



FIRST ITEM ON THE AGENDA

Implementation of the Global Employment Agenda: An update

1. At its March 2003 session, the Committee requested the Office to report on a regular basis on individual countries' efforts in implementing the Global Employment Agenda including accounts of obstacles faced and successes achieved. The ILO has a wide-ranging programme to assist countries and the social partners in promoting employment growth and poverty alleviation in different parts of the world. This paper covers how the Global Employment Agenda contributes to the implementation of the ILO's strategy for promoting decent work at the country level. It also discusses the role of the Global Employment Agenda in the drawing up of Poverty Reduction Strategy Papers (PRSPs) by making employment a central means of working out of poverty. The paper draws lessons from past experience which have an important bearing on the development of the Global Employment Agenda. The Agenda needs to both build on experiences and to "learn by doing".

Global Employment Agenda: A key component for achieving decent work

2. The principal objective in the implementation of the Global Employment Agenda is to contribute to the Organization's efforts to promote decent work. Employment issues have figured prominently in the drawing up of national strategies on decent work including in the pilot countries presented in a separate paper.¹ This section illustrates work being undertaken or recently completed to develop national employment agendas in support of decent work in the Islamic Republic of Iran, which is undergoing far-reaching structural changes, and Ghana, one of the decent work pilot programme countries.
3. In the *Islamic Republic of Iran* high levels of unemployment, some 16 per cent, particularly among young women and men, are an indicator of the serious employment problem, the result of a high rate of increase in the working age population, rising employment expectations among women, especially the educated, and a decline in the employment generation capacity of the economy. At the same time, the Government is seeking to liberalize the economy to increase efficiency and global competitiveness. To

¹ GB.288/ESP/5.

assist the Government in developing a strategic policy framework and concrete policies to respond to the current challenge and prepare for the future, the Ministry of Labour and Social Affairs (MOLSA) worked with the ILO (with UNDP financial support). The proposed strategy for decent work in the Islamic Republic of Iran developed in close consultations with the Government and the social partners draws together the four main elements of decent work, namely:

- establishing the centrality of employment in economic and social policy-making;
- enhancing coverage and effectiveness of social protection;
- promoting social dialogue; and
- promoting fundamental principles and rights at work.

4. To establish the centrality of employment in economic and social policy-making in the Islamic Republic of Iran today the following key elements of the Global Employment Agenda were examined:

- whether the macroeconomic policy environment is conducive to realizing the full growth and employment potential of the economy;
- what forms and speed of liberalization of the economy and greater reliance on market forces will benefit employment in the medium term;
- to what extent are the active labour market policies in operation to support job creation especially for youth achieving their objectives in an economically efficient manner;
- are sufficient resources being allocated and needed improvements and reforms in the training system being undertaken to build up a strong skill base;
- given that micro and small enterprises will be the main engine of employment growth, are sufficient support measures in place to encourage their growth and have obstacles that prevent their growth potential from being fully realized been identified and removed; and
- given that employment rates are much lower for women than men, what specific legal and other measures should be taken to remove the barriers to women's access to the labour market?

5. The main conclusions reached were that while employment concerns were being given the highest priority by the Government there was scope for further action and a need for stronger tripartite institutions to achieve better and more efficient labour market outcomes in terms of both qualitative and quantitative aspects of employment. There is scope within the existing macroeconomic framework to generate a faster rate of job creation and to increase the employment intensity of growth through appropriate fiscal and exchange rate policies. This would also help in diversifying the economy and exports and thus reduce dependence on oil exports. Active labour market policies to generate and support employment growth can be better targeted and resources allocated more efficiently. Labour market regulation could be better adapted to employment generation. Specific attention should be paid to those groups with low employment rates, especially women, to safeguard their employment opportunities. Revival of the private sector should encourage the growth of micro and small enterprises, which if provided with the right incentives and supporting institutions, could be the main engine for employment growth. The vocational training system can be improved through encouraging local training institutions to respond more

effectively to local demand and measures adopted to facilitate the growth of private training providers while taking necessary steps for assuring quality. The formal institutions providing social security are dominant public actors in the economy, and probably some modifications to the structure of the schemes of benefit provision could have considerable potential to encourage growth of employment. However, widely divergent views exist as to which specific proposals would be appropriate in balancing the imperatives of broad social needs and financial viability. This question would be best resolved by an in-depth “social budget” analysis. Tripartite labour market institutions should be strengthened so that the social partners can play an effective role through social dialogue in key economic decision-making.

