

**FOR INFORMATION**

## FIRST ITEM ON THE AGENDA

**Implementation of the Global  
Employment Agenda: An update  
(country presentations)**

1. This regular update on the implementation of the Global Employment Agenda (GEA) is divided into two parts. The first outlines the modalities for country presentations as discussed during the Committee on Employment and Social Policy (ESP) March 2006<sup>1</sup> session and which would be followed in the country presentations on Burkina Faso and Pakistan by senior policy-makers and the social partners at the March 2007 session. The second part provides for information the GEA implementation update based on the same format as in November 2006.<sup>2</sup>

**I. Country presentations**

2. At the request of the ESP Committee to hear first-hand country experiences in developing national employment strategies, presentations were made by senior policy-makers and employers' and workers' representatives from Argentina, Ghana and the Philippines to the ESP in March 2005 and November 2005.
3. In its March 2006 session, the Committee requested the Office to continue inviting selected countries (two a biennium) to share their experiences in formulating and implementing employment policies; determine the extent to which ILO approaches, guidelines and tools have been used; and identify good practices and learn from each other's experiences. The Committee particularly noted that, in making their presentations, the tripartite country delegations explicitly stressed support received from the ILO's technical advisory services in drawing up and implementation of employment policies and how the GEA framework has contributed to the process.
4. The country presentation to be made by the tripartite representatives would in the future be also shared with the ESP Committee before the presentation is to be made – in the case of Burkina Faso and Pakistan through the Governing Body web site.

<sup>1</sup> GB.295/ESP/1/3.

<sup>2</sup> GB.297/ESP/6.

5. The Committee had also requested the Office to prepare guidelines and a list of basic questions to assist the drafting of the documents and presentations by the country delegation. These suggested guidelines, which have been shared with the tripartite constituents in Burkina Faso and Pakistan, are provided in the appendix.

## GEA implementation update

### (a) Global

#### (i) *Global Employment Trends: Brief 2007*

6. This is the fifth consecutive year the ILO has published the *Global Employment Trends*. As in the other years, the report<sup>3</sup> updates the main global labour market developments with 2006 data and puts them in perspective in the context of longer term trends.
7. On the positive side, the report points out the strong growth of global growth domestic product (GDP) in 2006 of 5.2 per cent led to a stabilization of labour markets worldwide and some improvement in the numbers of those employed and reduction of the share of working poor in total employment. Specifically:
  - There were more people in work in 2006 than in 2005. At the end of 2006, 2.9 billion people aged 15 and older were in work, which is up 1.6 per cent from the previous year, and up 16.6 per cent since 1996. More people are now working globally than ever before.
  - At the same time, since 1996, the absolute number of working poor at the US\$1 a day measure decreased by close to 90 million and the share of the working poor in total employment decreased (from 24 to 17.6 per cent at the US\$1 a day measure, and from 54.6 per cent in 1996 to 47.4 per cent in 2006 at the US\$2 a day measure).
8. These positive trends were partly offset by some negative ones:
  - First, despite the strong growth, more people were unemployed in absolute terms in 2006. The number of unemployed remained at an all-time high of 195.2 million, and therefore the global unemployment rate stayed at 6.3 per cent in 2006.
  - Second, while some countries and regions managed to reduce the number of workers who live with their families in poverty, in others the numbers of these working poor increased. The net result globally is a decline in the percentage of working poor in total employment in the last ten years, but still a continued growth in the absolute numbers of working poor living on US\$2 a day or less reaching 1.37 billion in 2006 compared to 1.35 billion in 1996. The peak total of nearly 1.4 billion was in 2001 but falls since then were modest.
9. For the first time, the *Global Employment Trends* report includes an estimate for the next year. Using the International Monetary Fund (IMF) forecast of a growth rate of global GDP in 2007 of 4.9 per cent, which is close to the global growth rate of 2006, there is no reason to think that continued robust growth will translate into significant reductions in unemployment or poverty, unless something significantly different is done in terms of innovative employment policies.

<sup>3</sup> See ILO, *Global Employment Trends: Brief, January 2007*, Geneva, [www.ilo.org/trends](http://www.ilo.org/trends).

10. An historic milestone was reached in 2006 with global employment in the services sector overtaking that in agriculture. Services now account for 40 per cent of world employment, up from 39.5 per cent in 2005, while agriculture is now at 38.7 per cent, down from 39.7 per cent.
11. The *Global Employment Trends: Brief* also outlines each region's labour market performance as well as key challenges.

