

19 June 2001

Statement by H.E. Ambassador Jorge Iván Mora Godoy, Ambassador, Deputy Permanent Representative of Cuba, on behalf of the Group of 77 and China, on the Working Party on the Social Dimension of Globalization, at the 89th Session of the International Labour Conference

Distinguished delegates,

Globalization has considerably benefited some countries that have managed to avail themselves of its extensive opportunities. However, many developing countries are facing enormous challenges, risks and uncertainties as a result of globalization. Whose impact has threatened the weakest and most vulnerable economies. It should be managed wisely, and with an eye to the equitable sharing of responsibilities and benefits. In this regard, the Group of 77 and China state as follows:

- We acknowledge the useful work done by the Working Party (WP) so far, and the need to enhance its capacity to discuss issues pertaining to its mandate.
- The work of the WP has to be designed in such a way that its output could strengthen the capacity of developing countries to become fully integrated into the global economy.
- The documents of the WP have to be prepared clearly, taking into account the development and equity aspects of the problem. It is important to maintain this balance in the WP.
- The study by the WP should be based on the principle that labour standards must not be used for protectionist trade purposes and that the comparative advantage of developing countries is in no way called into question.
- We would emphasize that the conclusions to be drawn from various aspects of globalization should truly reflect the consensus. It is therefore important that the oral summary by the Chairperson be discussed by the WP. It should adequately reflect all views.
- We support the idea of convening one or more small in-depth technical workshops per year on specific themes. These themes should be agreed by consensus in the WP and the experts should be drawn from as broad a spectrum as possible, reflecting an equitable geographical distribution.
- With a view to the strengthening of the technical capabilities of the WP, we feel that the International Institute of Labour Studies could be further strengthened.
- In order to fully understand the social dimensions of globalization, there are several key issues which need to be studied in detail. These include the impact of international trade and investment on employment and poverty reduction; the impact of globalization on employment; foreign direct investment and its relation to the objective of creating employment for all; the link between regulation of international financial markets and social stability; the functioning and structure of international trading, economic, monetary and financial systems, in the light of the impact on labour and employment. Given the social consequence of international financial crisis, the reform of the international financial system to reduce the impact of excessive volatility of capital flows and to improve transparency as well as the participation of all countries in the decision-making of the international financial institutions, should also be considered. The data available so far are grossly inadequate for developing any consolidated policy framework at this stage.

- More empirical studies are required in order to understand these issues fully and correctly. The WP should not therefore be restricted by deadlines in preparing a framework study but should carry out its studies with an open mind, continuously examining the evolving situation and also taking into account the new factors that come into play.
- The Group of 77 and China feel that, with regard to the various options listed by the Director-General in his paper, the proposed study should be conducted by the ILO itself. The option of establishing a world commission composed of eminent personalities could be considered at a later stage, and consultations to this effect should be continued.

Thank you very much.