6. The detailed recommendations on action needed on each of these issues were discussed at a national tripartite workshop organized in June 2003 by the Ministry of Labour and Social Affairs and the ILO with active participation of key Ministries including Finance, Industry and the Management and Planning Organization (MPO), the social partners and academics and national experts. Based on these discussions, the strategy report was prepared and follow-up action is being taken with concerned agencies in a number of the areas proposed.
7. Some key lessons in applying the Global Employment Agenda have been:
 - adopting the integrated decent work framework allowed employment issues to be placed in a broader socio-economic context and linked to institutional developments;
 - employment issues were discussed within the framework of the Global Employment Agenda and analysis was then concentrated on selected key issues;
 - emphasis was placed on the contribution to the Islamic Republic of Iran’s development which would follow from the expanded employment of women;
 - discussions with the social partners both in the preparation of the background sectoral papers and the overall strategy allowed the conclusions reached to be based on broad consensus.

At the same time, the exercise also showed how judgement is required to balance the claims of competing objectives, e.g. stimulating private investment and reducing costs of job creation.

Jobs in Africa: The Global Employment Agenda programme for Africa

Where regions consist of countries with broadly similar problems, the Global Employment Agenda is being adapted in line with regional priorities as in the case of “Jobs in Africa”. Building on the earlier work under this programme, emphasis in developing its next stage is being given to increasing the capacity of countries to make decent work central in the choice of policies; and to strengthen social partnership in the design of policies for employment growth and poverty alleviation. Regionalization of the Global Employment Agenda allows countries to learn from each other and build upon successful experiences. It also facilitates comparative analysis.

Among current and planned activities are regional events and national programmes including job summits in Nigeria and Ghana. The latter will contribute to developing national employment agendas with concrete proposals for employment generation as an input to the ILO’s country programmes for achieving decent work. Among the regional events planned is a training workshop for constituents from countries in the African Union to develop regional activities and to identify key elements of the Global Employment Agenda most appropriate in the solution of Africa’s employment problems

8. In *Ghana*, the Global Employment Agenda has been operationalized in support of decent work. The Government of Ghana has welcomed the ILO initiative for a decent work pilot programme. A Tripartite Steering Committee has been set up and capacity-building workshops have been held to develop a decent work programme which will concentrate

on: (i) developing into concrete action programmes key areas identified in the Ghanaian Poverty Reduction Strategy (GPRS) to promote the creation of more and better jobs; and (ii) to strengthen capacity of the social partners to contribute to the GPRS process and its operationalization.

9. Ghana is a low-income country which has successfully achieved a degree of structural adjustment but the main problem remains the fluctuating and unfavourable prices of its principal exports from the agricultural sector. It also suffers from low productivity in the informal economy where 75 per cent of the non-agricultural labour force is employed. Key elements of the Global Employment Agenda which will contribute towards generating a faster rate of job creation and for raising productivity and creating decent jobs in the informal economy include:

- a demand-driven skills development programme for micro and small enterprises and self-employment integrated with a new programme for entrepreneurship development;
- developing integrated policy packages in two districts for generating productive and remunerative employment which would feed back to national level policy-making and the GPRS which is being decentralized for action at the district level;
- incorporating labour-intensive infrastructure development in national policy-making; and
- assessing the capacity of domestic financial institutions to mobilize more capital directed to micro and small enterprises in the informal sector and to feed these findings to policy-makers in the Central Bank for consideration.

10. The Ghana Jobs Summit, to be held in the first quarter of 2004, will provide a forum for all national stakeholders and actors to reach a consensus on the centrality of employment in the fight against poverty and in achieving equitable growth. The framework for the discussions will be based on:

- the centrality of employment in macro and social policy-making for equitable growth and reduction of poverty;
- identifying specific support to sectors of the economy with higher potential for job creation; and
- formulating job-generating programmes and projects to create opportunities for the vulnerable and disabled in Ghana.

The Global Employment Agenda will help provide a framework to identify key issues to be discussed at the Summit that will enable the economy to have a faster rate of job creation as well as the needed steps for improving job quality. A draft National Employment Action Plan would contribute to the implementation of the GPRS as a means of providing greater access to productive and decent employment.