## (b) Regional

### ***Tripartite Caribbean Employment Forum (CEF)***

12. The ILO organized a tripartite Caribbean Employment Forum (CEF) in Barbados during 10–12 October 2006. The CEF, attended by high-level representatives of governments and employers' and workers' organizations from all the member States and non-metropolitan territories of the Caribbean, focused on the particular social and economic challenges of the small island economies in an increasingly competitive and liberalized world. The ILO, in close consultations with national tripartite constituents, prepared a background report for the Forum: *Responding to globalization: A decent work agenda for the Caribbean in the context of regional integration*. The report succinctly identified the critical challenges of the Caribbean, in particular the increasing volatility of growth, and growing unemployment especially among youth and informal work in a milieu of increasing global competition and eroding trade preferences. The CEF provided a lively platform debate, recognizing the urgency of creating a conducive national policy environment and of fostering regional integration towards promotion of full, productive employment and decent work.
13. The tripartite CEF adopted a Tripartite Declaration and Plan of Action for Realizing the Decent Work Agenda in the Caribbean and resolved "to formulate Decent Work Country Programmes to advance decent work priorities in national development agendas", and in this recalled, inter alia, the ILO's GEA and the GEA implementation document on operationalizing the employment component of Decent Work Country Programmes. Subsequently, the ILO presented the Tripartite Declaration and Plan of Action and report of the Forum to the Council for Human and Social Development (COHSOD) of the Caribbean Community and Common Market (CARICOM) at its Fifteenth Meeting (Guyana, 12–21 October 2006). COHSOD took note of the outcome document and agreed that it should be submitted for endorsement by the Conference of CARICOM Heads of Government at its next meeting.

## (c) National: Learning from country experiences

### ***Madagascar: Validation of the Programme National de Soutien à l'Emploi***

14. The National Employment Policy constitutes the reference document in Madagascar for employment promotion. To operationalize it, an action plan (called Programme National de Soutien à l'Emploi or PNSE) has been formulated. The Employment Sector, with funding from SIDA (Sweden), supported the Ministry of Labour and the social partners to formulate the five-year programme and ensure its coherence with the Poverty Reduction Strategy Paper (PRSP), known as the Madagascar Action Plan (MAP). Both plans cover the period 2007–11.

15. An intensive consultative process took place for the formulation of the PNSE. This was launched on 19 July 2006 when a technical workshop was held to discuss, on the basis of a methodological document prepared by the ILO, the strategic objectives and operational outcomes of the PNSE. The next steps have been to consult with the social partners, both at national and regional levels; to develop the actions and programmes needed to achieve the objectives defined; to develop both progress and performance indicators; and to prepare detailed terms of reference for the steering committee and the permanent secretariat to monitor and guide the implementation process.
16. On 18 October 2006, a national tripartite seminar was held to validate the PNSE with participants from key ministries, provinces, regions, employers' associations, trade unions, civil society and international organizations. It was chaired by Mr Jean-Théodore Ranjivasaon, the Minister of Labour. After a presentation of the full programme and group work on each of its strategic objectives, the PNSE was unanimously validated and adopted by the participants.
17. The ILO also provided technical assistance to the Ministry of Labour to integrate the PNSE into the MAP, which was done successfully: all elements of the US\$16 million PNSE are fully integrated into the MAP's activity matrix under the sixth of the eight commitments.<sup>4</sup> The MAP was presented to a roundtable of donors in November 2006 and it is hoped that the PNSE will be, at least partly, funded. The UNDP has also shown interest in funding some activities and discussions are ongoing on concrete proposals.

## **Update on China's Employment Promotion Law**

18. As reported in the GEA implementation update for the ESP March 2006 session,<sup>5</sup> the ILO worked closely with the Ministry of Labour and Social Security during 2005 on the development of a comprehensive Employment Promotion Law. The Office has now been informed that, in early January 2007, the Chinese Central Government held discussions and adopted the draft law in principle. The decision was taken at an executive meeting of the State Council presided over by Premier Wen. The meeting stressed the central importance of employment as a key factor in balanced social and economic development, not least under the current pressures resulting from the rapid increase in jobseekers in both urban and rural areas. It is expected that the state Council will submit the draft law to the National People's Congress shortly.

