body discussed the Programme and Budget Proposals for the 2002-03 biennium and made recommendations that appear in item XII of my report to the Conference.

In March 2001, the Governing Body decided that the 91st Session of the Conference should, in addition to the standing items, include the following subjects: (1) human resources training and development — revision of the Human Resources Development Recommendation, 1975 (No. 150); (2) the employment relationship (scope) (general discussion); and (3) ILO standards-related activities in the area of occupational safety and health: an in-depth study for discussion with a view to the adoption of a plan of action for such activities (general discussion). I particularly want to emphasize that it has been a great honour for my country to occupy, for the third time, the chairmanship of the Governing Body. Brazil is ready to continue to collaborate intensely with the ILO towards the achievement of its objectives, namely, improving labour standards and enhancing social protection.

On a personal note, let me express my gratitude for the opportunity of participating in the important work done by this Organization. Before concluding, I should like to convey my sincere thanks to my two fellow Officers, Lord William Brett, Worker Vice-Chairperson, and Mr. Rolf Thüsing, Employer Vice-Chairperson, of the Governing Body, for their cooperation and friendship over the past year. Their valuable support has greatly facilitated the accomplishment of the Governing Body's manifold tasks.

I wish also to thank the Director-General, my good friend, Juan Somavia and his competent staff for their constant support and assistance.

REPORT OF THE OFFICERS OF THE CONFERENCE

The PRESIDENT — The next item on our agenda is the report of the Officers of the Conference. The fact that the next plenary sitting will not be held before 11 June implies that the everyday tasks related to the organization of the Conference will be carried out by the Officers of the Conference if the Conference wishes to confer on them the necessary powers to do so. For this reason, it is also proposed that we confer the necessary powers on the Officers of the Conference until the next plenary session. As there are no objections, I submit to your approval the delegation of authority which the Clerk of the Conference will now read out.

The CLERK OF THE CONFERENCE — 1. The General Conference of the International Labour

Organization hereby delegates to its President and three Vice-Presidents authority to take any decisions or perform any functions within the power of the Conference with respect to any matter that needs to be dealt with before the Conference resumes its plenary sittings, unless any of the aforementioned Officers consider that the Conference should hold a sitting to discuss such matters.

2. Decisions taken under this authority shall be announced in a special issue of the *Provisional Record* of the Conference.

3. This delegation of authority shall take effect on Wednesday, 6 June, at 10 a.m., and shall terminate as soon as the Conference resumes its plenary sittings.

The PRESIDENT — If there are no objections, I take it that the report is adopted.

(The report is adopted.)

SUSPENSION OF CERTAIN PROVISIONS
OF THE STANDING ORDERS OF THE CONFERENCE (*cont.*)

The PRESIDENT — The next item on the agenda concerns the suspension of certain provisions of the Conference Standing Orders, in accordance with the proposals unanimously made to you by the Officers of the Conference at this morning's sitting.

In accordance with article 76 of the Standing Orders, the Conference is now called upon to adopt the following proposals:

- (a) that the time limit for speeches in plenary on the Director-General's Report be set at five minutes and that the Conference, to that extent, suspend article 14, paragraph 6, of the Standing Orders;
- (b) that the Conference delegate to the Selection Committee — with authorization to subdelegate to its Officers — authority to approve non-controversial changes in the composition of committees and non-controversial invitations to non-governmental international organizations to be represented in committees, and that the Conference, to that extent, suspend articles 4, paragraph 2, 9(a) and 56, paragraph 9, of the Standing Orders;
- (c) that the Conference decide that the discussion of the Global Report should not fall under the limitation concerning the number of statements by each speaker in plenary and, to that extent, suspend article 12, paragraph 3, of the Standing Orders and that the discussion should not be governed by the provisions regarding time limits to speeches and, to that extent, suspend article 14, paragraph 6, of the Standing Orders.

If there are no objections, I take it that these proposals are adopted.

(The proposals are adopted.)

