SECOND ITEM ON THE AGENDA

Developments in other organizations

Overview of developments in other international organizations and bodies relevant to the work of the Working Party

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Introduction

1. On a number of occasions the Working Party has had before it general reports concerning the work of other organizations in relation to the impact of trade liberalization and globalization in social and related fields, the most recent in November 1997. In the light of important events that have occurred over the last two years and the considerable interest of this subject, it seemed appropriate to prepare a further update on the work of other international organizations and bodies. This document, which is not exhaustive, has been prepared on the basis of internal information and elements to be found in the public domain (mainly through Internet sites). Given the wealth of information and the varying degree of importance of these developments, it seemed useful to prepare a more organized presentation of this work by focusing first on the outcome of three major international events which took place recently and which are of great significance for the work of the Working Party: the 1999 annual meetings of the World Bank and the International Monetary Fund (IMF); the Third Ministerial Conference of the World Trade Organization (WTO); and the Tenth United Nations Conference on Trade and Development (UNCTAD X). The last section of the document refers, also in chronological order, to various meetings and conferences (including some at the regional and subregional levels) that have addressed the subject of the social dimensions of globalization.

I. International Monetary Fund and World Bank: 1999 annual meetings

2. As stated in the document on relations with the Bretton Woods institutions submitted to the Committee on Employment and Social Policy in November 1999 (reissued at the present session of the Governing Body), which members of the Working Party are encouraged to consult, it was the sudden economic and financial collapse of various countries in East and South-East Asia that alerted the world to the dangers of economic and monetary policies failing to pay sufficient attention to the social concerns advocated by the ILO. This change of perception was duly reflected in the main decisions adopted in Washington in September 1999 at the annual meetings of the IMF and the World Bank, which furthered policy developments with regard to debt and poverty alleviation and emphasized assistance for crisis prevention and resolution.

3. As regards debt relief, the major policy reform introduced in this respect was the linking of the newly enhanced Heavily Indebted Poor Countries Debt Relief Initiative (HIPC) with the IMF’s Enhanced Structural Adjustment Facility (ESAF), effectively joining the Bank and the Fund’s efforts in poverty alleviation. The ESAF was in turn reformed into the Poverty Reduction Growth Facility (PRGF), which makes poverty reduction an explicit and overarching goal and is guided by a Comprehensive Poverty Reduction Strategy Paper (PRSP) which replaces the ESAF Policy Framework Paper. PRSP has the same priorities as those embedded in the World Bank’s Comprehensive Development Framework (CDF), launched by the President of the World Bank in January 1999. PRSPs should thus contribute to future HIPC decisions and form the basis of all World Bank and IMF lending to low-income countries. In the joint statement by the co-Chairmen of the first ever Joint

1 GB.270/WP/SDL/1/1 and Add.
2 GB.276/ESP/5 and GB.277/ESP/4 (appendix).
Meeting of the Interim and Development Committees (26 September 1999), they agreed that “Poverty Reduction Strategies should be country-driven, and be developed transparently with broad participation of civil society, key donors and regional development banks. These strategies should be clearly linked with the agreed international development goals, with measurable indicators to monitor progress”. They call on the Bank and the Fund to “give all possible assistance to countries in developing their Poverty Reduction Strategies” (paragraph 5). 3

4. Social concerns are also taken into account in work in progress by the World Bank and the IMF on prevention and management of crises. A clear sign of this new trend was the consideration by the Development Committee in September of another paper 4 on Principles of Social Policy, following an initial paper submitted to the Committee in April 1999. It had been decided at that time that the World Bank would prepare a best practice paper for the Development Committee in September, while development of the main principles would be best pursued in the framework of the United Nations as part of the international community’s follow-up on the Copenhagen Declaration on Social Development. The Bank’s position in its follow-up paper of September approached labour market policy issues in terms of risk reduction and risk mitigation in crisis situations.

5. The reforms launched at the annual meetings represent a fundamental policy reorientation which, as pointed out in document GB.276/ESP/5, offer a new window of opportunity for the ILO. The September meeting confirmed and reinforced the need to establish a close link between social and economic and financial policy and to further examine the interaction between both policy areas. In Mr. Camdessus’s own words, these meetings have “given substance and full recognition to the social pillar as an integral part of the new global architecture. Poverty has been established as a permanent, pressingly urgent matter in the agenda of the international financial community, no longer an issue to be consigned to an afterthought in communiqués or policy papers”. Poverty and social justice have been recognized as “key ingredients for a national policy formulation framework”.

6. The participation in the September meetings of an ILO delegation, headed by the Director-General, has already been well documented in the November paper. The Director-General participated in person at the meetings of the G-24 Ministers and the Interim and Development Committees, at which the ILO had been granted official observer status; attended an informal meeting with the participation of ministers from the G-7 countries plus Finland, Norway and the Russian Federation; and finally held private meetings with Mr. Wolfensohn and Mr. Camdessus. In these meetings, the Director-General welcomed the new steps taken by the World Bank and the IMF, and strongly emphasized the role of the ILO as a strategic partner in developing a more integrated approach by the multilateral institutions dealing with financial, economic, development, trade and social issues.

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II. Third Ministerial Conference of the World Trade Organization (Seattle, 29 November-3 December 1999)

7. The Ministerial Conference of the WTO was held, for the third time since that organization was created, in Seattle (United States) from 29 November to 3 December 1999. This Third Ministerial Conference had originally been regarded as an opportunity to launch a new round of trade negotiations and to provide further impetus to the process of liberalization of international trade. The Conference was adjourned without any ministerial declaration being issued, unlike the previous two conferences held in Singapore in December 1996 and Geneva in May 1998.

8. The Ministerial Conference itself had been preceded by several weeks of intensive negotiations in Geneva which had failed to produce a commonly agreed draft ministerial declaration or to reach a degree of concordance on the launching of a new round of trade negotiations. Strong divergences were found on how to treat different agenda items and on the content of the agenda itself: while some member States favoured a broader, more comprehensive negotiation agenda, others supported a more focused and manageable one.

