



EIGHTEENTH ITEM ON THE AGENDA

**Report of the Working Party on the
Social Dimension of Globalization**

**Oral report by the Chairperson of the
Working Party, H.E. Mr D. Jayatilleka,
Ambassador and Permanent Representative
of Sri Lanka to the United Nations in Geneva**

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I. Decent work for sustainable development – the challenge of climate change ¹

1. After opening the meeting and introducing the members of the panel on decent work for sustainable development, the Chairperson gave the floor to the Director-General, who highlighted the evidence cited in the Office paper of the challenge of reducing greenhouse gas emissions and the direct connection between fossil fuel energy use and the Decent Work Agenda. The transition to a low carbon economy would require significant changes in employment, both creating and eliminating jobs. The ILO had a particular role to play in a multilateral response given its tripartite structure and culture of dialogue.
2. Mr Steiner, Executive Director of the United Nations Environmental Programme (UNEP) and UN Assistant Secretary-General, stated that the key nexus on climate change is between economic growth and environmental sustainability and that the only choice was to address how each can sustain the other. He hypothesized that this may be one of the most transformative eras ever faced by humanity, in which the laws of nature assert themselves even in the face of technological advances. Predictions on climate change had not exaggerated the dangers and indeed these predictions had been validated. Furthermore, the problem was not just global warming, as virtually every indicator of global sustainability pointed downward. Responding to these challenges had to go together with creating viable and decent employment. Decent work, as a concept, had a lot to do with understanding the environmental conditions under which people produce and earn their livelihoods
3. His main message was that we had reached the point where the most important drivers of efficiency and sustainability were environmental drivers. There had already been substantial employment creation in response to the challenges posed by climate change, citing examples of new jobs created in Brazil, China, India, Kenya, Germany and the United States. However, it was not a foregone conclusion that every sector or nation would gain from addressing the challenge of climate change, but that nations adopting yesterday's technologies were more likely to lose out. For example Africa, in spite of its great natural resource capacity for producing geothermal as well as photovoltaic energy, lagged behind the richer countries in producing such energy. He argued for the need to rethink technical partnerships in light of such discrepancies. He argued that we had the responsibility, capacity and economic rationale to act on climate change and to address how to make this transformation most beneficial in terms of creating employment and decent work. Tripartite social dialogue held the key to opening the way to such a transformation, which was one of the greatest mechanisms to meeting the challenge of climate change.
4. Mr Jarraud, Secretary-General of the World Meteorological Organization (WMO), stated that the effects of climate change were so wide-ranging that a partnership of all UN agencies was essential to address it. Concerns over climate change went back at least 150 years, with the first international meteorological conference held in Brussels in 1853. He traced a number of other key subsequent events, including the founding of the WMO in 1950 – with its mandate on weather, climate and water – the first international conference on climate in 1979, the creation of the Intergovernmental Panel on Climate Change (IPCC) in 1988, and the forthcoming third international conference on climate in 2009. The IPCC had found that greenhouse gases in the atmosphere had been stable over the last 600,000 years until increasing rapidly in the last 150 years, with estimates from 2007 indicating a greater than 90 per cent probability that climate change was due to human activities. Among the most visible effects of climate change were rapidly shrinking polar icecaps,

¹ GB.300/WP/SDG/1.

rising sea levels, and rising temperatures in the atmosphere and oceans, with changes occurring even more rapidly than models had predicted.