## **Ghana: National Employment Policy**

19. Ghana is one of the first countries to initiate an employment-driven national budget under its second Growth and Poverty Reduction Strategy (GPRS II). Building on the considerable analytical work on employment and labour market issues carried out in the last few years by the tripartite constituents with ILO technical support, a draft National Employment Policy has been formulated in support of GPRS II for the Ministry of Manpower, Youth and Employment (MMYE). This draft, which has been prepared by

<sup>4</sup> The MAP's eight commitments are: (1) responsible governance; (2) connected infrastructure; (3) educational transformation; (4) rural development and green revolution; (5) health, family planning and the fight against HIV/AIDS; (6) high-growth economy; (7) cherish the environment; and (8) national solidarity.

<sup>5</sup> GB.295/ESP/1/2.

national experts with support from the ILO working in collaboration with the World Bank, will be discussed and adopted by the tripartite constituents in early 2007.

20. The ILO is also working closely with the MMYE and the social partners to explore ways for the ILO and possible development partners to support the Government in extending the work begun under the Decent Work Pilot Programme to increase opportunities for decent work in the informal economy and for youth. It should be noted that work on the National Employment Policy is being carried out as part of the Ghana Decent Work Country Programme (2006–09) which has increased employment, productivity and incomes, especially in selected areas and sectors as one of the three priority areas.

#### **(d) Sectoral**

##### ***Using information and communication technologies (ICTs) to achieve growth and development***

21. The Expert Meeting in Support of the Implementation and Follow-up of WSIS: Using ICTs to Achieve Growth and Development was held from 4 to 5 December 2006. It was jointly organized by UNCTAD, the OECD and the ILO with the aim of examining the latest empirical evidence on the impact of ICTs on productivity and competitiveness, trade, employment and, as a result, accelerated economic growth, in particular in developing countries. It followed a similar exercise carried out in Antigua, Guatemala, on 17–19 January 2005.
22. Discussions were structured in the following thematic sessions: (i) the impact of ICTs on productivity and growth; (ii) the impact of ICTs on business sectors (particularly banking and the petroleum sectors); (iii) ICTs and international trade in goods and services; and (iv) ICTs, labour markets and employment, and society.
23. Important information about the access to ICT-related employment for women and about general employment conditions in the IT sector were presented. Statistics show that jobs in ICTs are predominantly occupied by young males. An important fall in the labour force in this industry is observed as workers grew older. It was stressed that ICTs were only one component of a larger set of economic and social development factors that included microeconomic drivers such as innovation systems, human resources development, entrepreneurship and an appropriate business environment. ICT application and use, facilitated by the appropriate enabling conditions, was the key. ICT-enabled offshoring of services was a potential source of growth and jobs in the supplier countries and of productivity and competitiveness in client countries.

#### **Labour market policies**

24. India, among other developing countries, is in the process of reforming its labour markets and engaging in new labour market policies. However, labour market reforms are controversial and require a careful approach which takes into account the interest of all parties. One of the objectives of the “High-level roundtable on labour market reforms in India: Towards decent work in a globalized world”, held in New Delhi, 7–8 December 2006, was to bring social partners together to discuss labour market reforms. Research results of the Employment Sector were presented and best practice examples from around the world were discussed. In particular, the ILO’s work on the nexus between labour market flexibility and stability was instrumental in triggering an ongoing debate among

Indian constituents. A partnership approach on these issues appeared to be taking shape for taking the issue further in a subsequent roundtable explicitly targeting the ongoing Indian labour market reforms.

25. The transition from a planned to a socialist market economy in China creates problems and pressures on the labour market, which are being addressed by labour market policies. However, not much is yet known about the longer term and macroeconomic effects of these policies in China. The need for labour market policy evaluation was clearly recognized as an important policy area in the discussion in the ESP November 2003 session on the paper on the GEA core element on active labour market policies.<sup>6</sup> This need was reiterated during a seminar on labour market policy evaluation, organized by the Employment Sector, ILO Beijing, the Bangkok Subregional Office and the Institute for Labour Studies of the Ministry of Labour and Social Security in Beijing, 11–12 December, 2006. The Employment Sector provided expert knowledge on labour market evaluation, presented best practice cases from around the world, and prepared the ground for progressively setting up capacity for labour market policy evaluation in China.

