International Labour Conference
Provisional Record 19
98th Session, Geneva, 2009

Report of the Committee of the Whole on Crisis Responses

1. At its first sitting on 3 June 2009, the International Labour Conference constituted the Committee of the Whole on Crisis Responses. The Committee held its first meeting on 3 June 2009. The Committee was originally composed of 241 members (106 Government members, 50 Employer members and 85 Worker members). To achieve equality of voting strength, each Government member entitled to vote was allotted 425 votes, each Employer member 901 votes and each Worker member 530 votes. The composition of the Committee was modified eight times during the session and the number of votes allocated to each member was adjusted accordingly. [1]

2. The Committee elected its Officers as follows:

Chairperson:	Mr Z. Rapacki (Government member, Poland) at its first sitting
Vice-Chairpersons:	Mr D. Funes de Rioja (Employer member, Argentina) and Sir Roy Trotman (Worker member, Barbados) at its first sitting
Reporter:	Ms I. Dembsher (Government member, Austria) at its sixth sitting

[1] The modifications were as follows:

(a) 4 June: 261 members (111 Government members with 2,668 votes each, 58 Employer members with 5,106 votes each and 92 Worker members with 3,219 votes each);

(b) 5 June (evening): 268 members (113 Government members with 5,626 votes each, 58 Employer members with 10,961 votes each and 97 Worker members with 6,554 votes each);

(c) 8 June: 248 members (114 Government members with 3,589 votes each, 37 Employer members with 11,058 votes each and 97 Worker members with 4,218 votes each);

(d) 9 June: 205 members (117 Government members with 55 votes each, 33 Employer members with 195 votes each and 55 Worker members with 117 votes each);

(e) 11 June: 209 members (121 Government members with 15 votes each, 33 Employer members with 55 votes each and 55 Worker members with 33 votes each);

(f) 13 June: 147 members (121 Government members with 60 votes each, six Employer members with 1,210 votes each and 20 Worker members with 363 votes each);

(g) 17 June: 146 members (121 Government members with 114 votes each, six Employer members with 2,299 votes each and 19 Worker members with 726 votes each);

(h) 18 June: 139 members (121 Government members with 12 votes each, six Employer members with 242 votes each and 12 Worker members with 121 votes each).

3. At its ninth sitting, the Committee appointed a Drafting Group. It was composed as follows:

Government members: Mr E. Deibe (Argentina), Ms F. Fitting (Germany), Mr Y. Hassan (Egypt), Mr M. Hobby (New Zealand), Mr M. Jiang (China), Mr F. Kazi (Bangladesh), Ms E. Lettlova (Czech Republic), Mr S. Okpanachi (Nigeria), Mr P. Russell (United Kingdom), Mr K. Swinnerton (United States), Ms V.E. Ya Toivo (Namibia) and Mr N. Ying (Jamaica);

Employer members: Ms A. Gerstein (Germany), Ms R. Goldberg (United States), Ms Z. Mabuza (Swaziland), Mr A. Moore (United Kingdom), Mr P. O'Reilly (New Zealand) and Mr M. Terán Moscoso (Ecuador);

Worker members: Mr T. Benydin (Mauritius), Ms S. Burrow (Australia), Mr M. Leemans (Belgium), Mr M. Norŏdahl (Iceland), Mr Y. Veyrier (France) and Ms H. Yacob (Singapore).

4. The deliberations of the Committee were structured in three segments.

(a) The first segment consisted of a series of ten thematic dialogues on topical policy issues that emerged during the worldwide crisis response measures. The dialogues aimed at soliciting a wide range of views on the nature of the crisis and alternative policy responses. The topics first covered the prospects for recovery and options to include employment and social issues into the policy responses of the crisis. Two dialogue sessions dealt with the role of labour standards, social dialogue and industrial relations in shaping crisis responses. Three sessions dealt, on the one hand, with the effect of the crisis on wages, working conditions, sustainable enterprises and social protection and, on the other, with the role that these policy areas could play in mitigating the effects of the crisis. During a further session, active labour market policies (ALMPs), as a crisis coping mechanism, were discussed. The series of thematic dialogues ended with a session on the ways and means to shape a fair, inclusive and sustainable globalization. All thematic dialogues included a brief introduction of the issue by a member of the secretariat, interventions by a panel of external experts, followed by a question-and-answer session from Committee members. The Special Adviser to the Representative of the Secretary-General summarized the salient points of deliberations at the end of each thematic dialogue.