5. Mr Jarraud discussed a number of social impacts of climate change, including on health, employment, migration, competition for resources and land, and indeed even world peace. He emphasized the need for both adaptation and mitigation measures, that is, adapting to a warmer world with an increased risk of catastrophic weather events while simultaneously limiting the causes of global warming. He then summarized the main contributions of the WMO regarding improved information on climate change and making the best use of such information, the development of more detailed models that enable impact assessment at the regional level within countries, development of renewable energy sources, and the WMO's contribution to the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. He thanked the ILO for taking the initiative on climate change and green jobs, and stated that the ILO had a major role to play in facilitating dialogue with the social partners and taking into account the interests of the most vulnerable.
6. Mr Supachai, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), focused on the impact that climate change had on developing countries, and raised concerns with respect to their capacity to deal with the challenge posed. He cited a report by the IPCC stating that climate change would have the strongest effect on populations in developing countries with the lowest adaptive capacity, which was tragic since these countries had historically contributed least to climate change. Nonetheless, these were the countries that would have to carry the main burden, at a time when demands on them to adapt to forces such as globalization and financial liberalization were already mounting. He thus called for fair burden sharing and underlined three prerequisites to tackle the issue: First, isolated policies on climate change were not going to be the ultimate solution, but would require adapting the overall development path. Second, the climate constituted a global public good as we all shared the costs of change and the benefits of mitigating change. Thus global action was needed, involving the UN system, multilateral organizations and non-governmental stakeholders. Third, it was necessary to build domestic capacity in developing countries to enable them to adopt the right sets of environmental laws, to put these laws into practice and to manage actively the process, to understand how environmental negotiations and WTO rules impacted on their developmental path and to adopt low-carbon production methods.
7. Mr Supachai also raised some concerns related to the global response to climate change. First, when putting emphasis on shifting away from fossil fuels towards the use of so-called "biofuels", one needed to consider that some countries' potential was much greater than others. Second, the move towards liberalization of trade in environmental goods and services meant doing "the right thing", but posed a vast area for multilateral trade negotiations. At present, there was no full consensus on what precisely environmental goods and services were, and where to draw the line. Third, while a substantial number of projects were already carried out under the Clean Development Mechanism (CDM), developing countries needed advice on how to use the CDM more extensively. Mr Supachai also recalled that the UN effort to develop a system-wide response was focused on four key areas namely, adaptation, mitigation, technology and finance, all of which posed their own challenges.
8. Mr Farrow, Head of Environment at the Confederation of British Industry (CBI), noted that the climate change debate in the United Kingdom took place in the context of a strong economy, the country being on track for Kyoto targets, political leadership committed to the issue, strong media and public interest, and the Stern Review on the economics of climate change. About 70 per cent of firms had responded to opinion surveys that the climate change debate had had a "fairly" or "very big" impact on their operations, that

98 per cent said it was “important to tackle climate change and adopt measures”, but that there was, nonetheless, a spectrum of views on the debate, depending in part on the sectors businesses were in and the size of firms. Businesses operating in the retail and banking sectors were very responsive to growing evidence of “green” consumers. However, those in carbon-intensive sectors such as steel, chemicals and cement were concerned that they were reaching the technical limits to greenhouse gas emissions. UK businesses recognized the need for the UK and EU leadership on climate change; such support was not without limits and a global approach was essential. He described the CBI’s Climate Change Task Force, made up of Chief Executive Officers from a number of large UK companies brought together by CBI. The Task Force’s report would be launched on 26 November 2007 and would feature recommendations to businesses and to the Government regarding climate change and would be accompanied by major follow-up by the CBI.