FIRST REPORT OF THE SELECTION COMMITTEE:
SUBMISSION AND ADOPTION

The PRESIDENT — The fourth item on the agenda refers to the first report of the Selection Committee which is contained in *Provisional Record* No. 3-1 and I give the floor now to Ms. Richards, Chairperson of the Selection Committee, to submit the report.

Ms. RICHARDS (*Government delegate, Trinidad and Tobago; Chairperson of the Selection Committee*) — May I begin by extending my congratulations to the President and her fellow Vice-Presidents on their election.

I have the honour to submit to the Conference the first report of the Selection Committee which is contained in *Provisional Record* No. 3-1. Kindly note that this report is not complete. A supplement will be issued tomorrow showing the full list of the membership of the committees.

As regards the discussion of the Reports of the Chairperson of the Governing Body and the Director-General, the Selection Committee has decided that this should begin next Monday, 11 June, at 10 a.m. The Committee has also decided that the list of speakers should be closed next Wednesday, 13 June, at 6 p.m., under the usual conditions.

The Selection Committee has endorsed the recommendations of the Governing Body for the discussion of the *Global Report under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work*. It recommends that the *Global Report* be dealt with separately from the Reports of the Chairperson of the Governing Body and of the Director-General in two plenary sittings entirely devoted to it to be held on Friday, 15 June.

The Selection Committee has endorsed a general plan of work for the Conference committees which, although not binding, will enable the committees to organize their work so as to take the maximum possible account of the overall needs and possibilities of the Conference. Kindly note that this plan of work is appended to the Committee's report in Appendix III. I should like to call the attention of the Conference participants to the suggestions in the report concerning the quorum, punctuality and negotiations in committees, all of which are designed to ensure the smooth working of the Conference.

As regards participation in Conference committees by members who have lost the right to vote, the Selection Committee recommends to the Conference that the practice followed in the past few years by Government members of not applying for regular membership of committees if they are not at the time entitled to vote should be continued. The Selection Committee also recommends to the Conference that should this practice for any reason not be fully respected, the calculation of weighting coefficients for votes in committees will be based on the number of regular Government members entitled to vote. The electronic voting system takes account of this practice.

In another recommendation the Committee proposes that certain non-governmental international organizations should be invited to be represented in some of the committees.

On the basis of proposals made by the Director-General at the invitation of the Governing Body, the Selection Committee has decided to convene a special sitting of the Conference to consider the appendix to his report on the situation of workers of the occupied Arab territories. It took this decision on the understanding that at this sitting speakers would confine their remarks to that appendix and that conversely the subject would not be discussed in the framework of the debate on the remainder of the report. It decided that the special sitting should be held in the afternoon of Thursday, 14 June, and that the list of

speakers for the special sitting should close at 6 p.m. on Tuesday, 12 June.

The Selection Committee has made proposals regarding the appointment of the Credentials Committee and the Drafting Committee of the Conference.

At its first sitting this morning the Conference had before it a proposal by its Officers to suspend the Standing Orders of the Conference so as to delegate to the Selection Committee the authority to approve non-controversial changes in the composition of committees and to approve non-controversial requests for representation in Conference committees submitted by non-governmental international organizations and also to authorize the Selection Committee to delegate such authority to its Officers.

Subject to the adoption by the Conference of this recommendation at the present sitting, the Selection Committee has delegated to its Officers the authority to approve non-controversial changes in the composition of committees and a non-controversial request for representation in Conference committees submitted by non-governmental international organizations.

This is the first report of the Selection Committee. I commend it to the Conference for adoption.

The PRESIDENT — May I take it that the report of the Selection Committee is adopted?

(The report is adopted.)

PRELIMINARY DISCUSSION OF THE DRAFT PROGRAMME AND BUDGET FOR 2002-03

The PRESIDENT — The next item on our agenda this afternoon is the preliminary discussion of the draft Programme and Budget for the year 2002-03.

Lord BRETT (*Workers' delegate, United Kingdom; Chairperson of the Workers' group*) — May I firstly echo the call of others to congratulate the President on her election. I do so on behalf of 174 Workers' delegates. When the 173 that follow me omit such a congratulation it is not in any sense a dishonour to yourself, but the desire to make the most effective use of the five minutes' time they have available in the plenary session.