(b) The second segment consisted of a series of general discussions which, inter alia, reacted to issues either raised in the Report of the Director-General to the International Labour Conference, Report I(A), *Tackling the global jobs crisis: Recovery through Decent Work policies* (Report of the Director-General), or issues that emerged from the thematic dialogues. These sittings provided guidance to the Drafting Group which was to elaborate an outcome document (later named "Recovering from the crisis: A Global Jobs Pact"). During one special sitting, the Officers of the Committee on Gender Equality, by agreement of the Selection Committee, shared the outcome of the work of their Committee.

(c) The third segment comprised the Committee discussions on the draft outcome document and the draft report.

(d) Based on the deliberations of the Committee, the following summary of the proceedings was prepared.

(e) In total, the Committee held 18 sittings.

Introduction

5. In his introductory statement, the Representative of the Secretary-General noted that the ILO was responding to the crisis quickly and swiftly. He took the Committee through some of the events that had led to the establishment of the Committee of the Whole on Crisis Responses. He highlighted the strategic directions put forward by the Officers of the Governing Body at its 303rd session (November 2008), which called for tripartite and Office action in a number of areas. It was noted that the Governing Body had decided to convene a High-level Tripartite Meeting on the Current Global Financial and Economic Crisis at its March 2009 session. That Governing Body had also proposed to make the response to the crisis the main theme of the 2009 International Labour Conference, working through a possible Committee of the Whole, and to include interactive panel discussions. He emphasized the latest developments and policies at the global, regional and national levels, including the communiqué of the G20 London Summit in April 2009, which referred to the importance of creating employment opportunities and social protection measures to address the human dimensions of the crisis. He noted that the discussions of the Committee would be guided by several background documents prepared for and since the March 2009 session of the Governing Body, referring to the key document for consideration – the proposal for a global jobs pact. He drew the attention of the Committee to the ILO's Global Job Crisis Observatory, which featured on the ILO web site, noting that interventions and PowerPoint presentations would be made available through this medium. He concluded by introducing the members of the secretariat of the Committee of the Whole on Crisis Responses.

6. The Chairperson recalled that the Committee was established by the Conference with the mandate to discuss the matter of the ILO's response to the employment and social policy consequences of the economic and financial crisis. He proposed that the work of the Committee be organized around two segments: ten thematic dialogues and general discussions. He explained that the panellists in the thematic dialogues would make presentations that would serve the purpose of the Office report that was normally prepared for the Conference. The Committee's work would be suspended for the ILO Summit on the Global Jobs Crisis, which would take place on 15, 16 and 17 June. The Committee would also report to the Plenary of the Conference, to which it would present the conclusions of its work, possibly in an outcome document to be submitted for adoption by the Conference.

Thematic dialogues

Session 1. Thematic dialogue 1: Is recovery in sight? Are prospects for jobs improving?

7. Under authority of the Chairperson, Mr Daniel Makokera (journalist, South African Broadcasting Corporation) moderated the discussion. He introduced the panellists and noted that the financial and jobs crisis was a particularly important issue that many people were grappling with in Africa and around the world.

8. The Deputy Representative of the Secretary-General presented the Office's global employment scenarios for recession and recovery, which showed the possible scale and duration of global labour market distress. Some of the shortfall would manifest itself in unemployment, some in inactivity, and some in working poverty. If the recovery in output growth was weak and its job content also, the world could see a six-year, or longer, period of severe labour market distress. If policies to counteract recession and stimulate growth focused on job content, however, that distress could be alleviated in three years. In a period of weak labour demand, it was important to remain focused on the goals of full, productive and decent work, to reduce the risk of high unemployment and increasing working poverty. The likely severity and duration of the global jobs crisis made it essential to improve social protection for those made vulnerable by distressed labour markets.

9. Mr Richard Newfarmer (Special Representative of the World Bank to the United Nations and World Trade Organization) stressed at the outset of his presentation the daunting dimension of the current jobs crisis. Financial panic had begun in the United States and had radiated out to the developing world. Diminished capital flows had been the principal vehicle from which rich countries' recession had been transferred to poor countries. Developing countries would lose four percentage points of GDP growth and as many as 90 million additional workers would remain trapped in poverty, and more would be pushed into poverty. Some "green shoots", that is, incipient signs of recovery, however, could be seen particularly in the United States, European Union (EU) and China. While recovery would probably begin in 2010, its strength was uncertain and daunting challenges lay ahead, and financial support would be needed to maintain growth in developing countries. One such challenge was to provide support to workers and the poor, while social safety nets were under pressure from deteriorating fiscal balances. Remittances would decline, enterprises would face tighter credit conditions adversely affecting labour demand. Unemployment was likely to increase and remain high. He emphasized that employment took much longer to recover than the economy. In terms of policy options, he mentioned the need for countercyclical policies but only for countries with access to non-inflationary sources of finance. He also stressed the importance of policies to support workers and the poor. Regarding the necessary factors for an improved multilateral response to the crisis, it was important to fulfil pledges for development assistance and to augment these with the new "vulnerability fund". Also, global markets should be kept open and pressures for trade protection should be resisted. Finally, there should be improved regulation of financial markets. In conclusion, he noted the World Bank's commitment to increase its support to the poorest countries as well as its willingness to work jointly with the ILO in this major endeavour.

