

# **SPEECH TO ILO CONFERENCE**

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**16 JUNE 2003**

I am glad to have the opportunity to address this Conference on behalf of the Trade Union Advisory Committee to the OECD. The OECD is a governmental organisation made up of the industrialised countries; but through the TUAC and in conjunction with our Global Union partners working people have a chance to get their voice heard in those governmental debates.

I would like to welcome the Director-General's crucially important report "Working out of Poverty".

The Report is crucially important because three years into the new millennium, the world is further from achieving the UN's millennium development goals on poverty reduction than it was when they were agreed. As the report shows, one billion people in developing countries are in extreme poverty and three billion – half the world's population live on less than two dollars a day.

The Report is crucially important because poverty and social vulnerability are also increasing in OECD countries. Growth is in free-fall in the industrialised economies and deflation remains a real danger whilst unemployment and job lay-offs are rising. This fall in growth is not due to labour rigidities or excessive employment protection as some governments and employers argue – but due to failing confidence following the financial market collapse in the wake of the dot-com boom and the Enron and other systematic scandals of corporate governance.

The Director General's Report is also important because the political fractures evident in the Iraq crisis must not be allowed to undermine the multilateral system and what is already inadequate economic and social coordination. The failure of the Evian G8 to move forward significant agendas and particularly the Social Agenda, although not surprising, must be a warning to all. Similarly we have important and unfulfilled promises on the Table from Monterey and Johannesburg that are in danger of being forgotten.

But the Report also outlines the way forward "to work out of this crisis" and then "to work out of poverty".

Firstly we have to double income growth per head from one per cent to two per cent a year and make sure that this growth generates jobs. The industrialised countries have to take a lead here and re-launch the world economy through a co-ordinated pro-growth and pro-poor stimulus.

Secondly we have to make sure that resources are made available to fund development. Here the ideas put forward from this rostrum a few days ago by President Mbeki for a Global Structural Fund need serious consideration and then to be acted on.

Thirdly, as Chapter Four of the Report shows, we have to strengthen institutions in the labour market that represent and protect the poor and vulnerable. To start with that means trade unions, and giving the poor the basic rights to organise and bargain collectively.

But as the establishment of the World Commission on the Social dimension of Globalisation shows, the task is a wider one than convincing ourselves and Labour ministers. We have to convince the Finance, Economics and Trade Ministers that meeting this challenge is crucial to the very survival of both our societies and our economies. We can no longer afford a situation where Finance Ministers and Central Bankers create or tolerate unemployment and poverty as a "price worth paying" for other policy objectives and Labour Ministers are supposed to apply palliative measures, or worse to roll back civilised labour standards in the illusory search for competitiveness.

That is one reason why increased co-operation between the OECD and the ILO is essential. It is an objective that we in TUAC have promoted incessantly in the OECD.

Working with our Global Union partners, TUAC has sought to make the ILO's Declaration of Fundamental Principles and Rights at Work a "system-wide standard" also in the OECD and the IFI's. It is now included in the OECD Development Assistance Committee's Guidelines on Poverty Reduction; in the OECD Guidelines on Multinational Enterprises; and through the OECD's work on trade and labour standards and Sustainable development it is still in the WTO debate. We have also insisted that as all OECD members are members of the ILO, OECD countries have to respect all of those features and notably core labour rights. It is for this reason that the TUAC continues to insist that countries such as the Republic of Korea, which have had freedom of association violations condemned by the ILO, reform their labour legislation to bring it into line with ILO principles.

The Director General's Report reinforces the crucial link between poverty reduction and the respect for human rights at work, the two key elements of the ILO's fundamental mandate – this is now more relevant than ever given the evident failings of the current model of globalisation. We have to make its recommendations work.