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THIRTEENTH ITEM ON THE AGENDA

Report of the Working Party on the Social Dimension of Globalization

Chairperson's summary

Introduction

1. The Working Party on the Social Dimension of Globalization met on 13 November 2012. Mr Gilles de Robien (France) chaired the meeting. Mr Funes de Rioja (Employer) and Mr Sommer (Worker) spoke for their respective groups. It was pointed out that, should the discussions lead towards a decision point, it would be submitted for the consideration of the Institutional Section of the Governing Body when it would examine this summary on 15 November. In addition, a full report of the meeting would be prepared and posted on the ILO website for any amendments. The Officers of the Governing Body proposed that the item on trade and employment be deferred to March 2013, in view of the short time available to discuss the first item on the agenda, *Global economic prospects and the Decent Work Agenda* on which the Office had prepared a background paper.¹
2. The Director-General introduced the discussions by highlighting the gravity of the global jobs crisis described in the paper and the risk that weakening global economic prospects would cause a prolonged period of high unemployment that would be immensely damaging to societies and set back the fight against global poverty. The issue before the ILO was identifying what should be done by constituents individually and collectively. The Working Party, as a non-decision-making body, was a suitable place to think together about how to act practically, responsibly and urgently.
3. Although global in reach, the crisis was affecting countries and regions differently. This led to differences in the sense of the urgency of acting and to perceptions about the responsibility for the crisis. Interdependence called for calibrated responses internationally. The focus of current concern was on the European Union and the United States but equally important was a massive underlying transformational change in the emerging and developing world. The issues were complex but the essence of the ILO's vocation was to

¹ GB.316/WP/SDG/1.

ensure that economic and social progress go hand in hand, particularly in times of crisis. The Director-General expressed particular concern that Europe had lost the balance between social and economic goals. The ILO had and could again have a role in preserving that balance.

4. Recalling discussions on the next programme and budget, the Director-General stressed that the foundation of ILO policy advocacy and influence was technical and analytical excellence based on enduring values and objectives, as articulated in the Decent Work Agenda. The ILO would need to respond better and quicker to national constituents' needs. In addition, the ILO should focus on action at regional and global levels with partner multilateral bodies. The forthcoming Regional Meeting for Europe and Central Asia in April 2013, in Oslo, would be an opportunity to develop this interaction. Following the Los Cabos commitments to coordinated action by the G20, recalled in the Director-General's statement to the Tokyo meetings of the International Monetary Fund (IMF) and the World Bank in October, the ILO was looking forward to working closely with the Russian Presidency of the G20. This would involve, amongst other things, work with the G20 Task Force on Employment, the L20, B20 and labour ministers. The Director-General had also had a promising first meeting with President Kim of the World Bank and looked forward to picking up the agenda with the IMF, initiated in Oslo in 2010. The challenges facing the ILO were large but so were the opportunities to give hope to the millions who were calling for a chance of a decent job.
5. A wide-ranging discussion ensued which will be more completely covered in a full report of the Working Party's deliberations. A number of issues recurred in delegates' remarks that I will endeavour to highlight as an aide-memoire for the Governing Body and the Office. There were differences of emphasis but I was struck by the degree of shared concern around the gravity of the challenges faced by ILO constituents, and the Organization as whole, and the urgency of the priorities we therefore needed to address.

Challenges for the Decent Work Agenda

6. The many contributions to the discussion revealed a number of common challenges while, at the same time, illustrating that the crisis had evolved differently in different regions. A number of delegates, while appreciating the information and analysis in the paper, expressed concern that it had not covered adequately the challenges facing Africa and other low-income countries which were experiencing serious problems of youth unemployment and working poverty. Similarly, the paper could have focused more on the global impact of the new dynamics of growth in a number of middle-income developing countries.
7. The damage being caused to economies and social cohesion by high levels of youth unemployment were stressed by many speakers. This was particularly the case in countries with growing populations, but also those hardest hit by recession, such as in southern Europe. Specific policies to help young women and men find employment were described, while there was general recognition that an overall recovery in demand for labour was essential.
8. Amongst the many policy areas mentioned by delegates was the importance of an enabling environment for sustainable enterprises to create jobs. This required growth which depended on investment and, in turn, on the confidence of private business, especially small and medium-sized enterprises. Removing obstacles to investment and employment and containing labour costs required close attention. Governments had a responsibility to establish a conducive environment for private enterprises. Infrastructure investment was often an essential element.