I want to speak about the programme and budget, in support of the recommendations, to talk of cost-effectiveness, integrity and good governance. This is the Governing Body's recommendation. This is the report, a formidable document which, apart from weighing in at over a kilo, I do not intend to refer to again other than to commend this document to be read by anyone who did not have the endurance and the misfortune to have to sit through the long debates we had on the programme and budget in the Governing Body. It gives the views expressed then by Workers, by Employers and by Governments, about their reservations, about matters on the programme, about their enthusiasm for increased activity by the ILO, be it on HIV/AIDS, be it on the Declaration of Fundamental Principles and Rights at Work, be it on technical assistance to the developing world. And what we got in the end, starting I think from a document which in itself was built on cost-effectiveness — the Director-General in focusing on strategic budgeting had taken on board the many concerns of the developed world's governments to see the most cost-

effective use of the dollars and Swiss francs that are put at the behest of the ILO — was a document that sets out the results of our debates and, indeed, the comments and views of all concerned.

I believe the first test of the budget is, is it cost-effective? I have to say of course that the Workers' group put their views forward, and I would be dishonest if I pretended that we are enthusiastic about the results. We are not enthusiastic about a proposal to retain zero growth budgeting. We believe so many tasks have been presented to the ILO in the last decade that almost a decade of holding our budgets to zero real growth is damaging the effectiveness of the Organization. We put that argument forward. We had some sympathetic support from Governments, some sense of sympathetic support in the Employer ranks, but overall the view that prevailed was that we really had to keep the programme and budget very tight, judged in terms of any element of growth. There were some \$7 million worth of increased costs that the Director-General rightly identified as being extremely damaging if they had to be absorbed, and he proposed those as the only real exceptions to the most tightly cost-effective way of dealing with things.

There was then the question of the integrity of the process. I am perhaps being a little dishonest when I say I had the misfortune to sit through the debate because it was a very important debate and it did, it seems to me, allow all Governments on the Governing Body, and the Workers and Employers, to test, and to test almost destructively, each other's views and to arrive at something of a compromise that everyone could live with. The Director-General played his part by reaching back and finding a willingness to absorb some \$2 million additional costs and the majority of the Governing Body I think were in support of a budget proposal which allowed for a small amount of non-cost absorption equivalent to some \$5 million. That would not have been the Workers' group's view, but it is a view that we supported then and we support now.

The second part of the programme and budget, and the one which is a major change from recent years, is, of course, the adoption of a new scale of assessments. Here again it seems to me we address the question of cost-effectiveness, but we never enter into either the question of integrity or of good governance.

On the question of integrity, I hold my hand up that on the question of the programme and budget, certain Governments set out why they felt that the Director-General should absorb the \$5 million and they reserved their position on that \$5 million. My appeal to them is, on the grounds of integrity and good governance and a recognition of cost-effectiveness, that they do not continue in the Finance Committee debate in the next few days to argue that this budget recommendation be amended to that extent.

We would have to be blind and deaf not to realize that there have been budget discussions in another agency taking place in the last few weeks. And we would be blind and deaf not to realize that this has caused great difficulties for the governments in that area. We would also have to be blind not to recognize the ingenious way that that problem was resolved. The reality is, however, that we do not have the luxury in this Organization of having such a solution available to us. The open discussion we had, albeit uncomfortable for myself and others, allowed us to talk about absorbing costs in the programme.

I was extremely pleased that on the question of the reassessment of the scale of assessment of contributions we had a united, unanimous Governing Body. If anyone has a memory of differences, it was not the difference on that element of the programme and budget, it was a difference on the actual budget amount itself.