9. Although originally the inclusion of labour standards in the Seattle Ministerial Conference had not been contemplated, it ultimately became one of the principal issues dominating the Conference discussions. At the WTO’s General Council session which preceded the Seattle Ministerial Conference, the United States and the European Union put forward two proposals on core labour standards. The United States proposed that –

   ... at their 1999 meeting in Seattle, WTO ministers should agree to the establishment of a WTO Working Group on Trade and Labour. The proposed group would have a clearly delineated mandate, operate under the supervision of the General Council, and produce a report for consideration by ministers ... The objective of the Working Group in the first two years will be to produce a report on its discussions for consideration by WTO Members at the Fourth Ministerial Conference. In accomplishing its work, the Group would benefit from consultation and collaboration with the ILO, international financial institutions (IFIs), and UNCTAD. To facilitate collaboration of this kind, the WTO would welcome a request by the ILO for observer status.

10. The European Union for its part suggested –

   ... that the ILO and WTO organize a joint ILO/WTO Standing Working Forum on trade, globalization and labour issues, to promote a better understanding of the issues involved through a substantive dialogue between all interested parties, including governments, employers, trade unions and other international organizations. This dialogue should include an examination of the relationship between trade policy, trade liberalization, development and core

5 GB.268/WP/SDL/1/3.

6 It should be recalled that at the First Ministerial Conference in Singapore, the ministers renewed their “commitment to the observance of internationally recognized core labour standards”, stressed that they “reject the use of labour standards for protectionist purposes”, recognized that “the ILO is the competent body to deal with these standards” and noted that “the WTO and the ILO secretariats will continue their existing collaboration” (see para. 4 of the Singapore Ministerial Declaration). GB.268/WP/SDL/1/3.
labour standards and it should explicitly exclude any issue related to trade sanctions.

11. Opinions contrary to the above positions were voiced both before and during the Conference. In the Ninth Session of their Ministerial Conference (Marrakech, Morocco, September 1999) the Ministers of the Group of 77 (G-77) and China issued a message to the WTO Ministerial Conference, stating: “The Singapore Ministerial Declaration confirmed that the ILO is the competent body to set and deal with all issues relating to labour standards. We therefore firmly oppose any linkage between trade and labour standards” (see below, paragraph 59). This view was endorsed at the plenary session by H.E. Mr. Mohammed Benaissa, Minister for Foreign Affairs and Cooperation of Morocco and President of the Ninth Ministerial Meeting who added that –

... when we do discuss labour standards in the ILO, we will base ourselves on the principle, also agreed upon at Singapore, that the comparative advantage of countries, particularly low-wage developing countries, must in no way be called into question.

12. The question of trade and labour standards was raised by 73 speakers (some 40 of whom made direct reference to the ILO) out of the 154 who addressed the Conference plenary. The majority of those 73 speakers pledged their adherence to labour rights and to the values and principles that the ILO defends and promotes. Many of these however stated their firm opposition to linking trade negotiations to core labour standards and reaffirmed the ILO as the appropriate forum for discussion of the latter. Hong Kong (China), Morocco, Malaysia, Nigeria, Botswana, Panama, Nicaragua and Zimbabwe are but a few examples of those who defended this position. A number of country representatives also expressed their opposition to, in their view, the ulterior protectionist motivations of those who supported such a linkage, including Singapore, Pakistan and Mexico. The majority of the European Union member States, Poland, Chile, Norway and the Czech Republic were among those who advocated further examination of the links between trade and labour, although not necessarily within the framework proposed by the United States and the European Union. All of the official views and positions in relation to this issue are contained in the extracts from the plenary statements made at the Conference, which are issued in an addendum to the present paper ⁷ to facilitate closer examination and assessment by the Working Party.

13. Outside the plenary session, a Working Party on Trade and Labour Standards was convened, which was chaired by Costa Rica. Objections were raised as to the legal basis of this procedure. After the Working Party adjourned, consultations proceeded in an informal manner. Delegates had before them several proposals, but despite strenuous efforts to produce various compromise texts, they did not manage to attain any consensual view before the end of the Conference.

14. Introducing and strengthening the development dimension into international trade negotiations was strongly advocated by a great number of ministers in their plenary statements, particularly those from developing countries. Many countries, including Angola, Venezuela and Saint Lucia, indicated that the Uruguay Round has not adequately catered to the needs of developing and less developed countries. Consequently, the processes of liberalization and globalization had contributed to growing inequalities between countries, marginalizing societies that are ill-equipped to benefit from the potential economic and social gains that they entail. It was thus demanded that the next

⁷ GB.277/WP/SDL/2(Add.1).
round of trade negotiations should truly be a development round that would regulate and
redirect the liberalization process so as to transform it into a facilitator of economic growth
for all.

15. One of the events that undoubtedly characterized the Third WTO Ministerial Conference
was the presence in the streets of Seattle of a large number of civil society and NGO
representatives who voiced their opinions with regard to what was being discussed at the
Washington State Convention and Trade Center, the WTO ministerial venue. On
30 November, the AFL-CIO organized a “People’s Rally and March” in Seattle which
attracted an estimated 30,000 to 50,000 participants. The various protests and marches
attracted considerable public attention, and a number of speakers addressing the
Conference plenary made direct reference to the protests taking place outside the Center.
Some of the speakers called for a closer examination of how NGOs and civil society –
representing those who were and were not present in Seattle – could be more integrated in
the conduct of negotiations such as those dealing with trade liberalization.

