

PUBLIC POLICY FOR CSR: BEST PRACTICES.

San Francisco, California. October 21st, 2009.

Good morning.

I thank BSR for inviting the International Labor Office to this Conference.

It is my hope that this panel will allow a better understanding of how the ILO, due to its unique tripartite structure, could be a worldwide good partner for enterprise, entrepreneurial organizations and NGOs committed to corporate social responsibility, enabling public policies that promote responsible labor best practices.

1. If you ask who represents the US in international agencies, like WTO or UNICEF, the answer is: the US government. However, at ILO, the US is represented by 2 delegates from government and 2 more, one elected from employers' organizations and the other from workers' unions.

The ILO, a Nobel Peace Prize winner, is the only international agency where these two key actors in any enterprise –employers and workers- are active members, together with the main stakeholder of all enterprises: the government.

During the last 90 years, within the ILO and under its auspices, innumerable national and international tripartite and bipartite agreements have been

promoted, negotiated and achieved. Last July, G-8 countries and the members of the UN Economic and Social Council supported the Global Jobs Pact, approved in June by the 184 Member States of the ILO. Many of its recommendations are currently inspiring national and international exit strategies from the crisis.

This recent example of ILO performance shows the success that could be obtained in the CSR field, if an adequate synergy could be established between enterprises, their organizations and the ILO.

2. Private enterprise has, does, and will continue to exercise influence in the public policy arena. The issue is: how good are enterprise's influences in advancing the public good of the societies where they carry out their activities?

A sustainable effort in promoting good corporate governance as well as CSR practices would be a major contribution to improve private sector performance in Latin America; which is the region with the greatest inequality in the world: 181 million citizens are poor and 70 million live with one dollar a day. There are huge inequalities in income distribution and distribution of assets such as land, capital, health, education and technology.

Latinobarómetro 2008, the most authoritative survey in the region, shows that in the 18 Latin American countries, only 41 per cent of those interviewed trust private enterprise and 44 per cent trust entrepreneurs. These figures

result after 7 years of continued economic growth. 2009 figures will be less favorable because of the crisis.

3. A major consequence of the financial crisis and its impact on worldwide economies has been unemployment. Latin America has also seen an informal sector workers increase. They are not fully protected by labor standards and do not have access to social protection. A clear entrepreneurial commitment to employment creation and improvement of working conditions would be, in Latin America, a major push for enterprise productivity, national competitiveness, social inclusion and democratic governance.

During the last ten years, the ILO -in the region- has focused its action in collaborating with its tripartite constituency in the generation of more productive jobs and their quality.

The **Decent Work** concept synthesizes and guides our efforts. It refers to opportunities to obtain work in conditions of freedom, equity, security and human dignity. In the current crisis, Decent Work responses pursue goals in four main areas: 1) accelerating employment creation; 2) building social protection systems; 3) strengthening respect for international labor standards; and 4) improving social dialogue, at national and entrepreneurial level.

In the Americas, decent work has received political endorsement at the highest level. The Heads of State and Government of the Hemisphere reaffirmed the central role assigned to decent work, in order to meet their commitments to fight poverty and strengthen democratic governance.

4. Decent work or responsible labor should be seen, in Latin America, not only as labor standards promotion, but it must focus also in job creation.

In fulfilling the first task the ILO Declaration on Fundamental Principles and Rights at Work (1998) is a respected guide. Especially in Central America and the Dominican Republic, one of them is very important: freedom of association and effective recognition of the right to collective bargaining. The other principles are related to an effective abolition of child labor, elimination of all forms of forced or compulsory labor and elimination of discrimination in respect of employment and occupation. Recent studies show that in Latin America afro-descendants and indigenous people earn 28 per cent less than whites, while women earn 17 per cent less than men with the same age and educational level.

5. I look forward to seeing synergies between your efforts and ours in trying to build fair globalization for all. I truly believe that decent work and productive employment is at the heart of democratic governance and crucial for human development in Latin America.