If we come into this discussion and go into the Finance Committee debate asking ourselves which problems we will encounter, with all due deference to governments not on the Governing Body and to those who, in the light of events in other agencies, have decided perhaps to seek to overturn the scale of assessments set out in the document, I would ask them not to do so. The integrity of the Governing Body and the good governance of this Organization is determined by how honest and effective we are in our debate, and I think there would be no point in a governing body, no point in the many hours of debate, if it could easily be turned over here, not on the grounds of logic and argument and respect of the ILO, but on the argument of what happens in other bodies. It could be said, and rightly said, that all agencies are unique — none is more unique than this body. It is unique not only in the problems it faces, but in the composition of this body and its Governing Body.

I like to think that the realities that enter via the employers' organizations and the workers' organizations add to the richness of debate, add to the wisdom and add to the ability of this Organization, over the many years I have been involved, to always be cost-effective, to always act with integrity and to have good governance for the ILO. I therefore think there is a particular test at this time for this session of the Conference, which consists of whether, in looking at the programme and budget, in looking at the winners and losers — and there are always winners and losers in any reassessment of any contributions to any organization — whether we do a disservice to the integrity and good governance of the Organization if we seek at this late stage to overturn what has been a major document delivered after many hours of negotiation.

So I make it clear, the Workers' group will accept with, in a sense, no great pleasure what effectively is zero real growth budgeting, to the extent that we have only a \$5 million issue between us, and we will ask very solidly for there to be no further amendments and for the budget proposals to be accepted. We will also support and vote for a scale of assessments which has been adopted in the United Nations family at large and which in this agency would also avoid the anarchy that would undoubtedly transpire if it were decided that the basis of assessment differed from one organization to another. In this case the Employers led the argument — and this was a major difference between the Workers and the Employers — for zero growth budgeting when the Workers were in effect seeking the opposite. We recognize the integrity of the Employers' position and the integrity of Governments and we ask this Conference to recognize the integrity of the Governing Body and to support the programme and budget and the new scales of assessment.

Original Spanish: Mr. FUNES DE RIOJA (*Employers' delegate, Argentina*) — On behalf of the Employers' group and as Chairperson of that group I have some points I would like to make in order to give my full support to the approval of the Programme and

Budget proposals for 2002-03 as formulated by the Governing Body.

My colleagues will be taking the floor subsequently, representing the different regions, and will probably add specific arguments giving detailed justification for the reasons for this support. But permit me to make a general point.

As Lord Brett said, this was an effort agreed to within the Governing Body and involving mutual concessions. Many comments were taken up by the Director-General and the corresponding amendments were made. There is not the slightest doubt that the Office must make every possible effort to achieve the savings that are sought but which obviously raise two central questions. The first is the achievement of consensus within the Governing Body. The second is the effectiveness of the budget as a function of its objectives and the resources of the Organization.

We cannot be satisfied with a budget that is insufficient to carry out the mission that we ourselves have entrusted to the Organization. In fact, we are condemning it to sterility. Sometimes we criticize the inoperative measures that are taken and the inefficiency of the Organization, but on the other hand we must seriously defend the budget when it has been approved by consensus by the Governing Body itself.

If this Organization has developed a mechanism in its standards-related activities whereby the Governing Body has the task of elaborating and preparing this document and its approach, of addressing the delicate issues that relate to the utilization of the expenditure and the appropriation of resources, it would appear almost paradoxical were the approval of the budget to be constrained by other considerations.

More than simply stating an economic argument, I wish to indicate that the approval of this programme and budget essentially governs the balance and equilibrium of both the objectives and the means of the Organization. When we heard the Chairperson of the Governing Body outlining the activities envisaged for this year it was abundantly clear that globalization and the interdependence of the world is placing increasing demands on the ILO. We are here to satisfy those demands because this is our field. Consequently, this consensus is a goal achieved and we hope it will not now be taken from us. Those of us who are ultimately responsible for what is done should realize that this consensus is not the result of a little considered or extravagant approach. This budget has been approved by the Governing Body as an element of discernment and realism. We entirely agree that the Office, and the Director-General in particular, must make every effort to make savings and to be efficient. But, at the same time, we also agree that the International Labour Organization must have a budget in line with the targets that it has to meet. Therefore I suggest, on behalf of the Employers' group, that the budget for 2002-03, as proposed by the Governing Body, should be approved. I call on those who bear the final government responsibility in this area to realize that this consensus between Workers, Employers, the Office, Governments, and the members of the Governing Body cannot simply be a precarious agreement that could be undermined, because were that to be the case we would in fact be weakening the very essence of how the Governing Body operates.