11. Besides the Islamic Republic of Iran and Ghana, work is being undertaken in a number of other countries to develop national employment agendas in support of decent work. *China* is drawing upon the framework and the main elements of the Global Employment Agenda to address its pressing employment challenge. The Chinese constituents, together with the ILO, are organizing the China Employment Forum in April 2004 which was scheduled to be held earlier in April 2003 but was postponed due to the SARS epidemic. The China Employment Agenda (“Globalization and decent work – An Employment agenda for China”) – prepared for this event after a series of discussions between the ILO, the

Government and the social partners – proposes several key elements of the Global Employment Agenda on which a comprehensive policy response to these challenges should be based. The outcome of the Forum will be reported to the Committee in a subsequent session.

12. A comparative study within the framework of the Global Employment Agenda has been undertaken for *Argentina, Brazil and Mexico* with the aim of analysing differences in the employment performance among the three countries and how employment can be made a central aim of economic policy. The comparative framework developed is based on the premise that employment performance is the outcome of the rate and type of economic growth that a country is experiencing as well as the labour market institutions and policies that condition labour market behaviour. This framework will provide a benchmark for analysing both similarities and differences in the economic and employment performance of these three countries and allow the identification of specific national solutions to placing employment at the centre of economic policy and promotion of decent work. These studies which will be conducted in close consultations with the governments and the social partners in the three countries and their outcome will be reported to the committee.

The role of the Global Employment Agenda in making employment a central means of working out of poverty and achieving decent work

Employment and poverty

Productive employment for poverty reduction is one of the core elements of the Global Employment Agenda with its emphasis on making it central to strategies for poverty reduction and development. It is, therefore, essential to have a better understanding of the linkages between economic growth, employment and poverty reduction. A programme of research has been launched in order to analyse these linkages and to contribute to the development of policies that could make growth more pro-poor. This research includes country studies (Bangladesh, Bolivia, Ethiopia, India, Indonesia, Uganda and Viet Nam) as well as cross-country studies.

One of the major findings of the studies undertaken is that similar economic growth rates can be associated with different outcomes in poverty reduction. The pattern of growth, especially associated developments in employment and labour markets, plays an important role in producing divergent results. In general, poverty declined more in situations where economic growth has led to shifts in employment from sectors with low productivity (e.g. agriculture) to those with higher productivity (e.g. manufacturing and services). Thus, an employment-intensive growth strategy accompanied by a rise in productivity is key to poverty reduction. Also important are the level of education and skills of the poor.

Policies, therefore, must be directed at productivity-enhancing investments and the promotion of labour-intensive economic activities in both rural and urban areas. Furthermore, it is essential to enhance the human capital of the poor through greater access to higher quality education, skills and healthcare. The employment outcomes for men and women of alternative strategies and policies need to be considered as one of the major criteria in their formulation.

13. A basic premise of the Global Employment Agenda is that the creation of decent employment is the most effective means of attacking poverty and ensuring sustainable and equitable development as discussed in the Report of the Director-General, *Working out of poverty*, at the ILC, 2003. Incorporating employment creation as an explicit goal in developing countries' development plans and poverty reduction strategies is a major challenge for the ILO. With the introduction of the PRSP process, it is more important than ever to ensure that employment goals and policies to achieve and sustain them are made central to the policy agenda and that the social partners are actively involved in the process of PRSP design.