9. Rising income inequality and falling wage shares in national income were identified by some speakers as an underlying cause of the crisis. Reversing these trends was therefore needed to secure recovery. The quality of employment was deteriorating with a rise in the number of insecure part-time and temporary jobs. In addition, in some countries, the size of the informal economy was growing, where jobs were even more insecure and generally of lower quality. A further challenge was increasing pressures for labour migration, including between countries of the South. There was a need to find the right balance between mobility and security in the labour market.
10. Many delegates highlighted the importance of training and education within policy responses. Improving the quantity and quality of skills development was, however, also a challenge which, for some countries, required significant international support.
11. A further policy area mentioned by many speakers was the need to extend social protection systems using the ILO's new Social Protection Floors Recommendation, 2012 (No. 202), as a guideline. The crisis had thrown into sharp relief the major gaps in coverage in many countries, which had grave consequences for poverty reduction and future economic potential.

Priorities for ILO action

12. Delegates identified a series of priorities for ILO action. These included a renewed focus on particular policy themes, as well as means of action.
13. The key importance of social dialogue and tripartism as mechanisms for developing appropriate and effective policies was a feature of nearly all the speakers' remarks. This was seen as particularly vital in times of crisis-induced social tension.
14. Likewise, a large number of delegates reaffirmed the foundation of respect for fundamental principles and rights at work to achieving economic and social progress.
15. The Global Jobs Pact and the ILO Declaration on Social Justice for a Fair Globalization were frequently mentioned as remaining of crucial relevance in the difficult times ahead. The idea of evaluating the impact of the Global Jobs Pact was mentioned.
16. In varying ways many delegates spoke to the importance of policy coherence. The ILO's world of work expertise needed to be blended with the macroeconomic competencies of other international organizations, just as the responsibilities of labour and employment ministers had to be combined with those of finance ministries.
17. While the paper had focused on the role of the ILO in the coordination of multilateral policies, many speakers also called for greater attention to national action tuned to specific country situations. The Office was called upon to be ready to offer quality analysis and policy advice proactively in some cases.
18. The importance of the ILO's position in bodies such as the G20 and the active role it played in the United Nations Economic and Social Council (ECOSOC) was welcomed and it was emphasized that it would have to be stepped up in view of the worsening outlook for jobs. The discussion reinforced the significance of the ILO and its constituents playing an active role in developing a decent work focus to the post-2015 UN development agenda. The importance of ILO work with the incoming G20's Russian Presidency was emphasized.

19. A number of speakers drew attention to the priority within the ILO's reform programme of improving the effectiveness of its research and analysis and reinforcing its policy advocacy.

Conclusions

20. Responding to the debate, the Director-General confirmed the evident priority members gave to getting the world back to work. There were differences in how the crisis was impacting but very widespread concern about the prospects for decent work. The justified criticisms of the gaps in the paper's analysis would be remedied. The ILO's Decent Work Agenda, the Global Jobs Pact and the ILO Declaration on Social Justice for a Fair Globalization were the framework for action. There was not a contradiction between the promotion of sustainable enterprises on the one hand, and of the quality of work on the other, and social dialogue was the way to find a route forward. The Office would step up its evidence-based analysis and become more specific in its policy advice, including at national level, while continuing its active engagement at the multilateral level. The Working Party, too, needed to become more specific, analytical, concrete and action-oriented. The debate had proved the value of the Working Party as a forum for strengthening the ILO's policy work to overcome the crisis.
21. The Governing Body is invited to note the report.