10. Mr Marco Terrones (Deputy Chief of the World Economic Studies Division, International Monetary Fund (IMF)) presented the results of IMF research on the crisis which had informed the April 2009 *World Economic Outlook*. He began by explaining the motivation for the research, namely that the global economy was experiencing the deepest downturn in the post-Second World War period. Two aspects of the current recession were its association with the financial crisis in advanced economies and its high international synchronization. Recessions associated with financial crises were severe and recoveries from such recessions were slow. These features became more pronounced if, in addition, the recession was global. Consistent with these findings, the *World Economic Outlook* projected that global economic activity would decline in 2009 and recover gradually during 2010. The main characteristics of recessions could be measured by duration and amplitude. A recession would normally last less than one year but, if associated with a financial crisis, would last much longer. The output drop of a financial and globally synchronized recession would also be much higher. Furthermore, while consumption and exports were key drivers of recovery, with a synchronized recession these factors were of less help. Recovery should begin in 2010 and would be slow. The recession would have a broad-based effect, with the worst effects on growth forecast for Japan. Unemployment in advanced economies would reach very high levels. Emerging economies were projected to suffer too, but high growth in emerging Asia was still holding up a strong pace. Risks to the outlook remained tilted to the downside. Financial strains could intensify again; trade and financial protectionism remained a concern; there were risks of deflation and concerns about high public debt and fiscal sustainability. The upside potential, however, was that there could be a faster than expected restoration of market trust and confidence, helped by successful macroeconomic policies.

11. Mr Hazem El Beblawi (Adviser, Arab Monetary Fund) presented the impact of the financial crisis on the Arab region. He indicated that his intervention was based on his own ideas and did not necessarily reflect those of the institution to which he was affiliated. He underscored the importance of distinguishing between the two groups of countries in the Arab region: oil-producing and non-oil-producing. The oil-producing countries had enjoyed surpluses due to years of high oil prices and had invested in outside markets, making them susceptible to the current crisis. Despite declines in oil revenues, most governments in the region had been able to intervene to help stabilize the markets, but this intervention could not be maintained if the crisis continued. It was projected that the oil-producing countries would experience a lower growth rate compared with recent years. These countries were more affected by the financial crisis than the non-oil-producing Arab countries. The non-oil-producing countries were pleased to see the decline in oil and food prices, being importers of these commodities. However, the spillover effects in terms of reduction in trade, remittances and direct investments were affecting their real economy. In both groups of countries, there was little space for monetary policy as interest rates in US dollars remained low. There was much more leverage in terms of interventions through fiscal policy. Debt increase, however, was a concern in the region, as was the fear that inflation might also increase.

12. Mr Yilmaz Akyuz (Special Economic Adviser, South Centre, Geneva) asserted that the current signals in the global economy were confusing. While some positive signs in the United States, China and India had been witnessed in terms of commodity prices, this seemed more like an easing of the pace of decline rather than actual recovery. He stated that recessions driven by financial factors could have several dips. Projections of current and past crises showed that there was a lack of understanding of the nature and extent of financial crises. In developing countries, falling exports, reversal of capital flows and declines in remittances were leading to a depletion of reserves, which in turn led to balance of payment constraints. He expressed concern about international support from the IMF. While conditionality was said to have been modernized, it appeared that the IMF was doing business as usual through pro-cyclical fiscal tightening. The medium-term prospects would include sluggish global markets due to tight financial conditions because of exit from fiscal stimuli and bailouts, and focus on inflation control and fiscal consolidation. There would be reduced growth and increased disparities among developing economies. Countries dependent on capital flows were unlikely to see strong recovery. According to the speaker, future wage trends in the United States and China held the key to the reduction of global imbalances and to robust and sustained growth. Both countries needed strong wage increases. The United States would need faster wage growth than in the past in order to reduce consumer indebtedness and raise savings, while China would need the same to increase domestic consumption and reduce dependence on foreign markets.

13. The moderator opened the floor for discussion. The Employer Vice-Chairperson inquired about mechanisms that could help reduce the gap between economic and employment recovery. The Worker Vice-Chairperson asked the panellists' views on a number of issues that were of key concern to the workers. He reminded the Committee that the current crisis was a crisis of, inter alia, liberalized and uncontrolled capital markets; irresponsible financial entrepreneurship; tax fraud and tax evasion; and growing imbalances in wealth and income. Given the complexity of the problem, he raised a number of questions such as how to ensure that global capital markets helped growth and development; how fiscal space could be secured; what was needed to make sure that labour would not become a commodity; and what would a new fair trade and development paradigm look like.

