



**Message from the Director-General to the
International Labour Conference**

14 June 2010

Mr President, dear friends,

As you know, I have been unable to be with you physically this past week on doctor's orders because of back problems. But I have kept in touch by e-mail, daily reports and the telephone, and have thus been able to follow the work of the Conference and be consulted as the need arises.

So I am near and far at the same time.

Remote, but connected.

However, you may well imagine the enormous frustration I feel at not being with you day by day.

Many thanks for your many warm words of encouragement and messages of solidarity you have sent me in these circumstances.

Please accept my apologies for the interviews and meetings with groups that I have had to cancel. These are precious moments for me. Personal contact with you means that I can hear, discuss, understand and compare the diverse realities in which you all live and work out how best to continue to serve the specific interests of each one of you.

Now that the debates in plenary are resuming I would like to make one observation: reactivating the real economy and creating jobs is the only sustainable way out of the crisis – there is no alternative. Faced with the many uncertainties that surround us, we must not lose sight of this.

The virtuous cycle we must promote is built on productive investment, sustainable enterprises, decent work, fair wages, higher consumption and the increased fiscal revenues resulting from growth.

Let us not forget that unfortunately we still have the highest rate of unemployment ever registered – some 210 million persons – and that 400 million jobs will have to be created over the next decade to absorb the growing labour force.

The world is suffering not only from a fiscal deficit, but from a huge decent work deficit as well. Underemployment remains high and the informal economy is swelling.

The most vulnerable sectors and the middle classes in many countries are facing a very precarious situation. The progress achieved in equality between men and women is at risk if job opportunities for women deteriorate. And young people everywhere are wondering where they can find a job – a situation that has hit the Arab world especially hard.

Faced with this reality, it is not clear what the global impact of the interaction between the following situations will be:

- The rapid spread throughout the European Union of fiscal consolidation as the priority of the day, based no doubt on legitimate concerns around debt levels. This at a time of soaring unemployment and reduced growth;
- at the other extreme, high growth in key emerging economies: China, India, Brazil, Republic of Korea and Indonesia, fuelling fears of overheating, or other countries, such as Australia and Canada, that have already started withdrawing some stimulus packages;
- in between, many Asian and Latin American countries showing respectable growth rates, and the United States and Japan with more stable but still uncertain signs of growth;
- low-income countries, particularly in Africa, have suffered from a considerable increase in poverty, amid fears of a decline in international cooperation. However, growth has picked up;
- everywhere, in one form or another, the question arises as to the impact the sovereign debt crisis in Europe will have on the rest of the world.

All of these factors taken together mean that growth in 2010 is expected to be around 4 per cent, according to the latest estimates of the International Monetary Fund. However, the point is that it is still essentially jobless.

Whatever the prevailing policies that each country or region will choose in the short, medium and long terms, their impact on employment – and especially job creation and protection of the most vulnerable – will be the yardstick by which people will measure their success.

Therefore, the policies recommended in the Global Jobs Pact remain fully valid today.

In difficult times, governments have to take difficult decisions.

For example, two weeks from now the G20 leaders will meet in Toronto. I hope they will take forward the decisions adopted by the Pittsburgh Summit under the leadership of President Obama, when they committed to “putting quality jobs at the heart of the recovery”. They followed this up with a meeting of labour and employment ministers in Washington, DC.

Dear friends, I encourage you to continue the rich debate begun last Thursday in order to develop policies that will help find balanced and fair solutions to the new uncertainties ahead.

We need to do this with the conviction and in the certainty that here in the ILO, governments, employers and workers, acting in concert, are the international embodiment of the real economy. This confers far-reaching political, economic and social responsibilities on us.

You can count on my full encouragement and commitment.

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