Mr. PATEL (*Workers' delegate, South Africa*) — I support the programme and budget proposals as

agreed by the Governing Body of the International Labour Office. The budget is a carefully crafted compromise between many different imperatives and pressures on the ILO: those of fulfilling its mandate, of responding to the increasing needs of constituents, of doing so in a cost-effective manner, of recognizing the fiscal pressures faced by member States. The ILO has received a number of new specific mandates from member States in the past many years: mandates relating to the follow-up to the Declaration on Fundamental Principles and Rights at Work, to improving technical cooperation to member States, to responding to the social dimensions of globalization, to addressing the HIV/AIDS crisis. These mandates, crucial to the world of work, cannot and should not be cut. These mandates should not be unfunded. As a Workers' delegate from a developing country, I speak, mindful of the increased expectations that the workers of the developing world have of the ILO. However, as a taxpayer, I am mindful of the fact that the new United Nations scale of assessment entails increased contributions from my country, South Africa. Yet we also note that while a handful of African countries will have increased contributions, a significantly larger number of countries on the African continent will in fact benefit through decreased contributions.

What is the effect of reducing the ILO budget? It means cutting technical assistance to developing countries, scaling back the HIV/AIDS programmes, reducing the ILO's capacity to do innovative work on the social dimensions of globalization, weakening the follow-up to the Declaration. We cannot contemplate this. A zero-growth budget, with the additional \$5 million, is the very minimum the Organization requires to be effective. The Workers' group, as Brother Bill Brett has said, would urge our governments, in particular, to ensure that the budget as discussed by the Governing Body is indeed approved. We all agree on the need for the ILO to be effective. Let us give it the resources to be effective.

Mr. LAWSON (*Employers' delegate, Canada*) — The Canadian Employers' Council supports the ILO Programme and Budget proposals for 2002-03, as proposed in the March session of the Governing Body, and we continue to do so. Employers — and I am speaking as a businessman — are acutely aware that in this competitive environment in which we live, every enterprise is required to define its core business, that is, the reason it exists, and then to dedicate its financial and human resources to achieving the goals of its core business. Our experience in the private sector is that organizations that cannot define their core business soon lose focus, soon lose ground to more clearly defined competitors, and we commend the ILO on defining its focus as decent work; we think that all stakeholders — governments, employers, unions and others — support this focus. This is the core business of the ILO. However, producing results means targeting delivery of decent work projects and programmes to the right groups and in the right places — that is, investing budgeted funds to achieve the desired results. So Canadian employers support the ILO's budget because it has focused on its core business — decent work — but we support it with a proviso, which is that the ILO must target the delivery of programmes and projects so that the donor countries are convinced that they are getting real

value for funds provided by them. In our view, targeting delivery at decent work that gives real value means delivery of these programmes and projects primarily to developing countries where the need is so great. In our view, donor nations will support the ILO's budget if they are convinced that decent work programmes and projects are being delivered in large part to developing countries.

One other point: a main part of the ILO's core business — is employment creation. We do not hesitate to say to the ILO: if necessary, adjust your budget to increase your ability to deliver programmes and projects that support employment creation in those developing countries. This is why this is important. During this Conference we are discussing the topic of social security. We know that the best social security for anyone is a job, because having a job not only provides income, it develops self-respect, and it allows families to rise above poverty, live in dignity and plan for the future. A thoughtful analysis of the protests at Seattle at the World Trade Organization (WTO) and at Quebec suggests that those protests were not really about globalization or against governments or corporations; what they were really about was job creation in developing countries. So employers both support the programme and budget proposals as presented in March and encourage the ILO to ensure that the budget delivers the programmes and projects that support decent work and employment growth in those developing countries.