16. Informal meetings continued through the night of 2 December and into 3 December. The
main discussions were in meetings in which some 20 to 40 ministers took part. Various
related ministerial working groups were established, and those attending the meetings of
these groups varied according to subject. By late afternoon it was clear that there was too
little time left to complete the work of narrowing the gap, bringing the draft declaration
back to the plenary groups, making any additional changes arising from the working
groups and then approving the declaration by consensus. The Conference Chairperson,
Ambassador Charlene Barshefsky of the United States, adjourned the Conference and
called on the WTO Director-General, Mike Moore, to “consult with delegations and
discuss creative ways in which we might bridge the remaining areas in which consensus
does not yet exist, develop an improved process which is both efficient and fully inclusive,
and prepare the way for successful conclusion”. Since then, Mr. Moore has held
consultations on “many of the issues which remain outstanding after the Third WTO
Ministerial Conference” and reported to the organization’s General Council on these
consultations. The WTO General Council has also “agreed on the organization of
negotiations to further liberalize services and agriculture” (Geneva, 7-8 February 2000). 8

17. As on previous occasions, the ILO received an invitation to attend the WTO Ministerial
Conference. The ILO delegation was led by the Director-General himself, who had clearly
expressed his intention to make known from Seattle the new orientation and thrust of the
ILO to address the social dimensions of globalization, 9 stressing in particular the adoption
since Singapore of “a landmark Declaration on Fundamental Principles and Rights at
Work”. In a written statement submitted to the Ministerial Conference, 10 the Director-
General warned that “unless questions of unfairness and inequality are addressed by the
global community, the process of international integration itself may be rejected by
increasing numbers of countries and people […] Evidence is accumulating that
globalization is widening inequalities between industrialized and developing countries”.
He added that the gains enjoyed by developing countries had been “small and much less
than hoped for at the conclusion of the Uruguay Round”. But uncertainty and insecurity are

8 WTO press releases, PRESS/166 and PRESS/167.

9 ILO press release, ILO/99/39. Internet:

10 Decent work for all in a global economy: An ILO perspective. Internet:
not confined to the South. In the North also many “feel caught in a race to the bottom and believe that intensified global competition is exerting downward pressure on working conditions and labour standards … In the face of these formidable social and labour problems there is much that the ILO can do and indeed has done”. He referred to the ILO’s goal of *decent work* for all, stressing that it could “provide the social foundations of the global economy”.

18. The Director-General called for a new integrated approach to address the social implications of globalization, involving all the organizations dealing with the international aspects of economic and social policy. This initiative would aim at reducing inequality of opportunity both within and between countries and ensuring that the global economy benefits working people and their families in developed and developing countries alike. He emphasized the need to promote policy synergies between the organizations dealing with international aspects of economic and social policy in order to address the social impact of globalization, stating that such an integrated approach could be developed at different levels, such as –

- interorganizational efforts to pool knowledge and undertake joint research;
- analytical frameworks for international policy development;
- policy packages at the national level, encompassing the international and macroeconomic issues, as well as development, poverty reduction and decent work.

19. The Director-General’s Seattle visit also included his participation in other events such as the ICFTU Conference on “Globalization and workers’ rights: Core labour standards in the global economy” (28 November 1999), which was also attended by the WTO Director-General and UNCTAD’s Secretary-General; the Institute for International Economics meeting on “The world trading system: Seattle and beyond” (30 November 1999); and the meeting, together with other heads of agencies, with President Clinton (1 December 1999).

III. Tenth United Nations Conference on Trade and Development (UNCTAD X) (Bangkok, February 2000)

20. The Tenth United Nations Conference on Trade and Development (UNCTAD X) was held in Bangkok (Thailand) from 12 to 19 February 2000. This Conference, which is held every four years, was the occasion to review and assess development trends that have taken place since UNCTAD IX (Midrand, South Africa, 1996). The two principal outcomes of the Conference were the adoption of the *Bangkok Declaration: Global Dialogue and Dynamic Engagement* and a *Plan of Action* defining UNCTAD’s programme of work for the next four years. 11

21. The main focus of the Bangkok Declaration was on “how to make globalization an effective instrument for development”. While recognizing the “opportunities created by the technological revolution, the opening of markets and globalization” the Declaration also stresses the need for “more effective coordination among governments and among international institutions” in responding to the risks and challenges posed by globalization. The latter include the marginalization of the least developed countries (LDCs) and

11 TD/386 and TD/387.
vulnerable groups everywhere, widening income gaps within and among countries, asymmetries and imbalances in the international economy, and instability in the international financial system. The Declaration then lists a wide array of actions that need to be undertaken at the national and international level to meet these challenges. They include a commitment to a multilateral trading system that—

... provides benefits for all countries, especially developing countries. This will involve, among other things, improving market access for goods and services of particular interest to developing countries, resolving issues relating to the implementation of World Trade Organization (WTO) agreements, fully implementing special and differential treatment, facilitating accession to the WTO, and providing technical assistance.

22. Other actions at the international level proposed in the Declaration include “overcoming the debt problem” and “ensuring adequate financial flows for development”; “enhancing the technological capabilities of developing countries”; and a decisive effort in favour of countries that “lack the capacity to take advantage of the opportunities brought about by globalization”. There is also a call for “more inclusive, transparent and participatory arrangements for international economic decision-making” and for “increased policy coherence at the national and international level”.

23. The Plan of Action spells out UNCTAD’s role in giving effect to the commitments adopted in the Declaration. This is centred on the conception of UNCTAD as the “focal point within the United Nations system for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development”; as a forum for deliberations “to build consensus for the reformulation of policies in a globalizing world from a development perspective”; as a research centre on the design of policies to assist developing countries to achieve efficient integration into the global economy; and as a provider of policy advice and technical assistance based on its research findings. It is of interest to note that apart from trade policy issues, which include emerging issues such as the impact of electronic commerce on developing countries, the Plan of Action also gives UNCTAD a role in a wide range of related areas. These include globalization and financial and monetary issues where “UNCTAD’s work should bring in a development perspective”; policies on foreign direct investment (FDI); enterprise development, including the building up of “innovative and competitive small and medium enterprises (SMEs)”; human resource development; and special programmes for the LDCs.

24. Plenary discussions were aided by several interactive debates with eminent guest speakers and parallel seminars. These included in particular an economists’ round table and a high-level round table with executive heads of United Nations bodies, which was opened by the United Nations Secretary-General. The executive heads of the ILO, IMF, WTO, World Bank, Inter-American Development Bank and the five United Nations Regional Commissions addressed the Conference in the context of interactive debates.

25. The Conference was generally considered to have been a success. The tenor of discussion was mostly constructive, and there was a consensus on the texts of both the Declaration and Plan of Action. In particular, as reflected in the former, there was a unanimous recognition that, in handling these challenges of globalization, “it is essential to persevere


in the search for consensual solutions through open and direct dialogue that takes into account the fundamental interests of all”. None of the contentious issues at Seattle, such as the link between trade and labour standards, featured in any significant way in either the plenary debate or the drafting process for the Declaration and the Plan of Action.