9. Mr Farrow addressed several policy issues, specifically regarding the desire of businesses for more certainty in the policy framework, the need for action on all fronts to meet EU/UK targets, that the most cost-effective abatement often involved difficult-to-change behaviours and attitudes and that an increase in the share of “green consumers” could also play a role in affecting business strategies. Regarding the employment implications of climate change, he noted the need to deal with economic restructuring that would both create and destroy jobs, the likelihood of continued pressure on manufacturing jobs, the emergence of skills bottlenecks in fields such as building insulation, and the role of employers in promoting employee awareness of the significant changes in lifestyles both at the workplace and at home called for in addressing the challenges posed by climate change.
10. Mr Nieto, Secretary for Occupational Safety, Health and Environment from the *Comisiones Obreras* trade union of Spain and President of Sustainlabour, recalled the ILO Director-General’s statement at a meeting on climate change in New York on 24 September 2007 on the creation of green jobs, preparing for job losses, providing support for workers and enterprises in a transition to an environmentally sustainable development process and the key importance of tripartite social dialogue. He referred to the “big transition” regarding changes in production of carbon emissions and other pollutants, as well as a “just transition” based on rights, social protection and training. Trade unions believed that by anticipating, exchanging views and collectively deciding on policy measures, it was possible to establish a pathway for a socially just and environmentally responsible society in both developed and developing countries. Mr Nieto gave examples of how adaptation to climate change could prevent job losses as well as create new jobs and, in the case of job losses, emphasized the need for helping workers find new job opportunities, strengthened social protection systems and the promotion of economic diversification.
11. Mr Nieto elaborated on the Spanish experience in addressing climate change through tripartite social dialogue. The Social Dialogue Declaration of 2004 was signed by the Government, employers’ organizations and trade unions, in which the social partners declared their intent to jointly undertake the implementation of the commitments and consequences that the Kyoto Protocol might have on production and employment. Social dialogue was also manifested in meetings based on the varying scenarios for different industries as well as for the economy as a whole of compliance with the Kyoto Protocol, addressing possible negative consequences of compliance and opportunities for improvements in competitiveness and employment.
12. The Employer Vice-Chairperson, Mr Funes de Rioja, presented the views of the Employers’ group, stating that the Working Party was working effectively in delivering its mandate by addressing the fundamental issue of climate change. He expressed his appreciation for the quality of the panellists’ contributions. Mr Funes de Rioja agreed with

Mr Farrow on the desire for greater certainty for employers on the issue of climate change but also with Mr Nieto regarding the need to search for solutions immediately. He emphasized the probable disjuncture between job losses and job gains, in that these would not occur in the same place at the same time and this posed a fundamental policy challenge in terms of responses to the necessary transition of labour markets. This created a pressing need for the coordination of policies to address the employment impacts of climate change itself as well as policies to counter climate change. He argued that a critical first step forward was in the collection of information on probable impacts, and this needed to be followed by how to manage change, including financing of measures to address climate change and developing appropriate human resources. He stressed that climate change was an issue uniting everyone, the tripartite social partners as well as countries in the North and South, in which there was consensus on the need for combining growth with sustainability.

13. A number of Employers' delegates also spoke in the debate. Mr Dahlan from Saudi Arabia emphasized the importance of scientific research in addressing the problems of climate change as well as the critical role of governments. Mr Lima Godoy of Brazil stressed that addressing the problem of climate change depended critically on making economic growth and environmental sustainability compatible. Mr Suzuki of Japan drew attention to the crucial role the ILO could play in addressing the problems of climate change, particularly through the Decent Work Country Programmes (DWCPs). Ms Goldberg from the United States stated that the ILO was well placed to deal with the employment consequences of climate change and invoked the role of the entrepreneurial spirit as regards the vital role of technology and innovation. Mr Nacoulma of Burkina Faso expressed concerns for the problem of desertification in his country, and that the issue of climate change manifested itself in issues of health, problems in the agricultural sector, as well as concerns regarding competitiveness and employment more generally. Mr Chen from China made the points that the ILO with its tripartism had a special role to play that countries around the world must work together to solve problems that knew no borders, and that the Chinese Government was now pursuing the concept of harmonious development, in which effective production and a healthy natural environment were combined.
14. The Worker Vice-Chairperson, Mr Trotman, presented the view of the Workers' group and stated that the challenges presented by climate change were major and that the tripartite social partners must act in concert to address them. He expressed agreement with Mr Supachai regarding the asymmetry between developed and developing countries on these issues. He argued that in the past, developing countries' natural resources had been plundered, and that this limited their ability in the present to address the issues of climate change. He asked for official development assistance (ODA) addressing this issue. He also referred to current global trade rules, which he said limited developing countries' revenues from import duties. He also expressed his concern that some aspects of what were previously under the realm of public policy had been privatized, such as water utilities, which posed difficulties in addressing the problems posed by climate change. He asked how developing countries could meet the challenge posed by climate change, given the wide range of other demands put on them, and argued for the need for assistance in this regard. He elaborated on the potential difficulties faced by developing countries in changing consumption patterns, pointing out that the poorest people in developing countries had little choice other than survive on basic staples. He argued that the problems posed by climate change were similar to those leading to the creation of the ILO in 1919 in the wake of war. He argued for a fuller paper on the issues in a future Governing Body meeting and closed by affirming that the ILO had an important role to play in addressing the problem of climate change.
15. A number of Workers' delegates joined in the discussions. Mr Adyanthaya of India cautioned that future wars would be fought not for land, as in the past, but for water, both between and within countries. Mr Djibrine of Chad argued along similar lines, stating that