14. The ILO's collaboration with its constituents in member States directed at accelerating the rate of poverty alleviation consists of both comprehensive strategies² at the national level and more specific policy interventions at the sectoral or local level. In this paper examples of both are provided.
15. In Pakistan, where the labour market situation has deteriorated in recent years and poverty levels remain high, the ILO is actively working with the Government and the social partners to incorporate employment goals as an explicit objective in the country's current development plan and PRSP. A number of analytical studies were conducted within the framework of the Global Employment Agenda under a UNDP-supported project to strengthen the capacity in employment and labour market analysis of the newly set up Centre for Research on Poverty Reduction and Income Distribution (CRPRID) in the Planning Commission. In addition, working closely with the Small and Medium Enterprise Development Agency (SMEDA), the ILO analysed the effects of the regulatory environment on the growth of micro and small enterprises to assist policy-makers for the improvement of the existing business environment. These include availability of infrastructure, incentives for business start-ups and expansion, access to business development services, developing linkages between large and small enterprises and developing a legal framework that is transparent and enforces commercial transactions.
16. These studies have produced a number of recommendations, many of which have been reflected in the Federal Budget for 2003-04 and the latest draft final PRSP discussed in the Pakistan Development Forum held in April 2003 with participation of foreign donors and international agencies. It is worth noting that the draft final PRSP distributed at the Forum recognizes the centrality of employment generation for poverty alleviation. More specifically, in the 2003-04 budget, the Government placed special emphasis on creating new employment opportunities by a 30 per cent increase in the development budget and outlining a number of measures to encourage growth of employment-intensive sectors such as housing and SMEs. Some of the measures introduced to encourage growth of the housing sector included a significant reduction in sales tax on key inputs (e.g. cement) and an increase in both the overall loans for house building as well as an increase in the maximum limits on loans for such purposes. To facilitate the growth of the SME sector measures included increase in provision of microcredit, reduction in mark-up rates and tariffs on inputs used by this sector and framing of new regulations by the state Bank to cater for the special needs of the sector.
17. A special feature of the development of a pro-employment and pro-poor growth strategy in Pakistan has been the active involvement of the social partners in this exercise especially in the PRSP process. In this they have been supported by the ILO. The Pakistan Council (ICFTU) conducted a study on "Poverty reduction programmes and labour and employment" which stressed the need for a clear policy for poverty alleviation guaranteeing rights and social protection of workers. The Employers' Federation of Pakistan (EFP) study "Connecting to growth: Pakistan poverty reduction strategy" emphasized the need for adopting a policy conducive to industrial development to be incorporated in the final PRSP. These papers were discussed at a Seminar organized by the ILO with the Pakistan Planning Commission and the Ministry of Finance (PRSP secretariat) and the Ministry of Labour on 10 September 2003. This seminar was the culmination of a number of tripartite activities organized over the last year by the ILO with the Government of Pakistan in which the social partners have been actively involved and made a valuable contribution. It should not, however, be assumed that the social partners

² Under the PRSP, the ILO is assisting constituents in a number of countries for operationalizing the concept of working out of poverty (see GB.285/ESP/2).

hold no reservation on the draft PRSP. This involvement in the PRSP process has not meant that the proposals they formulated were all fully accepted.

18. An important lesson that emerges from the Pakistan experience is the need to ensure that basic strategies for encouraging employment growth are reflected in concrete policies and projects supported by the budgetary process. The close interaction facilitated by the ILO between the social partners and the Ministry of Finance and the Ministry of Planning helped sensitize them to the feasibility of incorporating employment concerns in the budgetary process. Success in this area also requires that recommendations should be practical and capable of translation into concrete policy measures and projects.

**Linking decent employment for women and the reduction of child labour:
The United Republic of Tanzania and Bangladesh**

A cross-cutting theme of the Global Employment Agenda is to overcome discrimination in the labour market and one important concern is to achieve decent employment for women who have been disadvantaged in the labour market. However, current policies and programmes tend to address separately the promotion of decent employment for women and the elimination of child labour. Past work conducted by the ILO has shown the need to take into account life-cycle effects of promoting decent jobs for women and promoting gender equality through the focus on adult women workers and on their working children, in particular the girl child. Too often, efforts to promote women's employment ignore related issues such as improved family welfare, children's education and their protection from labour exploitation. Certain employment could, in fact, lead mothers to withdraw their children from school to join them in jobs or take over family responsibilities.

The ILO has implemented projects in Bangladesh and the United Republic of Tanzania to promote the linkage between decent employment for women and the reduction of child labour. Model schemes are demonstrating the effectiveness of strategies which include: (i) awareness-raising for women on gender equality as well as the rights of children and importance of investment in children; (ii) community monitoring of vulnerable children; (iii) the organization of women into economic groups and the provision of programmes for skills training, access to credit and enhancing market access which insist that women should ensure regular school attendance of their children and no involvement in child labour.

In the United Republic of Tanzania, for example, nearly 1,000 women have been organized into productive groups, of which a quarter have taken out loans for economic purposes. In addition, some 1,700 younger children have been withdrawn from labour and enrolled into primary schooling or day-care facilities and over 500 older children have been linked with vocational training programmes. Recognizing the policy implications of the strategy developed in the project, the Government has officially requested its extension into other parts of the country. Indeed, the lessons from the project are being applied and adapted in a number of other countries for promoting the positive linkages between decent work for women and the reduction of child labour.