26. The Director-General of the ILO had a major impact on the Conference during the plenary sitting devoted to an interactive debate with him on the social implications of globalization, and also through his participation in the high-level round table, where he focused on the social challenges of globalization and the role of the international system. In both his addresses – as well as in his keynote speech at the Special Round Table on Transnational Corporations (TNCs), Small and Medium-sized Enterprises (SMEs) and Development – the Director-General made a compelling case for a key role for the ILO in making globalization work for all, and highlighted the priority that needed to be given to addressing the legitimate aspiration of ordinary working men and women and their families for decent work.

IV. Other intergovernmental organizations and major international forums

Second Summit of the Americas (April 1998)

27. In their final Declaration, the Heads of State and Government participating in the Second Summit of the Americas (Santiago de Chile, 18-19 April 1998) stressed that economic integration, investment and free trade are key factors for raising standards of living and improving the working conditions of the people of the Americas. They also committed themselves to providing greater support to micro- and small enterprises, and promoting core labour standards recognized by the ILO.

Organization of American States (OAS)

Xlth Inter-American Conference of Ministers of Labour (October 1998)

28. Ministers of Labour of the OAS met in Viña del Mar (Chile) from 20 to 21 October 1998 and adopted a Declaration and a Plan of Action. One of the two issues on the agenda was “the globalization of the economy and its social and labour dimensions”. In their Declaration, the ministers reiterated the commitment to respect ILO core labour standards as mentioned in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up. They also held that policies that are the basis for the economic growth needed for social development should be designed in such a way that they produce more and better-quality jobs, consistent with internationally recognized core labour standards. The Plan of Action includes specific activities on employment and labour markets, labour relations and social security.

29. In order to assist in the development of the aims set forth in the Declaration, the ministers agreed to form two working groups whose mission was to provide ministries of labour with relevant information, studies, and material so that they can implement the guidelines in the Plan of Action. One of these groups was to focus on the globalization of the economy and its social and labour dimensions.
Organisation for Economic Co-operation and Development (OECD)

Multilateral Agreement on Investment (MAI)
(October and December 1998)

30. Representatives of the Organisation for Economic Co-operation and Development (OECD) countries and observer countries met in Paris (France) on 20 October 1998 to assess the status of a multilateral framework on investment (the Multilateral Agreement on Investment – MAI) in negotiation since 1995. Delegations exchanged views on the results of the six-month period of assessment during which there were consultations between countries and with civil society within countries, as mandated by ministers in April 1998. It is worth noting that the Government of France had decided to withdraw from the negotiations at this point and had raised a number of concerns with respect to the substance of the negotiations. This meeting was followed by a discussion on investment matters at the OECD’s Executive Committee in Special Session (ECSS) on 22 October. An informal consultation among senior officials responsible for investment policy was held in Paris on 3 December 1998. The OECD news release dated 3 December states that “Negotiations on the MAI are no longer taking place. However, the officials agreed on the importance of multidisciplinary work on investment at OECD. [...] The officials agreed that this work should be carried out in a transparent manner and should involve all OECD members as well as interested non-member countries, including those that participated as observers in the negotiations.” It is also indicated that the meeting was preceded by an informal seminar with the BIAC (OECD Business and Industry Advisory Committee), TUAC (OECD Trade Union Advisory Committee) and other NGOs and that “the officials found the seminar useful and expressed their desire that this type of dialogue continue”.

OECD Trade Committee (May 1999)

31. At their meeting on 5 and 6 May 1999 in Paris (France), delegates of the OECD Trade Committee reached a consensus to proceed with their proposal to update the OECD 1996 Study on Trade, employment and labour standards: A study of core workers’ rights and international trade. This study, finalized in May 1996 and shortly thereafter presented to the OECD ministers, was submitted to the Working Party at its 267th Session (November 1996). 14

32. At the time of writing, the OECD was still in the process of updating its study. This update should mainly consist of a review of material factual developments that have occurred since the drafting of the study. It should include a reference to the adoption of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up and to the adoption of the Worst Forms of Child Labour Convention, 1999 (No. 182). There would also be a search of recent relevant literature in the public domain. Following the decision taken by the Trade Committee, there “should be no attempt made to revisit the substantial analysis, judgements and conclusions in the study”.

Council meeting at the ministerial level (May 1999)

33. The OECD Council met at the ministerial level in Paris (France) on 26-27 May 1999. In their final communiqué, ministers renewed their support for the observance of

14 GB.267/WP/SDL/2.
internationally recognized core labour standards. They reaffirmed their rejection of the use of labour standards for protectionist purposes. They welcomed the work of the ILO to promote the new Declaration on Fundamental Principles and Rights at Work and its Follow-up. Ministers supported continued cooperation between the ILO, WTO and OECD secretariats and stressed the importance of facilitating a broader understanding on the issues concerned, in and among member countries. They recognized that promoting respect for labour rights and trade and investment liberalization, together with good governance, each contributes to better overall living conditions.

34. Also on 26 May, in advance of the Council, OECD ministers held a special dialogue with ministers from seven non-member countries (Argentina, Brazil, China, India, Indonesia, the Russian Federation and the Slovak Republic). In their communiqué the OECD ministers welcomed the participation of a number of non-member countries in a special ministerial dialogue, which built on many years of mutually beneficial cooperation with a wide range of non-members. According to the communiqué, this special dialogue “fostered shared understanding of global policy challenges – the promotion of growth, sustainable development and social cohesion and how to reap and share the full benefits of trade and investment liberalization”.

**Guidelines for Multinational Enterprises**

*(February 2000)*

35. The OECD is currently engaged in a review of its *Guidelines for Multinational Enterprises*, first published in 1976 and updated at regular intervals since then. A recent version of the draft text is available on its website[^15] for public comment. Along with business and labour interests, represented through BIAC and TUAC, NGOs are participating in the process through the public comment procedure. The review addresses all chapters of the *Guidelines* with a view to producing a revised text for submission to OECD governments at the annual meeting of the Ministerial Council in June 2000. The chapters cover concepts and principles, general policies, disclosure, employment and industrial relations, the environment, combating bribery, consumer interests, science and technology, competition and taxation.