current wars in Africa were often conflicts between farmers and herders. He reiterated the call for specific assistance to developing countries in order to empower them. Ms Goulart of Brazil allied herself with the statements of Mr Trotman that the problems of climate change were particularly challenging for developing countries, and referred to the positive example in Brazil of the biofuels programme. Mr Ahmed of Pakistan concurred that the challenge of climate change was particularly pressing for developing countries, as given their greater reliance on water for agriculture they would be more adversely affected by climate change which could induce increased migration. He also argued for the importance of technology transfer from developed to developing countries to address the problems of climate change.

16. All Government delegates appreciated the quality of the panellists' remarks and of the Office paper and added several important points.
17. The representative of the Government of Portugal,² speaking on behalf of the European Union, recalled the agenda and the future work of the Working Party, referred to the 2005 renewed Lisbon Strategy for Growth and Jobs and the European Strategy on Sustainable Development, stressing the development of working life in a socially, economically and ecologically sustainable manner. She emphasized that environment policies could contribute to employment objectives and vice versa. Because the debate was complex, at an initial stage there was scope to work coherently with other agencies. The ILO's strengths were in labour market policies, training and social dialogue. The EU was ready to support the Office in these endeavours. Her observations were also recalled by the representative of the European Commission who detailed several programmes of the Commission. The representative of the Government of Peru, speaking on behalf of GRULAC, recalled the 1992 Rio de Janeiro and the 2002 Johannesburg summits, welcomed the suggestions for the Office to promote a fair transition to green jobs and underscored the need for effective measures of international agreements especially for industrialized and transition countries to reduce their greenhouse gases. The challenge was to reconcile social exclusion, poverty alleviation and environmental protection. The ILO needed to be supported on this and the reactions to the problem of climate change should be part of local, national and international development strategies. The "Green Jobs Initiative" could be a good first step based on the ILO's experience in promoting social dialogue and supporting an increased capacity of the different partners in the debate. The representative of the Government of Spain, Ms Domínguez, Undersecretary of the Ministry of Labour and Social Affairs, stressed the importance of the social dimension of climate change, which was often presented only marginally and urged for greater consensus between the government and the social partners. She gave examples of how this operated in her own country and also how the Kyoto Protocol was taken as a basis for all action on climate change. She strongly supported ILO activities on the social dimensions of climate change and on green jobs.
18. Mr Mdladlana, Minister of South Africa, agreed with the interventions of most speakers and recalled that the worst affected were the agricultural poor. He also noted that regrettably, the panel had not included any women especially since they were amongst the worst affected by climate change. He also warned that the ILO had to be careful and that new initiatives led to action and results. The "Green Jobs Initiative" needed to be built into other programmes such as Jobs for Africa, the Ouagadougou Summit follow-up and DWCPs. Tensions over lack of decent jobs were rising in many countries and solutions were urgently required. Like other countries, the representative of the Government of India