19. The Global Employment Agenda does not rely solely on current experiences but was developed in the light of successful experience in employment generation. In *Madagascar*, the ILO has helped transform public works programmes of temporary job creation for short term relief in emergencies into more sustainable long-term cost-effective public investment programmes. Such programmes can create good quality assets and relieve poverty through the creation of decent jobs. The ILO, with sustained financial support from NORAD (the Norwegian Agency for Development Cooperation), has assisted the Government of Madagascar to test the use of labour-based approaches in public investment programmes in the infrastructure and construction sectors. The pilot programme has promoted private sector execution of public works, based on well-trained local contractors helped by provisions in the tendering and bidding system that allow SMEs to participate in public markets.
20. The concerns of the social partners have also been taken up in the process of the development of the programme. A "labour-based contractor association" as well as an "association of labour-based consulting engineering firms" have been established; these are also represented on the governing council of the autonomous training institution set up to strengthen the capacity of the private sector to carry out labour-based works in a cost-

effective, competitive manner, and with good quality standards. In addition, relevant labour standards are systematically included in contract documentation, and efforts currently continue to more formally associate the workers in decisions that directly affect them.

21. The well-documented results of the pilot phase have shown that labour-based techniques, compared with conventional equipment-intensive construction technology are at least 30 per cent cheaper, save some 30 per cent of foreign exchange requirements and create about three to five times more employment per unit of investment without compromising on the quality of the end-product. Based on these results, the Government of Madagascar and the World Bank, as well as several other financial partners, have decided to mainstream the labour-based approach by shifting some \$50 million of the Transport Sector Programme to rural roads executed with labour-based technology. Tendering for these contracts will be open only to properly qualified SMEs (certified training) in labour-based techniques. As a result, the labour-based component of the transport sector will:
- generate annually 100 to 150 contracts of \$75,000 to \$120,000 each for labour-based contractors;
 - generate some 16 million work-days of employment between 2002 and 2007, i.e. the equivalent of 16,000 full-time jobs per year over the five-year period (instead of 4,000 jobs if equipment-based techniques were used).

The net effect of the ILO's policy advice is thus four times more employment than what would be achieved without it. This figure should be compared to the 77,000 full-time jobs which exist in the formal manufacturing sector in the country as a whole.

22. Madagascar shows the crucial importance of employment in the reduction of poverty and should therefore be mainstreamed into investment policy particularly in the sectors of infrastructure and construction. This strategy could be further developed as a "lead sector" for employment-intensive growth through public investment programmes which would also provide a stimulus to subsequent private investment.

"Localization" of the Global Employment Agenda

23. An important facet of the Global Employment Agenda is the application of its framework to action at the subnational level (provincial, district and municipal). The overall policy environment has to clearly be conducive to employment generation but specific action on many of the elements of the Agenda has to take place at the local level. The worldwide trend towards decentralization and civil service reform is resulting in a stronger mandate for local governments to act on policies. The strength of this approach is the synergy of action at different levels, and a major challenge in the operationalization of the Agenda is to tap these synergies.
24. The Global Employment Agenda provides important guidance for designing a regional employment strategy. In Lodz, *Poland*, the Global Employment Agenda was applied at the local level. The Polish Ministry of Labour and Social Affairs invited the ILO to elaborate an employment strategy for this distressed region which would address its economic and employment problems. In a regional context, macroeconomic and social policy are set by central Government; nevertheless, regional and local governments also have important policy tools for promoting employment and social development. The social partners from the national and regional level were fully engaged in the project.