36. The Preface to the draft text stresses that multinationals can fulfil an important role in promoting sustainable development and states that “the activities of multinational enterprises, as an element of the globalization process, may also give rise to concerns. […] Globalization has given rise to anxiety regarding its impact on jobs, wages, the environment, taxation and national sovereignty, among other issues. […] Many enterprises have responded to these concerns by developing programmes of corporate responsibility. […] These efforts have also promoted social dialogue on what constitutes good business conduct”. The Preface also refers to the ILO Declaration on Fundamental Principles and Rights at Work and to the Copenhagen Declaration on Social Development. The draft revised text on employment and industrial relations refers to the four categories of fundamental principles and rights specified in the ILO Declaration and to various other issues of direct relevance to ILO activities (consultation and cooperation between employers and workers; assistance in the development of collective agreements; training opportunities; and occupational safety and health at work). Proposed revisions to the *Guidelines* also contemplate a more active role for OECD National Contact Points, including possibly according status to home country national contact points to address multinational enterprise activities outside OECD countries.

Association of South-East Asian Nations (ASEAN)

ASEAN Summit Meeting (December 1998)

37. At the Sixth Summit of the Association of South-East Asian Nations (ASEAN), held in Hanoi (Viet Nam) in December 1998, the ASEAN Heads of State and Government recognized that the financial crisis had a social dimension and that the poor and vulnerable were the most affected. They expressed their commitment to safeguard the interests of the poor and emphasized that the eradication of poverty should be the ultimate goal of their strategies for recovery and growth. They “urged the international community to step up their technical and financial assistance in this area as well as ensure that the reforms in the international financial architecture include a social dimension to protect the poor”.

38. The concern for the poor was also given prominence in the six-year Hanoi Plan of Action (HPA) adopted at the Summit. Apart from initiatives to hasten economic recovery, the HPA includes a section entitled: “Promote social development and address the social impact of the financial and economic crisis”, which comprises the following activities:

- to strive to mitigate the social impact of regional financial and economic crises;
- to implement the ASEAN Plan of Action on Rural Development and Poverty Eradication and, in view of the financial and economic crisis, implement the ASEAN Action Plan on Social Safety Nets to ensure that measures are taken to protect the most vulnerable sectors of our societies;
- to support activities and social development programmes aimed at addressing issues of unequal economic development, poverty and socio-economic disparities.

Meeting of ASEAN Ministers of Labour (May 1999)

39. The meeting of the ASEAN Ministers of Labour held in Yangon (Myanmar) from 14 to 15 May 1999, endorsed the following elements under the programme of “Support to Monitor and Facilitate ASEAN Economic Recovery” prepared by the ASEAN secretariat:

- sharing and exchange of experience and best practices in developing social protection and social security systems;
- promoting tripartite cooperation through increased consultations between the social partners in relation to economic restructuring, including strengthening of tripartite institutions and mediation/conciliation mechanisms;
- enhancing capacity for designing programmes or policies on employment generation, focusing on active labour market policies and retraining.

ASEAN+3 Summit (November 1999)

40. The Heads of State and of Government of Brunei Darussalam, Cambodia, China, Indonesia, Japan, Korea, the Lao People’s Democratic Republic, Myanmar, the Philippines, Singapore, Thailand, Viet Nam and the special representative of the Prime Minister of Malaysia met on 28 November 1999 in Manila (Philippines) at the ASEAN+3 Summit. In their joint statement they agreed on the importance of social and human resources development for the sustained growth of East Asia by alleviating economic and social disparities within and between East Asian countries. In this regard, they agreed to
increase cooperative efforts in such areas as the implementation of the ASEAN Human Resource Development Initiative by establishing an HRD Fund and the ASEAN Action Plan on Social Safety Nets. They also agreed to strengthen efforts to accelerate, inter alia, trade investment and promote broader private-sector participation in economic cooperation activities by considering networking initiatives such as an East Asian Business Council and Industry.

Southern Common Market (MERCOSUR)

Social and Labour Declaration (December 1998)

41. Heads of State of the Southern Common Market (MERCOSUR) adopted a Social and Labour Declaration in Rio de Janeiro (Brazil) on 10 December 1998. This Declaration follows a process which started in December 1993, after a specific request from the workers’ organizations of the member countries regarding the adoption by MERCOSUR countries of a Charter of Fundamental Rights. This Declaration states that [translation] –

... regional integration cannot be limited to the commercial and economic sphere, but must cover social issues, as regards matching labour frameworks to the new realities resulting from such integration and by the process of economic globalization, as well as recognizing a minimum level of workers’ rights within the MERCOSUR framework in accordance with the fundamental Conventions of the ILO.

42. Recalling the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up and the ratification of ILO fundamental Conventions, this Declaration recognizes –

... individual rights (non-discrimination, promotion of equality, equal treatment and opportunity for women and men, migrant workers and frontier workers, elimination of forced labour, child labour and work by minors, employers’ rights) and collective rights (freedom of association, freedom to organize, collective bargaining, right to strike, social dialogue, employment promotion, protection of the unemployed, vocational training and development of human resources, occupational safety and health, labour inspection, social security). The States parties recommend that, as an integral part of this Declaration, a Social and Labour Commission be created as a tripartite body to assist the Common Market Group and which shall be of a promotional nature, not geared to sanctions. The Commission shall meet at least once a year to analyse reports submitted by the States parties and shall prepare a report to be presented to the Common Market Group. The States parties stress that this Declaration and its follow-up mechanism may not be invoked or used for any purposes other than those envisaged, in particular in relation to commercial, economic or financial questions …

XVIIth Meeting of the Council of the Common Market (December 1999)

43. The XVIIth meeting of the Council of the Common Market was held in Montevideo (Uruguay) in December 1999, with the participation of the Heads of State of the MERCOSUR member countries, the President of Chile and the Minister of External Relations of Bolivia. In their joint communiqué they confirmed the importance for the integration process of the opinion of civil society channelled through the Economic and Social Consultative Forum. In this context they welcomed the holding of the first joint
plenary meeting between this organ and the Common Market Group. They expressed concern at the failure to reach concrete results at the WTO Ministerial Conference held recently in Seattle. In this respect they expressed their regret that it had proved impossible to reach agreement on the launch of a new round of comprehensive negotiations that would make it possible to treat agricultural products on the same footing as industrial produce. They reaffirmed the commitment to continue efforts to work towards the liberalization of the multilateral commercial system.