Mr. AHMED (*Workers' delegate, Pakistan*) — On behalf of the Workers' group, Brother Lord Brett, our spokesperson, and Brother Patel have spoken at length on why we would like to approve the programme and budget proposals which have been passed by the Governing Body with increased costs. Whether from Government or Employers or Workers, we all spend very precious time, almost three weeks, in Geneva to contribute towards making this international organization relevant to the twenty-first century's challenges, opportunities and threats to the world of work, and to establish how this great Organization can meet these challenges.

To do so requires resources. I myself come from Asia, which is the largest continent and has particular multinational development. Almost two-thirds of the people in Asia live in poverty, and that requires a lot of expectation from this Organization, particularly in order to achieve the strategic objectives laid down by the Director-General, namely decent work, how to promote fundamental rights, how to protect workers from accidents and occupational diseases, how to make wages equitable and how to provide socially excluded people with a safety net, particularly in face of the globalization of the economy, restructuring and privatization. At the same time there are socially excluded people, like women, migrant workers, rural workers and workers in the informal sector.

In order to meet these challenges, we rightly support the conclusions of the Governing Body, namely to provide an increase of \$5 million in costs in order to meet these objectives. We also fully support the new United Nations dimension for the assessment of contributions, and we hope this august body will approve this budget, as stressed by the Director-General, in order to acquire the necessary tools for achieving these objectives.

Mr. LAMBERT (*Employers' delegate, United Kingdom*) — I would like to reiterate something my friend Jim Lawson just said, which is that an organization that does not face up to the problems it has to face, and recognize what its core business is, does not survive in the business world. So our struggle and our compromise on the budget was something which was difficult but often is necessary in order to come to an acceptable conclusion. Now, I am a European, and I am speaking on behalf of the European employers, and I would like to confirm that we absolutely support the position taken by the Governing Body with regard to this budget. We were delighted that the Director-General agreed with us and accepted increased funding in the Employment Sector.

As Jim Lawson from Canada just said, the most important thing is that people have self-respect, and self-respect comes through work. Therefore, in so much of what we are talking about this week, and when we come to talk about the Director-General's Report, what we must focus on is how to create more work. It is no good wishing that we had more work. We could say it is good to pray for more work, but the main thing is to look at the reasons why there is not enough work and how we can create more work. That is why we were particularly happy that there is going to be additional funding for the Employment Sector.

The other thing that we would like to put on record — as Europeans, that is — is that we welcome the discussion about cooperating with the European Union, about encouraging greater involvement in helping those parts of Europe that have been so impoverished and have suffered so much in recent years. We believe that the Stability Pact for south-eastern Europe is a priority for the region, with the key areas being promotion of freedom of association and the development of employers' and workers' organizations.

Again, the European employers absolutely support this budget and we would encourage everybody else to do exactly the same.

Original French: Mr. ATTIGBE (*Workers' delegate, Benin*) — I should also like to take the floor in order to provide my support for the draft programme and budget voted by the Governing Body last March at its 280th Session. As you know, the challenges that will be faced by our Organization during the next few years are many and multifaceted. Those speakers who have taken the floor before me were quite specific on this point. In the face of the many aspirations and expectations of States confronted with difficulties of every kind, it is indispensable for the ILO's constituents to grant the Office the necessary resources enabling it to carry out its activities.

For this reason, on behalf of the African Workers, I should like to request the Conference to vote in favour of the draft programme and budget voted for by the Governing Body at its previous session.

Mr. OWUOR (*Employers' delegate, Kenya*) — I wish to support those who have spoken in favour of adopting the draft Programme and Budget for 2002-03, proposed by the Governing Body.

The ILO is faced with a major problem owing to the growing demands of its member States, and the Director-General requires a minimum of resources to perform his work. We consider this draft programme and budget to be the minimum to enable the ILO to perform the work entrusted to it by its constituents.