² The candidate countries: Turkey, Croatia and the former Yugoslav Republic of Macedonia; the Countries of Stabilization and Association Process and potential candidates: Albania, Bosnia and Herzegovina, Montenegro; and EFTA country: Norway, member of the European Economic Area, as well as Ukraine and the Republic of Moldova, aligned themselves with the declaration.

recalled that for developing countries action to adapt to and mitigate climate change had to be based on recognition of common but differentiated responsibilities and a fair sharing of the burden. The time was not right for developing countries to set quantitative targets. For its part, India was pledged not to go beyond the per capita emission levels of developed countries as it pursued economic growth. She also corrected a reference in the Office paper to “a post-Kyoto arrangement” pointing out that the Kyoto Protocol did not expire in 2012 rather that its first commitment period reached its conclusion. The Kyoto Protocol mandated start of negotiations seven years before 2012 for the next phase of commitment by Annex I parties, i.e. the developed countries. These negotiations had commenced in 2005 under an ad hoc working group. Use of expressions, such as post-Kyoto, or post-2012 framework, should therefore be avoided. Nevertheless, she appreciated the policy directions in paragraph 49 of the paper. The representative of the Government of Brazil also insisted on referring correctly to the future of the Kyoto Protocol and also mentioned that the IPCC made no distinction between tropical and non-tropical deforestation as was suggested in the Office paper. He regarded the IPCC as a most authoritative source of relevant information. Climate change was a global issue, both in its origin and its solutions, implying greater historical responsibility of developed countries and greater vulnerability of developing countries. He mentioned various achievements in biofuel projects. He warned against using trade restrictions against agriculture products of developing countries on environmental grounds which often had protectionist intent rather than helping to reduce carbon emissions.

19. The representative of the Government of Mexico emphasized paragraphs 44–46 of the Office paper, stating that protection of the climate had to go hand-in-hand with economic development and the creation of more and better jobs, and that policies of adaptation and mitigation should include social protection, enterprise development and creation of employment. He supported the “Green Jobs Initiative” and recommended that awareness raising and promotion of social dialogue would be part of the approach. The points for action mentioned in paragraph 49 should be part of each DWCPs. The representative of the Government of Japan also welcomed the “Green Jobs Initiative” as shedding new light on the important role of employment issues in tackling climate change and its resonance with the UN system-wide priorities. The Government of Japan was planning to put green jobs on the agenda of the G8 labour ministers meeting in 2008. The representative of the Government of Nigeria recalled the 1977 Memorandum of Understanding with UNEP and was glad to see this now revived. He also urged the Office to act quickly to translate the “Green Jobs Initiative” into ILO DWCPs by overcoming some national barriers and the ILO becoming a partner in the Global Environment Fund (GEF). The representative of the Government of China associated himself with other speakers from developing countries suggesting more assistance and support and agreeing that adaptation and mitigation policies had to be conducive to employment creation. Within its mandate, the ILO could work well on the “Green Jobs Initiative” through research, advocating employment-friendly mitigation and adaptation, summing up good practices and mobilizing external resources for work on the environment. The representative of the Government of Greece said that, in a globalized economy, the action of social institutions, which were the first to move in respect of environmental issues, remained essentially local. The ILO should coordinate this action at the international level and provide training and information by sector, for example the tourism industry. The representative of the Government of the Republic of Korea supported the “Green Jobs Initiative” and asked the ILO to develop more concrete action and suggestions, technical cooperation, a research report and a study on the role of labour market policies. His country would be willing to cooperate in supporting this. The representative of the Government of Norway underscored that the main climate challenge was that of justice, a fair distribution of costs, benefits and risk in the transformation of the global economy. The ILO was indispensable in such a process.