**Group of Fifteen (G-15)**

**IXth Summit (February 1999)**

**44.** The IXth Summit of the Group of Fifteen (G-15) held in Montego Bay (Jamaica) on 10-12 February 1999 placed special emphasis on the work of the ILO and the central role it should play in launching a comprehensive employment strategy. The joint communiqué of the IXth Summit of the G-15 notes with satisfaction “that the ILO is undertaking an in-depth analysis of the negative social repercussions of the financial crisis with a view to formulating the necessary responses”. It calls on the ILO “to launch a comprehensive employment strategy during the ILO Governing Body and Conference at ministerial level later this year”. The G-15 calls for specific attention to the tripartite structure of the ILO, and expresses determination to collaborate with all social partners to achieve this objective. It emphasizes that “an employment strategy, including the right to work, should strengthen our respect for internationally recognized fundamental ILO Conventions on workers’ rights”.

**45.** In accordance with the mandate of the IXth Summit, statements on a Comprehensive Employment Strategy were delivered on behalf of the G-15 during the following months to the ILO Governing Body and to the International Labour Conference.

**Organization of African Unity (OAU)**

**OAU Labour and Social Affairs Commission (April 1999)**

**46.** At the Twenty-Second Ordinary Session of the Organization of African Unity (OAU) Labour and Social Affairs Commission held in Windhoek (Namibia) in April 1999, the Commission endorsed the report and recommendations of the OAU Secretary-General concerning follow-up on the ILO Declaration on Fundamental Principles and Rights at Work, and agreed that the Commission should always place on the agenda of its ordinary sessions an item on the efforts made by member States and the ILO concerning the Declaration and its follow-up, as well as on employment, social protection, social dialogue, and technical cooperation. The Director-General of the ILO addressed the Commission on 22 April, presenting the new programme of work of the Organization and advocating the “indissoluble linkage between economic and social issues, in order to ensure that the integration of labour, economic and financial strategies leads to the recognition of social policy as a productive factor”.


Assembly of Heads of State and Government of the OAU (July 1999)

47. The 35th Ordinary Session of the OAU Assembly of Heads of State and Government was held in Algiers (Algeria) from 12 to 14 July 1999. In their final Declaration, they reaffirm their commitment to combat all forms of child exploitation and note that 16 –

... the current trends in the world economy do not augur well for Africa or for the great majority of developing countries. Thus, despite the tremendous efforts invested by our countries to reorganize and restructure their economies at a very high social cost, our economies are increasingly facing a serious deterioration of the terms of trade, a decline in international development cooperation, a continuous fall in official development aid, an exacerbation of the external debt problem and the resurgence of protectionism on the part of the developed countries.

48. They also adopted a specific decision on the Worst Forms of Child Labour Convention, 1999 (No. 182), requesting all member States to ratify the Convention as a matter of urgency, preferably before the 36th Session of the Assembly of Heads of State and Government scheduled to take place in the year 2000. They further requested the ILO to provide member States with the necessary technical assistance to support their efforts towards ratification and implementation of this Convention. 17

Andean Community

XIth Andean Presidential Council (May 1999)

49. The Presidents of Bolivia, Colombia, Ecuador, Venezuela and the personal representative of the President of Peru met on 27 May 1999 in Cartagena de Indias (Colombia) at the XIth Andean Presidential Council. In their final Declaration, they mentioned, among their main priorities for the next five years, the establishment of a Social Agenda. They also emphasized the need to accentuate the role of businessmen and workers in the integration process; to implement a policy that protects the basic rights of migrant workers and instruct the Andean Council of Foreign Ministers to submit to the next Presidential Council a proposal for the participation of civil society, complementary to business and labour participation. Finally, they instructed ministers of labour to take action to advance the coordination of policies on job promotion, labour education, workplace health and safety, social security and labour migration.

G-8 Summit (June 1999)

50. The Heads of State and Government of the eight most industrialized countries – the Group of Eight (G-8) – as well as the President of the European Commission, met from 18 to 20 June 1999 in Cologne (Germany). The final conclusions reached and proposals put forward by the Heads of State and Government of the G-8 are encapsulated in a communiqué released on 20 June. The Cologne communiqué evaluates and proposes action with regard to a number of international financial, economic and social issues which

16 Algiers Declaration, doc. AHG/Decl.1 (XXXV).
17 Doc. AHG/Decl.139 (XXXV).
is particularly relevant within the context of the process of globalization. It claims (paragraph 3) that –

... the challenge is to seize the opportunities globalization affords while addressing its risks to respond to concerns about a lack of control over its effects. We must work together to sustain and increase the benefits of globalization and ensure that its positive effects are widely shared by people all over the world. We therefore call on governments and international institutions, business and labour, civil society and the individual to work together to meet this challenge and realize the full potential of globalization for raising prosperity and promoting social progress ...

51. The Cologne communiqué puts forward ten broad proposals or areas of action that aim to minimize these risks and uncertainties while unleashing the full economic potential of globalization. Three of these proposals are particularly relevant to the ILO’s work:

- designing policies for more employment;
- investing in people;
- strengthening social safeguards.

52. With regard to the last proposal, the communiqué stresses that, given the fact that many social groups, particularly within developing countries, have been marginalized and have been unable to benefit from the social and economic progress brought about by this process, steps will have to be taken in order to “… strengthen the institutional and social infrastructure that can give globalization a ‘human face’ and ensure increasing, widely shared prosperity” (paragraph 19). Concrete measures to achieve this goal thus include the strengthening and encouragement of social security policies, including safety nets, as well as the effective implementation of the ILO’s Declaration on Fundamental Principles and Rights at Work and its Follow-up. Furthermore, the G-8 welcomes –

... the increasing cooperation between the ILO and the international financial institutions in promoting adequate social protection and core labour standards [...]. urge[s] the international financial institutions to incorporate these standards into their policy dialogue with member countries [...] and stress the importance of effective cooperation between the WTO and ILO on the social dimensions of globalization and trade liberalization.