The ILO cannot promote its decent work programme, particularly in countries which are in a state of instability and conflict. The ILO has started various programmes, like the InFocus Programme on Crisis Response and Reconstruction, and other programmes aimed at African countries. Some of these countries are facing such problems that whatever we do, until the problem of instability is solved, we will be unable to provide the people with what they need. Out of 36 million people who are infected with HIV/AIDS in the world, 23 million are in sub-Saharan Africa alone. The ILO has responded to this pandemic by launching its HIV/AIDS and the world of work programme and publishing the code of practice on HIV/AIDS. The ILO needs the entire support of member States to enable it to assist and contribute towards combating this menace.

The globalization process has led to the closure of many local small and medium-sized enterprises, as a result of the importation of cheap goods in developing countries. Consequently, a growing number of workers have lost their jobs and subsequently poverty levels have worsened. The ILO's budget allocation should, therefore, be increased to help to overcome problems faced in the field of continuous training, retraining and public works programmes, and to strengthen the social security system or public administration. We hope that by adopting the budget proposals, the ILO will also be able to promote gender mainstreaming as well as to effectively promote the fundamental principals and rights at work.

We also know that the promotion of small and medium-sized enterprises is essential for employment creation and poverty alleviation. In this respect, we urge the Conference to adopt the proposals made by the Governing Body.

Mr. SUZUKI (*Employers' delegate, Japan*) — I wish to express my congratulations to the President upon her election at this session of the International Labour Conference.

Speaking as the Asian Vice-Chairperson of the Employers' group at this Conference, I wish to recall the following four points concerning the ILO Programme and Budget for 2002-03.

First, the Finance Committee of this Conference should honour the conclusions reached at the last session of the Governing Body held last March.

Second, the Employers' priority is employment creation, and this should be recalled during this preliminary debate.

Third, we recall that there were reservations amongst some Government members on the scale of the ILO budget for 2002-03 on the basis of financial problems and other difficulties in these countries. However, Employers who are closely involved with the work of the ILO at global, regional and country level strongly believe in the ability of the Government group of the Conference to reach an amicable agreement on the ILO budget for 2002-03.

Fourth, but most importantly, I wish to indicate to the plenary the feeling among Employers' members during debates on the programme and budget that the Governing Body held last March. We felt that there was a lack of team spirit amongst the various departments within the ILO Office. Enhancing the ability of the ILO as a whole to perform with a maximum of effectiveness at a minimum cost is the aim and spirit of this Conference.

Original French: Mr. BLONDEL (*Spokesperson of the Workers' group, Governing Body of the International Labour Office, France*) — Since this is the first time I have taken the floor, allow me to congratulate the President upon her election, and also to say how pleased we are to work under the guidance of a woman. Allow me also to provide an additional explanation of the statements just made. It is unusual for the Workers' group and the Employers' group to take the floor at the plenary session concerning the budgetary questions of the Conference.

If we are doing so, it is to show our interest and also because it appears, or so some may think, that there could be difficulties in ratifying and adopting the work of the Governing Body.

What kind of difficulties? It appears that there are two main problems. One concerns the level of contributions or the quota applicable to each country.

Allow me to indicate that our practices date back to 1977. It took many years before we adopted, using projections, the scale of assessments by the United Nations. In fact, it took nearly 30 years, until 1977, to achieve this, which seemed to be the wisest approach.

It seems difficult — and I have just been looking at the United Nations scales approved by the United Nations General Assembly — to specify the criteria used to define contributions. I was wondering what we could define as the specifics for the ILO apart from GDP, wealth, income per capita, etc. I could not really see any criteria which could be specific to the Office. Unless, of course, we were to look at the status of the application of standards, unless we were to consider taxing those not implementing standards or fulfilling commitments. That would be a punitive and rather dramatic approach, which I do not feel would be very useful but, above all, I should like to remind you here publicly of the fact that standards are not for sale. Their aim is not to bring in money; their purpose is altogether different. We will not put a price on the application of standards; we will not put a monetary value on the respect of commitments. Let us remain calm. Envisaging a scale of assessments other than that of the United Nations could be like opening a Pandora's box. It would cause endless discussions where everyone would be striving to obtain something, but what? How far could we move away from what has been decided by the United Nations? Essentially we could be quibbling over minor details. I do not think this would be an effective way of working nor would it be effective in terms of outcome.