25. SMEs are the main job generators in Lodz as elsewhere but they face many obstacles, such as intricate business regulations, high interest rates and high labour costs. Although these issues can only be addressed nationally, incentives to start up and expand firms, combined with effective support services, could be set up regionally. In addition, an effective education, training and learning system could be built locally. This would alleviate labour market mismatches and contribute to skills upgrading or to the reskilling of workers necessary for making the best use of new technologies and development of new sectors.
26. The key elements of a regional employment strategy were discussed at a tripartite seminar in Lodz in May 2002. The social partners had been involved in developing the main elements of the strategy and the social partners from the region and Warsaw actively participated in the seminar and endorsed its recommendations. The regional employment strategy launched by the regional government of Lodz in partnership with other important stakeholders in Spring 2003 greatly benefited from the seminar's conclusions. The Ministry of Economy, Labour and Social Affairs has now requested the replication of the project in another Polish region.
27. The ILO has built up a local economic development (LED) approach to create decent jobs through stimulating social and economic development at the local level. By local level is meant a geographical area that possesses a critical mass of human and other resources to contribute to the rapid expansion of its economic base. LED is a participatory process which encourages social dialogue and public-private partnerships. It is implemented through guidelines which begin with an analysis of the territory's social-economic situation and existing institutions. It foresees the creation of a forum to develop a local economic strategy. Local implementation structures are then enhanced or created by, e.g. a local economic development agency (LEDA). Once the forum, the strategy and the implementation structure are in place the initiatives identified in the strategy are implemented. These initiatives are multidisciplinary, such as training of entrepreneurs, easier access to finance and infrastructure development.
28. The Global Employment Agenda has drawn from its experience in *Mozambique* where the ILO was part of the inter-agency Programme for Human Development at the Local Level that involved also the United Nations Development Programme (UNDP) and the United Nations Office for Project Services (UNOPS). The ILO assisted in the provinces of Maputo, Manica and Sofala in formulating and implementing an LED strategy. In those three provinces, seven districts were targeted with a total population of approximately 300,000 inhabitants. LED capacity was built at two levels. On the one hand, the productive system was reinforced by technical assistance, training of informal economy operators and rehabilitation of basic economic infrastructure. On the other hand, institutional capacity was built through the creation of a LEDA in each province. The Ministry of State Administration considered this approach replicable in other provinces of Mozambique. Its recent evaluation indicated that the programme's approach is useful in the fight against poverty and social exclusion, and that it is coherent with Mozambique's National Strategy Against Poverty (PARPA or Action Plan for the Reduction of Absolute Poverty). Consequently, the Government has asked the ILO to assist in the elaboration of a national policy for LED.
29. While targeting the local level is an important means of operationalizing the Global Employment Agenda, it is equally important that appropriate action be taken at all levels so as to ensure maximum synergy between work at different levels. A comprehensive national strategy for employment that includes institutional building is often an essential precondition to success of local level action.

Conclusions

30. Some of the key lessons emerging from the implementation of the Global Employment Agenda to play its full role in supporting constituents to adopt integrated policies to pursue decent work goals include:
- importance of placing employment in a broader socio-economic context linked to institutional developments and governance;
 - concentrating analysis on key elements identified in the Global Employment Agenda;
 - active involvement of the social partners in the development of the employment strategy which allows follow-up action to be based on broad consensus;
 - need to balance the claims of competing objectives which requires developing a high degree of analytical capacity and judgement;
 - ending discrimination in the labour market and income access is key to poverty eradication and necessary policy measures need to be taken to ensure that this forms an integral part of countries' socio-economic policies and national employment creation strategy;
 - need to sensitize the Ministries of Finance and Planning to the feasibility of incorporating employment concerns in policy-making;
 - “localization” of the Agenda allows synergy between macro policy and micro-level intervention to foster growth of good quality jobs at the local level; and
 - political commitment is essential to undertake comprehensive employment policy reviews and develop national employment agendas in support of decent work.

Further analytical work based on country experiences would underline the favourable interaction of the Global Employment Agenda and other pillars of the decent work strategy.

31. On a more general note experience so far suggests that the framework the Global Employment Agenda provides in making employment a more central goal in policy-making at the country level has on the whole stood up well with robust results. This experience has also yielded four important insights into further developing and building up the Agenda's framework.
- (i) Given that a very significant part of the labour force and many of the working poor are in the agricultural sector, the need to increase productivity in this sector through appropriate action must be given a higher profile in the development and implementation of the Agenda.
 - (ii) It is also becoming quite clear that unless the employment goal is fully embedded in a country's macroeconomic framework, results in promoting employment at the sectoral and local level can be seriously constrained.
 - (iii) There is also need for the framework of the Agenda to more effectively combine its key elements in raising productivity given the fast increasing competition in both external and domestic markets. Employment strategies being proposed and developed under the Agenda need therefore to assign particular importance to improving productivity of enterprises. The objective of increasing productivity, which has the

potential of both raising living standards and generating non-inflationary sustained economic growth must be made an explicit goal in countries' development strategies.

- (iv) Finally, attention must be drawn and built into national employment agendas of significant global economic developments which can have a far-reaching effect on a country's economic and employment performance. Through global alliances with international institutions and UN agencies, the Global Employment Agenda can play an extremely important role in analysing these developments and bringing them to national-level attention.

- 32.** The Committee is invited to comment on the report with a view to giving guidance on the future development and implementation of the Global Employment Agenda with constituents and partner agencies.

Geneva, 1 October 2003.

Submitted for discussion.