14. The questions raised by the Employer members included the practical actions that the ILO and the social partners could take to alleviate the gap between economic and employment recovery as well as whether the existing world model could be improved or a new economic order should be created. The Employer Vice-Chairperson emphasized that, if any new economic order were to be created, it should still rest on free market, entrepreneurship and private initiative. An Employer member from New Zealand expressed his concern about implicit suggestions that developed countries were mostly at fault. An Employer member from the United States asked how the ILO and the World Bank could improve collaboration.

15. Among the issues raised by Worker members, the issue of conditionality was emphasized as well as what mechanisms were being established to ensure that financial markets in advanced countries would not continue to function like "giant casinos". A Worker member noted that the cause of the crisis was an unfair globalization and called for proposals for a sustainable recovery. The Worker member from France urged measures to change the system in order for wealth to be redistributed and rights respected.

16. Issues raised by Government members (India, Spain and Syrian Arab Republic) included measures that were needed to reduce the employment recovery time, to what extent stimulus packages could lead to improved employment opportunities as well as who would finance the mechanisms that would need to be put in place. The Government member of Brazil questioned whether the jobs crisis was worsened by trade liberalization as well as the need for tariffs and subsidies. The Government member of New Zealand noted that there was no one-size-fits-all solution and invited panellists to suggest recommendations of what not to do. The Government member of the United States asked the panellists to specify the elements that they would bring to support the recovery of employment growth. The Government member of Jamaica asked whether the recovery should be led by the State or by the private sector.

17. Mr Newfarmer explained that a key cause of the crisis was financial deregulation. Arguments had been put forward to suggest that a possible solution would be to create an international bank charter. Taxation for fairer social outcomes was absolutely necessary for supporting social spending. Inter-institutional collaboration was crucial and the question of how the ILO and the World Bank could work together had been discussed, in particular the drafting of a joint study as a starting point.

18. Regarding the issue of aligning fiscal stimulus with employment, he noted that some key elements of the US stimulus package had had an immediate effect on jobs and purchasing power. For there not to be negative effects on other countries, it was important not to impose protectionist measures. As to whether there was an absence of policy space for subsidies and tariffs, he wondered whether this was a fair characterization of the debate. The question of who received subsidies and how they were used was very important.

19. Regarding what the World Bank could bring to the table, he emphasized a package of technical assistance and lessons learned from country experiences. Regarding the issue of whether the recovery should be led by the State or by the private sector, he noted that the State would play a major role in the short term and the private sector in the longer term. The balance between private and public would differ from country to country. As to what not to do, he mentioned that tariffs should not be used and that there should be no inflationary financing. Regarding the issue of a possible new world economic order, he stressed the role of multilateralism and a larger role for developing countries.

20. Mr Terrones noted that the IMF did not oppose countercyclical measures as long as there was fiscal space. Regarding financial conditionality, he noted that the IMF allowed countries to manage policies as they wished and did not impose conditionalities. Regarding the issue of "casino behaviour", he drew attention to the fact that evidence showed that regulation and supervision were key elements of the financial markets.

21. On the issue of the blame between developed and developing countries, Mr Akyuz said that several middle-income countries had received considerable sums of money for expansion but low-income countries, on the other hand, had not been part of that system, and should not be forced into debt.

22. The Special Adviser to the Representative of the Secretary-General provided a summary of the key points that had been mentioned in the discussion.

23. In his closing remarks, the Employer Vice-Chairperson emphasized the need to create jobs and noted the key role of small and medium-sized enterprises. The crisis called for practical responses. In this respect, multilateralism as well as the interaction between developed and developing countries had a key role to play. The Worker Vice-Chairperson stressed the need for a new trade and development paradigm and better policies that protected the workers, their families and some businesses. Better regulated capital markets were also key to the solution. Quality employment and social protection should be key components of the stimulus package.

Session 2. Thematic dialogue 2: How to ensure that employment and social issues are effectively addressed in the policy responses to the crisis including fiscal stimulus packages (developed countries)

24. The Chairperson introduced the moderator of the session, Mr Jonathan Lynn (Reuters World Trade Correspondent and bureau chief in Geneva). Mr Lynn pointed out that, while there had been unprecedented responses to the crisis, the Committee would wish to hear proposed solutions rather than forecasts. Referring to the discussions in the previous sessions, he addressed some of the issues that had been raised by the participants, such as whether stimulus packages had been effective.