53. A further important proposal that merits attention is the launch of the Cologne Debt Initiative. The two principal elements of this initiative are –

- the enhancement of the HIPC Initiative so as to provide faster, deeper and broader debt relief;
- linking debt relief to structural adjustment, improved governance and poverty alleviation through the inclusion of the new HIPC Initiative into an enhanced framework for poverty reduction. ¹⁸

54. With regard to the linkage between debt relief and poverty, the Cologne Debt Initiative calls on the World Bank and the IMF to integrate their efforts in order to develop an enhanced framework for poverty reduction. This should be done by helping “qualifying

¹⁸ GB.277/ESP/4.
countries with the drafting and implementation of poverty reduction plans for the effective targeting of savings derived from debt relief, together with increased transparency of budgetary procedures to protect social expenditure”. 19

European Union-Latin America and Caribbean Summit (June 1999)

55. The First Summit between the Heads of State and Government of Latin America and the Caribbean and the European Union, with the participation of the President of the European Commission, was held in Rio de Janeiro (Brazil) on 28-29 June 1999. In their final Declaration, they reaffirmed their conviction that regional integration plays an important role in growth promotion, trade liberalization, economic and social development, democratic stability and a more symmetrical inclusion in the process of globalization. Through their new interregional partnership they have resolved to promote greater contact between economic agents and to encourage an enlarged dialogue between members of the business community and sectoral forums on both sides. They also agree that there is no better investment than developing human resources, which is both a commitment to social justice and a requirement for long-term economic growth. They commit themselves to assign more resources to address the “just and urgent social demands” and to improve the scope and quality of their social programmes. They express their will to share experience between the two regions on the various social policies that they apply so as to strengthen cooperation in this area, particularly in health, nutrition, education and employment. Finally, they stress the importance of the creation of sufficient, well-paid and productive employment in their countries. For this purpose, the essential role of education and vocational training for workers is acknowledged.

56. Among their priorities for action, emphasis is placed on the need to ensure high-quality legal framework provisions for consumer protection and dialogue between the social partners. They also encourage the full implementation of international labour Conventions. Finally, they stressed the need to pay close attention to the implementation of the recommendations of the World Summit for Social Development of 1995 and to preparations for the Special Session of the General Assembly of the United Nations in June 2000 (World Summit for Social Development and Beyond: Achieving Social Development for All in a Globalizing World). 20

European Union-United States Summit (December 1999)

57. In their common statement on the WTO issued in Washington on 17 December 1999, the European Union and the United States noted their disappointment at the failure to reach agreement on a new round of trade negotiations at Seattle, but pledged continued readiness to work with the Director-General of the WTO and their partners to launch an inclusive new round as soon as possible. They also agreed that changes to the global economy have brought new challenges to the trading system. The statement stresses that this is nowhere more evident than in the debate now in progress on the relationship between trade and labour. They express their commitment to working with their partners to engage the WTO


20 GB.277/ESP/3 and Add.1.
and the ILO in a constructive dialogue, including consideration of the relationship between core labour standards, further liberalization, trade policy and social development, in order to foster understanding and consensus.

**European Union**

**Council of Ministers (October 1999)**

58. On 22 October 1999, the Council of Ministers of the European Union formally decided on the basic position to be followed by the European Union at UNCTAD X. In the document submitted to the President of the Trade and Development Board, reflecting the European Union guidelines to be used as one of the bases for the pre-conference text for UNCTAD X, the European Union called for the multilateral harmonization of rules and principles, based in particular on “such widely accepted principles as: in the social sector, the effective implementation of ILO core Conventions (the right to organize in unions; the right to collective bargaining; ban on exploitative use of child labour; ban on forced labour; ban on discrimination in a work situation)”. The document also points to the need to have efficient institutions and domestic policies, mentioning the recent financial crisis in Asia and referring to the fact that countries that have effective social safety nets in place during a financial or economic crisis are more resilient and better equipped to mitigate the negative effects.

**Latin American Economic System (SELA)**

**Santo Domingo Declaration (August 1999)**

59. The ministers and heads of delegation of Latin America and the Caribbean, attending the Consultation and Coordination Meeting organized by the Latin American Economic System (SELA) in Santo Domingo (Dominican Republic) on 5 and 6 August 1999 prior to UNCTAD X, issued a final Declaration in which they stated that the model based on a market economy must give greater priority to social protection policies and effective measures to prevent, predict and manage economic and financial crises such as those that have occurred recently. The Declaration stresses the need for the urgent definition and adoption of new development strategies that would improve the living standards of the population; integrate Latin American and Caribbean countries harmoniously within a more receptive global system; and promote sustainable and socially balanced growth capable of creating more and better jobs. They also stated that a more stable international economic environment was essential for the growth of Latin American and Caribbean economies and job creation, and that international trade plays an essential role in the generation of opportunities for the development of their peoples. Finally, the Declaration called for the improvement of the mechanism for regional and subregional integration.

**Asia-Pacific Economic Cooperation Forum (APEC)**

**11th APEC Ministerial Meeting**

60. The 11th Annual Meeting of the Asia-Pacific Economic Cooperation Forum (APEC) was held in Auckland (New Zealand) on 9-10 September 1999. In their joint statement, the ministers addressed the social impact of trade liberalization stressing that “the economic crisis has taken a heavy toll on the poor and more vulnerable sectors of our societies and
set back poverty alleviation programmes throughout the region”. They also welcomed the “wide range and scope of activities under way in APEC and other fora” and “agreed on the high priority of further work in this area”. These activities are directed at three main areas –

- improving members’ understanding of the social impact of the crisis through research and analysis;
- responding to social needs through technical and capacity-building cooperation, the targeting of bilateral development programmes to address social impact, and significant new multilateral assistance efforts directed to the social sector;
- building the capacity of members in the area of social safety nets and exploring ways of strengthening social safety nets in a framework integrating poverty reduction into growth-oriented macroeconomic policies.