## **Enabling environment for enterprise development**

26. The ILO is an active member of the Donor Committee for Enterprise Development, Chair of the Business Environment Working Group, and led the preparations of a conference on business environment reform in Cairo at the end of 2005. The follow-up to that conference is a series of regional conferences focused on the development, management and dissemination of knowledge and development of formal policy guidance for development agencies on how best to support national efforts in providing an enabling policy and regulatory environment for enterprise development.
27. The first in the series of regional conferences addressed the topic of “Creating better business environments for enterprise development – Asian and global lessons for more effective donor practices”, and took place in Bangkok at the end of 2006. Over 170 people representing 18 development agencies, as well as representatives of developing country governments and the private sector, discussed the many ways in which donor agencies can support business environment reform in Asia.
28. The conference provided an opportunity for extensive discussion of the World Bank’s influential *Doing Business* report. Regulatory reform was seen as a key issue for donor-supported business environment reform, as a subset of the broader reform agenda and in the sense that good regulations (but not necessarily less regulations) are important for sustainable enterprise development. The discussions afforded the opportunity for the ILO – and others – to express reservations about the methodology used in the “employing workers” component of the *Doing Business* report. The conference extolled the importance, where appropriate, of integrating business environment reform into all enterprise development projects and programmes; encouraged special attention to be given to the distributional effects of reforms, especially as they affect the poor and women; and called for increased donor coordination partly to help governments enhance the sustainability of their reform agendas.

<sup>6</sup> GB.288/ESP/2.

## Ending discrimination in the labour market

29. In October 2006, the Global Compact Policy Dialogue on Combating Discrimination and Promoting Equality for Decent Work took place in London. A joint effort of the ILO and the United Nations Global Compact Office, the Policy Dialogue was attended by several multinational enterprises as well as influential policy-makers.
30. Participants agreed that globalization, together with recent social and demographic changes (e.g. ageing and intensification of migration flows), have altered the traditional patterns of inequality and discrimination and pose new challenges to overcome them. At the same time, there is increasing evidence that valuing diversity is a key to business success, including as a means to address skill shortages, underutilized customer potential, and improved market understanding.
31. Given the geography of labour market inequalities, public-private partnerships at municipality level can at times devise more efficient local solutions. It is for this reason that mayors and delegations from large cities that face diversity challenges were invited to attend the Policy Dialogue in London, noting that London has pioneered the Diversity Works for London programme. It is hoped that, as a result of the Policy Dialogue, other cities may develop their own local model, inspired by the Global Compact and drawing upon the work of the ILO.

## II. Youth employment

### (ii) Global Employment Trends: For Youth 2006

32. The recently released ILO report<sup>7</sup> in October 2006 adds to growing evidence of a global situation in which young people face increasing difficulties when entering the labour market. The main findings of the report are:
- The number of unemployed youth aged 15 to 24 increased to 85 million in 2005, from 74 million in 1995. Only one region showed a decrease: the developed economies and the European Union. In all other regions, youth unemployment remained constant or increased.
  - More than 300 million youth were working poor in 2005; that is, living below the US\$2 per person, per day poverty line. This means that one out of every four youth in the world is today a working poor young person.
  - A third vulnerable group of youth are those that are neither in the labour force (working) nor studying. The report calls this group the discouraged youth: they are inactive because they feel that a job search would be futile given the limited number of job vacancies. The report estimates that at least 20 million youth worldwide have given up job search altogether. A discouraged youth – just like a young person who is unemployed for a long period of time – is vulnerable to facing a difficult process of reintegrating into the labour market and is in danger of feeling useless and of becoming alienated from society. Statistical evidence also shows that young people

<sup>7</sup> ILO: *Global Employment Trends: For Youth 2006*, Geneva, Oct. 2006.

are more likely to withdraw from the labour market and not even look for work in countries of stagnant or negative growth.

### **III. Informal economy**

33. A detailed update on the work being undertaken by the ILO on the informal economy is presented separately.<sup>8</sup>

### **IV. Meeting the special needs of Africa**

34. Some of the country-level work being undertaken has been reported above for Ghana and Madagascar besides the country-level presentation to be made by Burkina Faso at the March 2007 session. The next implementation update will report in detail on follow-up activities to the African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa, in line with the reports to be discussed at the forthcoming ILO African Regional Meeting in Addis Ababa in April 2007.

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*Submitted for information.*

<sup>8</sup> GB.298/ESP/4.

## Appendix

### Suggested guidelines on content of country presentations

While each country presentation would reflect the specific characteristics of its economy and the employment challenge it faces in this context, the following broad guidelines and questions can assist in the drawing up of its presentation.