25. The Special Adviser to the Representative of the Secretary-General summarized the main findings of the Office brief. Based on an analysis of over 40 stimulus packages, responses from member States had been significant. He highlighted the five challenges countries faced in their recovery: the extent to which credit systems would be restored; the timing of job recovery measures, which depended crucially on the speed of implementation of those measures, and raised the issue of the coordination of fiscal stimulus packages; the extent of specific labour market and social stimulus packages; the extent to which automatic stabilizers were better than discretionary measures; and, finally, the extent to which recovery measures would address long-term issues. He stressed that those measures must be targeted, timely and temporary.

26. Mr Jonathan Coppel (Economic Counsellor in the Office of the Organisation for Economic Co-operation and Development (OECD) Chief Economist) said that the OECD had predicted a bleak economic outlook for 2009 and stagnant growth in 2010. The forces driving that outlook were linked to the crisis in the financial markets, processes of deleveraging and higher borrowing costs, as well as the downturn in the housing market. All those issues were affecting consumer spending and, while drops in commodities prices had provided a certain degree of counterweight for importing countries, that was not sufficient to redress the balance. The beginnings of a recovery were foreseen as of early 2010. He highlighted that the most striking aspect of the present crisis was the synchronicity of the downturn in OECD member countries, which had not been seen in previous situations of crisis. The crisis had resulted in considerable loss of employment, OECD average unemployment reaching 10 per cent. He warned that there was a risk that part of the increase in unemployment could become structural and stressed the importance of bearing this in mind in the design of stimulus packages. Although the recovery was anticipated to come through in 2010, it would be a slow process, owing to the fact that the crisis had resulted in households and businesses making efforts to lower their debt exposure. When every country was experiencing contraction, the question arose as to where the recovery would come from. In some countries, central banks had reduced their interest rates close to zero per cent, and many had introduced non-conventional monetary measures. When financial markets were not performing, the question arose as to the effectiveness of monetary policy. Given the size of the present downturn, the response of OECD member countries had been to use discretionary fiscal policies. Some member countries, such as the United States and Australia, had established large discretionary fiscal packages, while many European countries had large automatic stabilizers such as unemployment benefits. There was a relationship between the size of automatic stabilizers and discretionary fiscal packages, with the automatic stabilizer component approximately three times larger than discretionary stimulus packages. Turning to the controversial issue of the effect of policy responses on GDP, he outlined the concept of fiscal multipliers. Depending on the nature and mix of fiscal measures, the response would have a greater or lesser multiplying effect on GDP. OECD analysis showed that government spending had a multiplier effect of 1, while taxation had a multiplier effect of 0.5. On the issue of the growing public debt, he cautioned that higher levels of government debt could put pressure on long-term interest rates, which in turn could affect investment levels and therefore growth prospects.

27. Mr Jiří Rusnok (Executive Adviser to the Retail Management Committee, Pension Director and Chief Economist, ING Czech and Slovak Republics) described the diverse situation in the Central and Eastern European (CEE) countries. While the past and recent transition situations of these countries had been similar, their macroeconomic situations were not homogenous at the outset of the crisis and the impact of the recession was quite different across the region. Most of the CEE economies, except Hungary, had grown significantly in recent years, by more than 5 per cent of real GDP. In 2009, however, almost all of them would face negative growth, worsening unemployment and increased public debt. He pointed out that experience had shown that, in the past, jobs were created only when GDP growth had been over 4 per cent thus, if the recovery from the crisis was weak, the labour market would not be able to recover sufficiently. In the region, fiscal stimulus packages had been significantly small in size (representing 1–2 per cent of GDP) and, with the exception of the Baltic States, Ukraine and, in part, Hungary, there had been no banking crisis with government bailouts. The region had suffered in the past from structural problems with public finances, which made it difficult to finance higher fiscal deficits. In addition, as they were small, open economies, the effectiveness of domestic fiscal stimulus was limited. The focus was therefore being concentrated on supply-side measures, such as taxation, to boost competitiveness of the national economy. The automatic or embedded stabilizers were an important part of anti-crisis strategies although some countries in the region did not develop effective automatic stabilizers. Specific new temporary measures to boost the flow of cash and improve employability had been introduced. In closing, he indicated that the long-term prospects for the CEE countries were optimistic as they had successfully reformed their economies in the past decade.