7th Informal APEC Economic Leaders’ Meeting (September 1999)

61. The Asia-Pacific Economic Cooperation Forum (APEC) of Heads of State and Government met in Auckland (New Zealand) on 13 September 1999 where they committed themselves to ensuring that APEC takes a leading role in enabling developing economies to participate successfully in the global economy by enhancing human and institutional capacities and progressively opening markets. They recognized that income and wealth disparities between and within economies could pose a challenge for social stability. They also stated that appropriate social safety nets played a role in facilitating economic and social adjustment. They welcomed efforts by APEC economies and by institutions to address social safety net issues, and encouraged further efforts to maintain employment and environmentally sustainable growth. Finally they agreed that APEC economies would have to pursue enhanced dialogue and continue to seek policy approaches that encourage inclusion and economic advancement, as well as initiative and innovation.

Group of 77

Marrakesh Declaration (September 1999)

62. The Ninth Ministerial Meeting of the G-77 and China was held in Marrakesh (Morocco) from 14 to 16 September 1999 in preparation for UNCTAD X. In their final Declaration, Ministers of the G-77 stressed that the Singapore Ministerial Declaration had confirmed that the ILO was the competent body to set and deal with all issues relating to labour standards. They therefore firmly opposed any linkage between trade and labour standards. They were also opposed to the use of environmental standards as a new form of protectionism. They asserted that issues relating to such standards should be dealt with by the competent international organizations, and not by the WTO. They expressed their concern at the continuing use of coercive measures against developing countries, inter alia, through unilateral economic and trade sanctions, and at the preferential trade access granted to some of their countries, such access being tied to conditions not related to trade.
63. The Twenty-Third Annual Meeting of the Ministers of Foreign Affairs of the G-77 and China was held in New York on 24 September 1999. In their final Declaration, the ministers reiterated the position mentioned a couple of days previously in Marrakesh regarding the issue of core labour standards. The ministers also noted with concern the growing gap between the developed and developing countries and the continued uncertain prospects for global economic recovery and its consequences for developing countries. Many developing countries, particularly the LDCs and the structurally weak and small economies, have faced difficulties in their efforts to integrate effectively into the world economy and have suffered the consequences of globalization. They therefore call for “the establishment of a just international economic order and for measures to ensure the full and effective participation of developing countries in the process of decision-making aimed at resolving world economic problems”.

The Commonwealth

Heads of Government Retreat (November 1999)

64. On 14 November 1999 the Commonwealth Heads of Government issued a statement at the end of their retreat in South Africa, stating that the benefits of globalization are not shared equitably and that the poor are being marginalized. They also stress that they fully believe in the importance of upholding labour standards and protecting the environment. However, these have to be addressed in an appropriate way that does not, by linking them to trade liberalization, result in effectively impeding free trade or causing injustice to developing countries. They also call for greater equity for countries in global markets and stress that there is for some a growing sense of social exclusion. Finally, they stress that the persistence of the inequalities faced by women, continued high levels of youth unemployment, and the lack of adequate support systems for the aged, children and the disabled in many parts of the world undermine a just and stable society.

IXth Ibero-American Summit (November 1999)

65. The Heads of State and of Government of the 21 Ibero-American countries met at their IXth Summit in Havana (Cuba) on 16 November 1999 to discuss the process of globalization and considered that it was necessary, inter alia, to strengthen responsible, coherent and prudent growth-oriented macroeconomic policies on the same footing as social policies aimed at reducing inequalities, ensuring that the most vulnerable sectors of society have access to the opportunities offered by globalization and to close the gap both between developed and developing countries, and between the higher- and lower-income segments of society.

66. In this context the actions of the Ibero-American countries “have as their basic objective the search for social justice, the raising of standards of welfare in society, the strengthening of supporting policies and of social security in order to protect the poorest and most vulnerable sectors of the population, and to increase international cooperation in conditions of equity as a means of supporting the least developed countries and regions of Ibero-America”. The Heads of State and of Government also affirmed the need for a reform of the international financial architecture so as to include greater participation by developing countries in the decision-making processes of financial institutions.
G-20 Inaugural meeting (December 1999)

67. Finance ministers and Central Bank governors of the new Group of Twenty (G-20) held their inaugural meeting on 15-16 December 1999 in Berlin (Germany). The new grouping, formed after the commitment made at the June 1999 G-8 Summit in Cologne (Germany) to “establish an informal mechanism for dialogue among systematically important countries within the framework of the Bretton Woods institutions system”, brings together the Group of Seven most industrialized countries (G-7) and 12 emerging countries (Argentina, Australia, Brazil, China, India, Indonesia, Republic of Korea, Mexico, Russian Federation, Saudi Arabia, South Africa and Turkey) and the European Union. The President of the European Central Bank, the Managing Director of the IMF and the President of the World Bank, as well as the Chairpersons of the International Monetary and Financial Committee and Development Committee, also participated fully in the discussions. The Group’s purpose is to ensure broader participation in discussions on international financial affairs among countries whose size or strategic importance gives them a particularly crucial role in the global economy. The communiqué issued at the end of the meeting states that the G-20 was established to “… promote cooperation to achieve stable and sustainable world economic growth that benefits all”. In Berlin the Group discussed a range of possible domestic policy responses to the challenges of globalization, and exchanged views on the role of the international community in helping to reduce vulnerability to crises. They agreed, inter alia, in future to conduct a comprehensive stock-taking of progress made by all member nations in reducing this vulnerability.

Least developed countries

Meeting of ministers of trade (February 2000)

68. The ministers of trade of the least developed countries (LDCs) met in Bangkok on 13 February 2000 on the occasion of UNCTAD X. In their communiqué, they reiterated their “concern at the continuing marginalization” arising from the process of globalization, “as reflected in their low and declining share in world share, investment and output, further aggravated by their heavy external debt burden and falling ODA”. They called for intensified efforts by the international community to support them in their struggle to reverse these trends by overcoming the inherited disadvantages and structural constraints and to put their economies on the path to sustainable growth. They also stressed the importance they attached to a rule-based multilateral trading system and therefore to an acceleration of the process whereby LDCs acceded to the WTO.


21 See above.