#### ***I. Understanding the challenges***

- Review of employment and labour market trends over the last five to ten years and the main factors responsible for these developments. Has the ILO provided assistance in the monitoring of the labour market and development of key indicators?
- Identification of the key challenges and the binding constraints the economy faces (and/or faced in the past) in the creation of productive and decent job opportunities for women and men.

#### ***II. National employment strategy or policy frameworks***

- Major policy responses to face these challenges as outlined in relevant national employment strategies and/or medium-term development frameworks/plans, PRSPs and other short and medium-term planning frameworks. Was the generation of employment and decent work made an explicit priority goal of the overall strategy and policy responses adopted? Were the social partners, i.e. employers and workers' representatives, involved in this task? In what way did the ILO provide support to the drawing up of national employment strategies? Were ILO guidelines and tools used in any way; and if so how? Was the GEA strategic framework used explicitly or implicitly in the drawing up of employment strategies and policies?
- What specific targets or goals were defined as part of the employment strategy with respect to particular groups (youth, women, migrants and disabled)?

#### ***III. Macroeconomic, trade investment climate and sectoral policies***

- What measures have been adopted to ensure a stable macroeconomic framework that, at the same time, spurs economic and employment growth? Has the goal of macroeconomic stability been at the expense of productive job creation? With hindsight, could these two goals have been better reconciled? Has the ILO provided technical advice on these issues? Was this seriously considered in decisions taken and policies adopted?
- Has the government identified key or leading sectors to be supported for employment generation? If so, how and why were these sectors chosen? Did the ILO provide any support in the identification of these sectors and devising appropriate policy measures?

#### ***IV. Enterprise development***

- Outline the measures taken to promote entrepreneurship and enterprise development especially in small and medium enterprises at the national, sectoral, enterprise and

local level. In what ways did the ILO provide support to promote or implement these goals?

#### **V. Skills and employability**

- What are the challenges faced in developing a globally competitive workforce through appropriate investments in knowledge and skills development? What are the challenges faced in improving the skills of the poor, especially those living in rural areas or working in the informal economy? Has the ILO provided assistance in these tasks?

#### **VI. Labour market policies**

- Outline measures taken to develop an efficient and well-functioning labour market, including labour market reforms that take into account both the need for flexibility for enterprises to adjust to increasing global competition and at the same time care of the workers' needs for security. Have the social partners been actively involved in designing and implementing effective labour market policies? Has the ILO assisted in the design and implementation of labour market policies? To what extent have these been successful?

#### **VII. Targeted policies**

- Outline measures taken to support creation of equal employment opportunities for women and reducing discrimination in the labour market on the basis of gender and ILO support in drawing up of such policies.
- Outline measures taken to support employment of people with disabilities and support provided by the ILO in developing appropriate policies and programmes.
- Outline direct interventions and targeted schemes undertaken to generate productive employment and decent work. These could include public labour-intensive infrastructure programmes, microfinance and skill training programmes for targeted groups, especially women and young entrants into the labour market. Has the ILO assisted in the design and implementation of such programmes?

#### **VIII. Social protection**

- Outline measures that have been undertaken to extend social protection and income security especially to vulnerable groups, including through innovative programmes and microfinance initiatives. Has the ILO provided assistance in the design and implementation of these programmes?

#### **IX. Crisis response**

- If the country (or region) has been affected by, or is emerging from, a natural disaster or economic crisis or a post-conflict situation, what measures have been undertaken to assist job creation and income support in the reconstruction and recovery phases? Did the ILO provide any support in developing programmes to support the creation of decent jobs in these circumstances?

#### **X. Informal economy**

- Are specific measures being taken to increase productivity and incomes of those working in the informal economy? Has the ILO provided support in the formulation and implementation of such policies?

**XI. Youth employment**

- Are there any specific schemes and programmes for assisting young women and men to find productive employment in the labour market? Has the ILO provided assistance in designing and implementation of such policies?

**XII. Governance and evaluation**

- Outline measures taken to strengthen institutional capacity in government and employers' and workers' organizations to formulate, implement and monitor policies for productive employment and decent work and to encourage tripartite social dialogue in both the formulation and implementation of such policies, especially in the planning frameworks and PRSPs. Outline assistance provided by the ILO in developing and strengthening such capacity in government and the social partners.