28. Mr Robert Strauss (Directorate General, Employment, European Commission) provided a brief overview of the EU policy responses which stemmed from the European Economic Recovery Plan of November 2008. The Plan called on Member States to boost demand through coordinated fiscal stimulus (€200 billion) and to accelerate structural reforms as set out in the Lisbon Strategy. So far, the outcomes of the Plan had resulted in: the coordinated fiscal stimulus of 1.8 per cent of GDP; stepped-up labour market measures supporting vulnerable groups; big infrastructure investments; and measures to make business easier. With respect to the fiscal stimulus, he pointed out that €80 billion were being spent on short-term measures to save or create jobs; €70 billion on increased payments for the unemployed and vulnerable groups; and €50 billion on long-term measures such as innovation and greening the economy. He highlighted in detail measures being taken in EU Member States with respect to: the easing of labour market transitions and support to vulnerable groups; the strengthening of infrastructure and the business environment; and the investment in a greener and more knowledge-based economy. To stimulate the recovery process, the European Commission had also suggested to Member States to frontload their structural funds by temporarily suspending the co-financing rules. Among other measures, microcredit facilities through the European Investment Bank had also been increased. In concluding, he emphasized that the European Council Informal Meeting of Heads of State and Government on 18 June 2009 would focus on combating the crisis and promoting employment.

29. Opening the discussions in the Committee, the Worker Vice-Chairperson stressed the need for decent work to be at the core of policy responses to the crisis including fiscal stimulus packages. He pointed out that the timing and size of the packages had been uncertain; coordination had been weak and there had been little involvement of the social partners in their design. He cautioned that in some countries the crisis was being used to reform labour laws. The Workers' group thus questioned: how to ensure a coordinated global recovery plan; how to ensure a decent work focus in stimulus packages; and how to ensure that the victims of the crisis did not have to pay for the cost of the stimulus packages. He voiced the group's concern regarding the IMF's April 2009 *World Economic Outlook* which proposed addressing the issue of paying for the stimulus packages through a reduction in expenditure on social security and health care. The Workers' group reiterated the need for globally coordinated policies which would include ALMPs, be employment-intensive, extend and strengthen social protection, protect standards and involve workers and employers. Measures therefore needed to be employment-intensive and green, and enhance universal social protection provisions, which would progressively build a social protection floor in all countries. The G20 needed to ensure that the Washington Consensus policies be abandoned and that focus be placed on employment-enabling policies in partnership with the ILO. A Worker member from the United States asked how the ILO could ensure that the World Bank and the IMF adopt the core principles of decent work, notably freedom of association and collective bargaining.

30. The Employer member from the United States acknowledged that there was no one-size-fits-all solution to the crisis. She underlined some common policy guidelines which in her view had emerged from the presentations, which pointed to the fact that: ultimately, measures would need to be paid for and thus, agreeing with characterization in the Report of the Director-General, short-term measures would need to be targeted, timely and temporary; spending on labour market policies needed to be boosted; the needs of small and medium-sized enterprises, including entrepreneurs, needed to be emphasized; and difficult reforms could be pushed forward, notably addressing labour market rigidities. She added that protectionism could potentially endanger job creation. The Employer member of Germany, drawing on the success of programmes to reduce working time with unemployment benefits to compensate part of wage losses, asked the panel to suggest models that had been implemented successfully in other countries, and under what conditions they had worked.

31. The Government member of the Czech Republic, speaking on behalf of the Governments of Member States of the European Union, [2] asked the panel which measures developed

[2] Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

countries should focus on, given the budgetary constraints countries were facing. Her second question addressed the issue of improving global skills forecasting, asking what should be the roles of government, employers and workers and what assistance could be expected from the Office in that effort.

32. The Government member of France commented on the importance of automatic stabilizers and asked that they be better taken into account by the experts and the Office in calculating recovery measures for evaluating their impact on public and household spending.

33. Responding to some of the queries, Mr Coppel mentioned that up to the present time there had been fairly limited coordination in fiscal policy measures although there had been concerted action. He pointed out however that it was now important to look at a coordinated response between countries, a view shared by the other panellists. He stressed the need to put together a common exit strategy, to facilitate the return to fiscal sustainability. However, there was a need to maintain fiscal stimuli until clear signs of a sustained recovery were visible. He observed that structural reforms, although important, would not be high on the agenda in most countries, especially since the crisis did not have its origin in labour market rigidities. On fiscal multipliers, he highlighted the issues of trying to make assessments of fiscal policies. On the issue of skills forecasting, Mr Strauss mentioned that the European Commission was already working with the ILO on looking at future skills needs, including for a low-carbon economy.

34. The summary of the key points mentioned in the discussion was postponed to the next session.

Session 3. Thematic dialogue 3 : How to ensure that employment and social issues are effectively addressed in the policy responses to the crisis including fiscal stimulus packages (developing countries)

35. The Chairperson invited Mr Makokera to moderate the session. The moderator introduced the panellists, and invited a representative of the Secretary-General to make an introductory presentation.