20. The representative of the UN Framework Convention on Climate Change emphasized that adaptation to climate change should be implemented in the context of national and international development priorities as such could yield benefits for labour markets. He suggested that the ILO could use national reports submitted to his secretariat and could collaborate on the Nairobi work programme, which was on impacts, vulnerability and adaptation, especially related to socio-economic aspects. He also invited the ILO to an expert meeting in February. The ILO could also in general advise on labour issues in the climate change discussions and play an important role in the upcoming Conference in Bali.
21. The Director-General concluded that the session had been extremely useful and informative, illustrating the ILO's need to deepen its knowledge of climate change relying also on knowledge developed by others. He affirmed the usefulness of the Working Party in providing a forum for the social partners to think together and then draw conclusions for action. A special dimension of the conversation was the message conveyed by the panellists of the key role of the ILO and its tripartite constituents within a multilateral system-wide approach to meet the challenges posed by climate change. The Director-General suggested three reasons why other actors in the system welcomed the ILO's engagement. First, climate change would have important effects on the ILO's Decent Work Agenda which needed to progress if action on climate change was not to stall. Second, the ILO had a unique method of working, that is, tripartite social dialogue at the international level. Third, the ILO had the tools to address the challenges posed by climate change, among them its sectoral approach, ILO Conventions, DWCPs, its expertise in skills development and policy design, safety and health issues, gender impacts as well as its perspective on sustainable enterprises.
22. The Director-General also recalled the three pillars of sustainable development: the environmental pillar, the social pillar and the economic pillar. All were needed for a fair approach and transition in addressing the challenge of climate change that facilitated the development of developing countries. Meeting the challenge implied a great deal of work for the ILO, and the Director-General thanked the European Commission and the Governments of the Republic of Korea and Norway for expressing their interest in working with the ILO in this regard. He concluded by affirming the necessity of a "Green Jobs Initiative" and that the next step was to see how the ILO could move from this exchange of ideas to a process in which the Governing Body or its committees integrated the approach into its work. The Director-General closed by saying he was particularly stimulated by the discussion and that it showed that the ILO was on top of this agenda and that it was part of the UN working together.

II. Trade and employment: Follow-up to the joint ILO/WTO Secretariat study³

23. The second agenda item of the Working Party on "Trade and employment: Follow-up to the joint ILO/WTO Secretariat study" was introduced with a brief presentation by the Office. The presenter recapitulated the main implications for the Office's work that had emerged from the discussion of the joint ILO/WTO Secretariat study on "Trade and employment: Challenges for policy research"⁴ in the March 2007 session of the Working Party, namely that the Office should: (i) consolidate its knowledge base on trade and employment; (ii) strengthen the capacity of constituents to assess the impact of trade

³ GB.300/WP/SDG/2.

⁴ Jansen, M. and Lee, E. (2007). *Trade and employment: Challenges for policy research*, A joint ILO/WTO Secretariat study, Geneva, International Labour Office and WTO Secretariat.

reform at the country level; (iii) facilitate the formulation of coherent policies towards trade and employment; and (iv) continue to undertake collaborative research with other multilateral organizations, including the WTO. The presenter pointed out that the paper gave details on how this guidance had been taken up by the Office. It provided details on the Office's trade-related activities, on two planned projects and on future collaboration with the WTO Secretariat.

