▶ Appendix I

Opening address of the Director-General of the ILO to the 358th Session of the Governing Body (Monday, 9 November 2026)

Chairperson of the Governing Body,

Worker Vice-Chairperson,

Employer Vice-Chairperson,

Distinguished Members of the Governing Body,

Ladies and gentlemen,

It is an honour to welcome you to the 358th Session of the Governing Body.

Since we last met in September, geopolitical tensions, conflicts and trade fragmentation have continued to weigh on global economic and labour market prospects. Yet, labour markets have remained remarkably resilient, with headline employment indicators broadly stable.

As the ILO recently highlighted to the International Monetary Fund and World Bank, this apparent stability masks underlying fragilities, including slowing hiring, pressure on real incomes, persistent informality and deteriorating job quality. Productivity gains are not sufficiently translating into broadly shared improvements in living standards, while small and medium-sized enterprises continue to face productivity gaps and limited access to finance and technology. High operating costs and economic uncertainty further constrain enterprise growth and quality job creation.

Young people are particularly affected. Our *Global Employment Trends for Youth 2026: Back to the future* report shows that youth unemployment reached 12.4 per cent in 2025, leaving 67 million young people without work. Many more struggle to find decent jobs amid subdued growth and rapid technological change. Nevertheless, there are positive developments: youth employment reached its highest level since 2013, with encouraging growth in knowledge-based technical occupations.

Over the next two weeks, you will guide the Office on important policy and institutional matters.

Tomorrow, you will examine four interconnected documents on the ILO's reform, contingency measures, financial resilience, and the Programme and Budget for 2028–29. They reflect our determination to build a strong, focused and resilient ILO.

Since last year, we have faced an exceptionally difficult cash-flow situation requiring decisive action. Through prudent financial management and timely contingency measures starting in March–April 2025, we have contained expenditures and mitigated operational risks.

These measures, however, have come at a significant human cost for our staff. I remain very conscious of our duty of care, the importance of meaningful social dialogue and our responsibility to minimize involuntary separations. I wish to pay tribute to the Staff Union for its very constructive engagement throughout the workforce adjustment process.

In addressing this challenging situation, we have made every effort to ensure that contingency measures do not undermine our ambition to reform the ILO, including within the broader context of the UN80 Initiative.

The reorganization of headquarters is nearing completion. We have further streamlined management structures while safeguarding essential oversight, normative, policy and enabling functions. We have also made progress in exploring options to strengthen our capacity in the regions and establish a Global Service Centre.

We must now build on the lessons of this difficult period and look beyond the immediate crisis towards medium- and long-term financial resilience.

Proposals before you include reinforcing the Working Capital Fund, exploring a dedicated resilience fund or alternative mechanisms, and encouraging timely payment of assessed contributions.

The preview of the programme and budget translates reform and reprioritization into a more focused results framework. Normative work, supported by authoritative supervision, development cooperation and technical assistance, alongside social dialogue, will remain central to our work to promote decent work and the creation of decent jobs by small and medium-sized enterprises.

Our objective is clear: to emerge from these challenges with an ILO that is financially stronger, operationally more agile, and better equipped to deliver on our mandate.

Turning to our policy agenda and building on the outcomes of the International Labour Conference, you will consider two plans of action at the heart of the ILO's mandate: one on social dialogue and tripartism, the other on gender equality.

You will also examine the proposed strategy to follow up on the adoption of the landmark Decent Work in the Platform Economy Convention, 2026 (No. 193). This will be an important opportunity to chart the way forward in supporting constituents in ratifying and implementing this Convention.

Informality remains a major obstacle to achieving decent work. In 2026, nearly 58 per cent of workers worked and eight in ten enterprises operated informally. I look forward to your guidance on the global road map to implement the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) and to accelerate formalization.

Artificial intelligence (AI) has dominated headlines in recent months. AI presents opportunities and challenges for employment, equality and workers' rights. The Office is currently developing a human-centred AI strategy to strengthen evidence on its impact on the world of work, support inclusive transitions, particularly in developing countries, and promote responsible applications to advance decent work. I expect this important issue to feature in future Governing Body discussions.

On legal and institutional matters, you will consider the International Court of Justice's advisory opinion on Convention No. 87 and the right to strike. I would also like to thank the Officers of the Governing Body for their diligent work in preparing recommendations on the determination of Members of chief industrial importance.

The update on the Global Coalition for Social Justice reflects our ambition to turn commitments into action, strengthen partnerships and deliver tangible results. The Coalition now brings together more than 400 partners worldwide, whose commitment I warmly commend. I wish to thank Brazil for its leadership as Co-Chairperson of the Coordinating Group and welcome India as it assumes this important responsibility.

Alongside this Governing Body session, we will meet development partners to mobilize support for the Decent Work and Recovery Programme for the Occupied Palestinian Territory, including restoring livelihoods and promoting employment-centred recovery in Gaza. Your support will be crucial.

Before closing, let me express my deep appreciation to ILO staff for their dedication and resilience during these difficult times. Their expertise and unwavering commitment to the ILO's mandate, together with your continued guidance and support, will be essential in helping us navigate this crisis and emerge with a stronger ILO.

Thank you very much.