



FIRST ITEM ON THE AGENDA

**Summary report of the Global
Employment Forum
(Geneva, 1-3 November 2001)**

1. The Global Employment Forum, organized by the ILO's Employment Sector, was held in Geneva from 1 to 3 November 2001. The holding of the Forum was approved by the Governing Body as part of the activities for 2001.¹ The convening of the Forum had also been supported by the 24th Special Session of the General Assembly held in Geneva on the fifth anniversary of the Social Summit.²
2. The main aim of the Forum was to review outstanding issues in the employment field and seek new and innovative approaches to the creation of decent work. The tragic events of 11 September 2001 with their far-reaching impact on global as well as national political and economic developments, together with the downturn of economic growth which they exacerbated, added a sense of urgency and underlined the need for concerted action on employment concerns.
3. The discussion paper, *A Global Agenda for Employment*, served as the background paper for the Forum.
4. Speakers at the Forum included the Secretary-General of the UN, Mr. Kofi Annan, two Prime Ministers (of Denmark and Finland), the ILO Director-General, Mr. Juan Somavia, the heads of UNCTAD and UNHCR, the President and General-Secretary of the IOE and ICFTU respectively, the President of the EU ministers of labour, as well as senior representatives of UN agencies, the World Bank and the IMF.
5. The Forum brought together some 750 participants from over 110 countries. Participants included around 270 senior government policy-makers, including 40 ministers, approximately 50 each workers' and employers' representatives, 37 representatives of intergovernmental organizations, 126 representatives of NGOs, 86 academics,

¹ ILO, Programme and Budget proposals for 2000-01, Vol. 2, para. 60.9, [GB.274/PFA/9/2](#), Mar. 1999.

² Special Session of the United Nations General Assembly, Geneva, 26-30 June 2000.

57 participants from the private sector, as well as over 40 journalists and media representatives.

6. The Global Employment Agenda, which stressed the need to build up Global Alliances to meet the employment challenge, received broad support in terms of the critical issues it addressed and the policy responses it put forward. There was support from many that the world recession needed a global stimulus package while the challenge of finding decent work for the 500 million increase in the labour force over the next decade and of halving the 1.2 billion poor by 2015 in line with the millennium targets, required concerted structural and labour market measures.
7. The Forum's work was structured into three sessions of three simultaneous panels. In the first session panellists were of the view that ICT offered a powerful tool for job creation and development by facilitating market access and the delivery of basic services. Reaping the benefits of ICT would require both the renovation of labour market institutions and widespread social dialogue if its effects on the quality of work and its different gender effects were to be appropriately addressed.
8. Another panel in the first session explored how several small and medium-sized countries had been successful in their efforts to promote employment. A critical mechanism for them had been successful social dialogue, built on trust and consensus. Their size required them to remain open to world trade, and well-functioning mechanisms for social dialogue enabled the countries to remain flexible. The third panel highlighted the growing significance of education, skills, and lifelong learning in an interdependent world economy. Apprenticeship which combines workplace training and learning with school-based education has proved to be an effective means of integrating young people into productive, skilled work. Education and training policies were also relevant to the promotion of self-employment. Education and skills alone, however, did not create jobs: they were part of an integrated policy approach for promoting growth and development.
9. Widespread agreement was expressed by the first panel of the second session on global governance and international policy coordination that current arrangements for governance at international and national levels were inadequate, and were producing results that were perceived by many as unfair. If employment was to become the central issue on the international agenda, the voice of workers and employers would need to be taken into account, and the role of the ILO reinforced. The second panel dwelt on the issues confronting large economies where, panellists held, high economic growth rates and structural changes were necessary, but more was needed for generating employment and decent work. The informal share of the economy appeared to be growing in many countries and the cleavage between formal and informal economy jobs widening. It was important to ensure broad-based social protection. And, while labour markets required flexibility, they also needed regulation: appropriate regulation was in fact a source of flexibility.
10. The final panel of the second session found that excessive bureaucracy, lack of financing, and an inadequate educational base were all constraints on promoting entrepreneurship. Particular problems faced by developing countries included an unstable political environment, shortfalls in infrastructure and the absence of an entrepreneurial culture. Women, in particular, faced hurdles to starting their own business.
11. In the final series of panels, the first addressed issues surrounding trade, investment and employment. Much of the developing world had missed out on the employment opportunities of globalization. Trade liberalization had been selective and many developing countries lacked the basic infrastructure necessary for participation in world trade. International assistance should be seen as part of trade liberalization, such that the benefits of trade and the jobs it creates could be more widely shared. The second panel

explored regionalization where sensitivity to labour rights and the need for labour market measures was greatest. Regional arrangements gave an opportunity to reconfirm commitment to labour rights, and their success in doing so depended on the existing extent of social dialogue.