36. The representative said that the global financial crisis was spreading to developing countries and emerging economies through different transmission channels such as a decline in trade, remittances and foreign direct investment (FDI). Lag and impact differed across countries. Some emerging economies had announced stimulus packages. In other developing countries there was a serious problem of fiscal space. These countries were hesitant to increase internal or external debt and there was concern that levels of additional finance for development might drop. Even where stimulus packages were in place, only a small proportion of the measures was directed to employment and social protection. The ILO was supporting initiatives to appraise impact and promote policy space for response and dialogue. She noted that the crisis had revealed structural deficits in the automatic stabilizers in developing countries, including ALMPs and social protection. Such weak institutional capacity limited swift action. Between 20 and 80 per cent of stimulus packages announced by developing countries had been directed at infrastructure investment. Consideration had to be given to maximizing the employment impact of infrastructure development, linking to the green economy, and promoting SME access to, and capacity for, public procurement. Although the impact of the crisis in the informal economy was not very visible in official data, there were concerns about increases in working poverty. The informal economy was not sufficiently targeted in recovery measures. Targeted employment programmes (particularly to women and youth), support to the self-employed, micro and small enterprises, and local development strategies were timely measures. Employment guarantee schemes and cash transfers could be considered, and efforts should be made to ensure that those initiatives be effectively targeted and scaled up and that their delivery capacity be maximized.

37. Mr José Antonio Ocampo (Professor and Head of the Economic and Political Development Concentration, Columbia University) said that, during the course of the crisis, debates had shown a general acceptance of the need to implement countercyclical policies. The main problem for developing countries was that they suffered from cyclical shocks, and the manner in which macroeconomic policies had been applied had exacerbated that problem. In times of crisis, developing countries had been encouraged to make fiscal adjustments, such as increasing interest rates, which had led to greater difficulties. The term "countercyclical policy" had only become accepted into general parlance during the present crisis. Although the acceptance of the term was positive, the situation was particularly complicated owing to the nature of the shocks. The deepest shock in the developing world had been in respect of trade. Some developing countries had accumulated considerable international reserves and had therefore a greater capacity to face the crisis than previously. Regions such as Latin America and Asia had not suffered to the same degree as Central and Eastern Europe. While the issue of declining remittances was important, their drop had been less marked than the drop in finance and trade. The greatest problem was that, since the crisis was mostly trade-related, traditional countercyclical measures were not as effective. Developing countries, particularly those with less policy space, would have difficulty relaunching their economies. The possibility of an export-based recovery was more limited in the current situation than in previous crises. Attention had to turn to internal policy. While fiscal policy was the main instrument for recovery, it had limited effect when the shock had an external origin. In conclusion, the speaker made three recommendations regarding expenditure programmes. First, he mentioned the need to launch emergency employment programmes. Second, he emphasized the importance of public investment to keep workers in employment. Third, he outlined the necessity of well-targeted conditional cash transfer programmes and the need to incorporate them into social security systems.

38. Mr Samir Radwan (Member of the Board of Directors, Egyptian Investment Agency) noted that, in the case of Egypt, the country had been doing well before the crisis struck although economic growth was not equitably shared. Egypt's financial sector was not very well integrated so the impact was small. Instead, the crisis had hit the real economy. The drivers of the Egyptian economy, such as the Suez Canal, tourism and manufacturing, had slowed. Unemployment, particularly for youth, had risen dramatically in line with other countries in the region. The region was characterized by its large informal economy estimated at 50 per cent of the labour force. As had been pointed out, policy instruments were neither sufficient nor workable because the informal workers lay beyond their reach. He turned to the crucial issue of poverty, which was on the rise in the region. When oil prices had been rising, resulting in an accumulation of wealth, these resources had not been directed to correct the structural problems. Rather, they had been spent on bailing out the financial institutions and real estate. The stimulus package was mainly dedicated to infrastructure, which had little effect on employment, while the labour force continued growing. He put forward recommendations on appropriate responses which included the need to revise current industrial policy, to invest in education and training, and to revise the legal framework, and in particular the labour code. He emphasized the key role that labour market institutions could play. Recalling the employment strategy missions of the 1970s, he proposed that the ILO initiate interagency specific missions in selected countries in order to work out details for a post-crisis employment strategy.