The budget proposals have been the outcome of careful work by the Programme, Financial and Administrative Committee (PFAC) of the Governing Body. On our initiative, the Director-General agreed to submit a zero real growth budget. We welcome this outcome. Indeed, it was the fruit of lengthy and tricky debates. Everyone agreed that it was difficult to ask for more and not to make the resources available.

The draft budget submitted, because of current fluctuations, would mean a slight fall in dollar terms which will affect all services at the Office. It will be necessary to manage resources with caution and thrift.

However, I should like to remind you that the budget guarantees our Organization's independence.

This is why, on behalf of the Workers' group and echoing the views expressed by my colleagues and Lord Brett, I urge you to uphold the conclusions of the PFA Committee. These conclusions are consen-

sual, they should not be disputed, they are based on fairness and good governance. It is my fervent hope that that Workers' and the Employers' message will be heard.

Original Spanish: Mr. DURLING (*Employers' delegate, Panama*) — I should like to make a brief statement, the aim of which is to give my viewpoint concerning the use of funds in this Organization. The technical assistance budgeted for Central American and South American countries should be allocated to promote the effective implementation of the fundamental charter of trade union rights and freedoms by all means possible. This task should seek to promote the replacement of old systems of government paternalism and their interference in the collective relations of the social partners. It is insufficient for our countries to boast about their ratifications of the Conventions concerned. It is absolutely indispensable to simplify the legislation which impedes compliance with Conventions and the implementation and exercise of trade union rights and freedoms while hampering growth and the strengthening of an authentic trade union movement for workers. It is within this framework of the effective implementation of international standards that technical assistance is required in order to develop training systems to promote an entrepreneurial spirit, and to provide the management skills and know-how which are indispensable to promote micro, small and medium-sized enterprises. Government policies for full employment must be adopted, covering the skills and knowledge necessary for the traditional labour force to make its transition into the field of advanced technology.

Mr. BOTHA (*Spokesperson of the Employers' group, Governing Body of the International Labour Office, South Africa*) — I would like to echo Mr. Blondel's congratulations on the President's appointment and particularly his pleasure at having a president who is a woman.

You heard this afternoon the Employer representatives putting forward the views and concerns of employers in all the regions. These views have been expressed during the Governing Body debates, and issues of concern to the regions which the Office has taken into account in preparing the budget have been, as you have heard, employment, job creation, teamwork, Eastern Europe, technical cooperation and others. It really remains for me to summarize the Employers' view.

The Employers' group fully supports the results-based strategic budgeting approach which has been the hallmark of the current budget and the budget under consideration. The current biennium saw the development of four strategic objectives which remain the programme for 2002-03. This programme, with its four objectives, has the now enduring support of the International Labour Organization's tripartite constituencies. The Organization, in embarking on this programme, has been required to fundamentally restructure itself and its management, to move to a new culture and to develop strategies to ensure the changes are sustainable. We are talking about a process. These developments in our view are the essential first requirements in strategic budgeting. The second is to ensure that sufficient resources are available to deliver this programme. The Governing Body in March, as we have heard, had a full debate in which

the concerns of all three groups — Government, Employers and Workers — received positive consideration from the Director-General. It is agreed to recommend to this Conference a provisional programme level of \$472,488,505 estimated at the 2000-01 exchange rate of 1.53 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference.

The Employers' group continues to support the four pillars of the programme outlined and is satisfied both that the programme responds to the needs of the constituencies and that the budget amount is

sufficient for the quality delivery of that programme. We therefore call on the Governments who will discuss the level of the budget during the Conference to support the programme as well as its associated budget level. The Employers' group notes that the contribution requirements will also be discussed by the Conference's Finance Committee. While this is a matter correctly for government consideration, it is our hope and expectation that the full amount required to implement the budget programme will be realized.

(The Conference adjourned at 4.30 p.m.)