12. The final panel addressed the challenges of the informal economy and stressed the importance for trade unions and employer organizations to organize informal sector workers as a means of empowering them. A negative effect of globalization had been to increase the size of the informal economy, but, with political will, solutions could be found. Voluntary initiatives could be applied to global commodity chains.

13. In summing up the three days of open and constructive discussion of the Global Employment Forum, the Rapporteur, Professor Maria Joao Rodriquez, highlighted four main issues:

(i) **The right theme at the right moment:** The Global Employment Forum brought the right theme at the right moment to the public debate. It reinforced the need for a comprehensive framework, which could create, or recreate, confidence in regenerating global economic growth and bridge the interests of the developing and developed countries. The Global Employment Agenda could play that role.

(ii) **An important step towards a comprehensive employment strategy:** The debate at the Forum represented an important step in developing a comprehensive employment strategy. Employment should not be a residual but an overarching goal of economic policy. Employment policy should not be viewed as a sectoral policy at the margin of economic policy-making. It had to be the successful coordination of all policies – macroeconomic and development policies, and structural and labour market policies. The main elements of such a strategy as emerged during the discussion rested on the following ten points:

- *Trade as an engine of employment growth* based on unhindered access to markets of developed economies by developing countries, especially for agricultural and labour-intensive products.
- *Turning the risk of a digital divide into an international digital opportunity.* Developing countries had to leapfrog into the digital economy and the North should launch an IT “Marshall Plan” for the South – inclusion of the developing world is in everybody’s interest.
- Ongoing initiatives to *promote environmentally sustainable development* in agriculture, energy and transport should be fostered and the job opportunities this would create should be tapped.
- *Monetary and fiscal policy stimulus* had to play a pivotal role in counteracting the risks of recession in the short term, including through stronger coordination of macroeconomic policies.
- *In developing countries stability and structural adjustment programmes should be modified to allow greater fiscal space* for enhanced spending especially on education, health and social development. Debt relief needed to be accelerated and development aid to be strongly reinforced.
- *To raise educational levels and training opportunities* there was a need for greater investment in people’s opportunities to obtain education and employable skills.

- *Health and safety were a basic investment in people* with direct and very positive implications for productivity.
- *Employability and adaptability* should be fostered through active labour market policies including the fight against all forms of discrimination and stronger assistance to the working poor. Specific strategies were needed for the informal economy.
- *A safety net for social protection* had proved to be a powerful enabling condition for people to adapt to change.
- *Social dialogue and respect for core labour standards* should underpin all these priorities. A strong involvement of social partners was a key factor for their success. More democratic governance would be an important outcome.

(iii) **New ideas and new impetus to the debate on global governance:** The Forum provided a strong focus on the need for new forms of global governance. Robert Reich said in his address to the Forum that the world was witnessing a coordinated global economic downturn but that there was no coordinated action against it. There was a clear need for new forms of governance, for example an economic “security council” or other forms of international cooperation, which could take the lead in actions to avoid or to counteract economic crisis.

The Agenda’s proposal for building Global Alliances in the form of close cooperation between the ILO and other UN agencies and the Bretton Woods institutions for coordinated action on employment received a positive and constructive response.

(iv) The Rapporteur asked which steps the ILO should take in order to turn the results of this Forum into political realities.

Some suggestions were:

- Deepen understanding of the growth dividend of decent work by bringing together leading researchers and policy-makers.
- Organize round tables on the key areas identified by the Agenda with the relevant UN and Bretton Woods institutions together with the social partners. The ILO might launch the first series of Global Alliances before the 2002 Johannesburg Summit on Rio+10.
- Building on the suggestions by Professor Stiglitz at the Forum to develop a methodology and indicators in order to make an employment impact assessment of global economic strategies and of the economic reform programmes at the national level.
- Develop regional initiatives based on the Global Employment Agenda adapted to regional conditions through the ILO’s regional offices, such as the Jobs for Africa initiative.
- However, the impact of the ILO’s proposed employment strategy would not be felt until its ideas were translated into national policies and national action plans. This was the responsibility of national governments and the social partners, working closely with the ILO.

14. Finally three critical conditions for the successful implementation of an employment strategy were reiterated:

- the revival of economic growth through a global stimulus package;
- the urgent need to initiate action for a more equitable and just international economic order based on greater financial flows to developing countries through debt relief and other measures, and access to markets of developed countries; and
- to promote and manage change for decent work and a widely shared prosperity.

Submitted for information.

Geneva, 6 November 2001.