24. The Office had also taken up the main messages from the substantive debate in the March 2007 Working Party and disseminated these in international forums such as the WTO Public Forum 2007, the meetings of the Policy Coherence Initiative and the ILO Forum on Decent Work for a Fair Globalization in Lisbon. These messages included the assessment that trade led to the simultaneous destruction and creation of employment in all sectors, leading to labour relocation within and between sectors. Further, although trade was likely to raise average incomes, it also had important distributional impacts. Finally, constituents had endorsed the view that greater coherence between trade and employment policies had a high pay-off. The Office spokesperson emphasized the importance of a "social infrastructure" to successfully participate in trade, and stressed that trade liberalization was not an end in itself but should support decent work and a fair globalization.
25. The Employer Vice-Chairperson, Mr Funes de Rioja, indicated that he had little to add to the paper and thanked the Office for its presentation. As to the future orientation of the Office's work, he encouraged finding workable solutions while putting emphasis on training and creation of more employment. But there also lay the challenge: the trade liberalization process needed certain requirements to be fulfilled at the national level. The process and its possible impact could be addressed under the aegis of DWCPs. There was no "one-size-fits-all" solution. The Employer Vice-Chairperson stressed that social actors need to participate in finding solutions, and that the Governing Body of the ILO and its different committees needed to furnish the answers.
26. He drew attention to the collaboration with the WTO Secretariat and supported an observation that globalization was good for the majority of the world's workers. This was especially the case when the right types of policies were taken and the proper institutions in place. Herein, he saw a common task. He expressed his group's interest in research on those institutions for labour market regulation which promoted the creation of enterprises and employment. Joint research ought to be the consequence of political decisions to be discussed in the Governing Body. Regulatory frameworks needed to facilitate trade liberalization and studies throwing light of the consequences of this for employment and decent work remained extremely useful.
27. The Worker Vice-Chairperson, Mr Trotman, underlined that the Office must direct its work with the WTO Secretariat or other partners towards the goal of development that benefits the people through decent work and sustainable development for entire nations and the world. The Office should not therefore be content with mere references to decent work in documents such as Poverty Reduction Strategy Papers (PRSPs), but rather deal with underlying macroeconomic issues and trade policies to effectively promote better jobs. He endorsed a strong role for the ILO in Aid for Trade, but cautioned that Aid for Trade should not be presented as compensation for bad trade policy or for unfair trade partnership agreements.
28. He welcomed the projects outlined in paragraphs 9–14 of the Office document. The key challenge was to identify those trade policies that provide optimum outcomes in terms of productive employment. He also welcomed the fact that a further joint study with the WTO Secretariat would address the impact of trade on the informal economy, but cautioned that this was not sufficient. He recalled a communication by the ITUC to the Office, and endorsed the proposal to examine a number of other issues such as: what forms of trade

policy were most geared to achieving optimal development outcomes; the relationship between trade openness and freedom of association and collective bargaining; the correlation between trade and wage inequality and the difference trade unions could make; export processing zones (EPZs) and the impact of increased trade by China on wages and employment in developing countries; guidance on adjustment and the fair distribution of costs and benefits; and the impact of trade on the quality of employment.

29. A number of Government members also offered their observations on the paper. As pointed out by the representative of the Government of Peru, speaking on behalf of GRULAC, the paper provided information on efforts to increase the capacity of developing countries to promote decent work and on the collaboration between the ILO and other agencies. He affirmed that decent work needed to be a central objective, and was a key to sustainable development. He put particular emphasis on the need to analyse better the impact of trade, including the role of EPZs. He offered his support for the projects outlined in the paper, and welcomed a joint study with the WTO Secretariat on globalization, trade and the informal economy.
30. Likewise, the representative of the Government of Portugal, who spoke on behalf of the European Union,⁵ was pleased to note the ongoing collaboration with the WTO Secretariat. She encouraged the ILO's follow-up activities, including the increasing engagement in Aid for Trade activities. The EU saw the need to anticipate the labour market impact of new trade agreements and therefore welcomed the preparations for a project on "Assessing and addressing the effects of trade on employment". The speaker also noted with interest the planned parallel project on "Monitoring and assessing progress on decent work in developing countries" and reiterated the importance of labour market-related statistics in order to undertake policy impact assessments of trade policies. In closing, she stressed that the EU very much appreciated that the ILO/WTO Secretariat study marked the start of a process which could contribute to a fair globalization.
31. The representative of the Government of the United States also offered support to the planned ILO/WTO Secretariat research collaboration on globalization, trade and informal employment, and suggested that the study examine a small number of countries on the basis of data for individual firms and/or households. The speaker expressed her hope that the study would be useful and her appreciation for the efforts of the Office in this regard. She also expressed her satisfaction with other follow-up activities, and suggested that the Office focus on the structure or composition of employment and policy responses that facilitated adjustments to the changing structure, rather than study the link between trade and aggregate employment levels. This was in contrast to the intervention by a member of the Workers' group who had earlier made a link between trade policy and the Core Element 4 of the Global Employment Agenda that deals with macroeconomic policy for growth and employment. He called on the Office to broaden its proposed projects by adding aggregate demand and the employment intensity of growth as an area of work.
32. The representative of the Government of South Africa commended the Office for the progress that had been made in developing proposals out of the advice of the Working Party. He underlined the need for assistance to developing countries to build their capacity to develop adequate policy frameworks and to formulate trade policies that did not undermine progressive labour regulatory environments. He also welcomed the further joint study by the ILO and the WTO Secretariat that would focus on the links between

⁵ The candidate countries: Turkey, Croatia and the former Yugoslav Republic of Macedonia; the Countries of Stabilization and Association Process and potential candidates: Albania, Bosnia and Herzegovina, Montenegro; and EFTA country: Norway, member of the European Economic Area, as well as Ukraine and the Republic of Moldova, Armenia and Georgia aligned themselves with the declaration.

globalization, trade and informal employment. Likewise, the representative of the Government of France, aligning himself with the earlier statement by the representative of the Government of Portugal on behalf of the EU, expressed his support for further joint work with the WTO Secretariat and thanked the Office for consolidating the guidance previously offered by the Working Party.

33. The representative of the Government of India highlighted the importance of designing and implementing appropriate socio-economic policies to maximize the long-term effects from free trade, while minimizing the adverse unintended social consequences. His country expected the follow-up study by the ILO and the WTO Secretariat to address this issue. He opposed any link between trade and labour issues in trade agreements, emphasizing that such a link would be a potential non-tariff barrier to trade. Therefore, he argued against using the joint study to promote such a link.
34. An observer of the European Commission, who aligned himself with the statement made by the representative of the Government of Portugal on behalf of the EU, joined other speakers in welcoming further collaboration between the ILO and the WTO Secretariat. He also thanked the Office for the detailed information on the two proposed projects on “Assessing and addressing the effects of trade on employment” and on “Monitoring and assessing progress on decent work in developing countries”. He underlined that the ILO with its tripartite structure was in a very good position to address these issues, and confirmed that the European Commission and the Office were in consultation with respect to the funding for both projects.
35. Several members of the Workers’ group added to the comments made by their Vice-Chairperson. For example, one speaker called on the Office to speed up the pace of its work, responding, at country level, to the urgent need for timely ILO insights in the context of the ongoing Doha negotiations and the conclusion of Economic Partnership Agreements (EPAs). Another speaker argued that WTO policy should not be taken of as a fact of life and deplored an apparent lack of ambition on the side of the Office to change WTO policy. He also regretted that labour standards did not figure prominently in the Office paper and argued that they were a key element in the context of trade and employment. This could be brought to the fore in the WTO’s periodic trade policy reviews (as already done by the EU on a voluntary basis). Other speakers emphasized that appropriate attention be paid to EPZs, and in particular the respect for labour rights.
36. In his closing statement, the Employer Vice-Chairperson pointed out that the relatively few interventions by the members of his group were the result of internal group discipline and of not of having changed the opinion which was expressed at the beginning of the debate. He wanted to underscore, in conjunction with the remarks of Mr Steiner in the debate on climate change, that Employers were optimistic, citing the good developments in Latin America and Asia. This was not to deny problems there and elsewhere, but to indicate that one should not be fatalistic. He supported the proposed joint study by the ILO and the WTO Secretariat on trade and the informal sector and also indicated that policy coherence at the international level needed to be defined and linked to national and local realities. For this, a broader database was indispensable.
37. The representative of the Director-General thanked delegates for all interventions, recorded appreciation for the work of the Office in the areas and indicated that because of time, questions posed by delegates would be handled on an individual basis. He promised to continue to work on this programme in close cooperation with constituents and the Governing Body.

Geneva, 14 November 2007.