39. Mr Bambang Susantono (Deputy Minister for Infrastructure and Regional Development, Office of the Coordinating Ministry for Economic Affairs, Indonesia) offered his

Government's perspective on the impact of the financial and economic crisis. He indicated that export growth and capital inflows in Asian countries had declined. There were large-scale job losses in specific sectors as well as downward pressure on wages, leading to reductions in purchasing power. Prolonged, lower economic growth might deepen extreme poverty leading to difficulties in reaching the targets of the Millennium Development Goals (MDGs). He offered an overview of the overall impact and on un(der)employment in Indonesia, indicating that about 240,000 jobs had been lost in the formal economy in about five months. The Government of Indonesia had developed a stimulus programme whose measures included tax savings to low wage earners as well as subsidies to businesses for job creation purposes with the aim of increasing purchasing power, fostering competitiveness and improving infrastructure. He explained that the methods used to conduct infrastructure development maximized the use of labour and equipment and made optimum use of local labour. He indicated that if employment-intensive approaches were used for 50 per cent of infrastructure investments, about one million additional jobs would be created, particularly in rural areas. Their local resource-based method with optimal use of local labour and local materials met objectives for efficiency, equity and environmental sustainability. Finally, he explained that Indonesia was taking serious actions to monitor the use of stimulus funds as monitoring played a key role in ensuring success of the programmes.

40. Mr K.P. Kannan (Fellow (and former Director) of the Centre for Development Studies, Thiruvananthapuram, Kerala, India) focused his presentation on the challenge of employment in India through an informal economy perspective. He began by asserting that policies should put employment first and understand that growth was a derivative of employment. In India, 92 per cent of the workforce was in the informal economy. Informality and crisis were linked. Workers in the informal economy were the first to be hit at the onset of an economic crisis due to lack of employment security. In India, however, schemes were already in place to act as shock absorbers, such as the National Rural Employment Guarantee Scheme. He underscored that informality was related to poverty and vulnerability and indicated that appropriate measures to address informality should include four key areas. First, a social floor should be created for workers, including a national minimum wage, minimum social security benefits and minimum working conditions. Second, he advocated for public employment with the State as an employer of last resort. Third, small enterprise development was important in particular regarding access to credit. Fourth, he stressed the primary importance of skills development in ALMPs, for improving the employability of informal workers. He also argued the importance of increasing effective demand of the poor rather than aggregate demand. Targeting employment and the purchasing power of the poor would have a permanent impact, while boosting aggregate demand was a short-term response to the crisis. Finally, he provided three recommendations to the Committee. First, in order to advance the four objectives outlined above, such issues should not be conceived as short-term responses but as a foundation for development and decent work. Second, he indicated that the ILO had pioneered the way for identifying and understanding informality in the world of work. It was time to set an agenda for transforming informality into decent work. This could be most effectively done by setting up an expert group or a commission. Third, he stated that a special focus should be given to organizing the unorganized in order to give them a legitimate voice and representation.

41. The Chairperson opened the floor for discussion. The Worker Vice-Chairperson noted that countries were facing a synchronized global crisis and problems were similar in many countries. Among the key problems were the lack of aggregate demand, declining wage share, growing inequalities and the growth of precarious and informal employment. He made a number of observations including the need for coordinated and coherent responses and a common commitment and approach to minimum wages, tax floors, stimulus packages and labour rights to avoid "beggar thy neighbour" policies. He asked how developing countries with fewer resources could pursue policies that could protect or expand critical expenditures including on a social protection floor, human development and employment-intensive investment. He raised concerns about the opportunities for developing countries to: access the necessary green technology to address climate change; strengthen and implement social protection systems; and maintain development aid, such as a proposed global jobs fund, and invoke selective temporary protectionist measures which would allow them to build their own industrial base.

42. The Employer member from Nigeria raised several crucial issues for employers, focusing on developing countries. He drew attention to the fact that unemployment was a perennial problem, the formal economy was much smaller than the informal and there was no linkage between them. In light of that, he asked whether standard stimulus packages would have an impact in developing countries. He reminded the Committee that the work of past International Labour Conferences on the informal economy, sustainable enterprises, rural employment, development of small and medium-sized enterprises and skills development could provide some answers. He emphasized the key role of the private sector and enterprises as an engine of growth and development and noted that open economy and free enterprise should not be abandoned. He suggested that measures which prioritized the sustainability of enterprises through improved access to credit, the development of infrastructure and review of procurement and trade policies would have a greater impact on employment. In conclusion, he asked the panellists what options were available for countries without the fiscal space to package a stimulus response.

43. Several Worker members stressed the daunting challenges that workers in developing countries were facing as the majority were deprived of social protection. Social partners needed to work together to weather the challenge and propose institutional arrangements for social protection. Issues raised by Employer members included the importance of promoting free trade and that protectionist measures should be avoided. A question was raised regarding unemployment benefit systems versus employment guarantee schemes in developing countries.

44. Among the topics raised by Government members (Australia, Nigeria and South Africa), the issue of fiscal space was emphasized. A suggestion was to remove developing countries' debt to help countries develop fiscal packages. Furthermore, the issue of well-designed infrastructure-intensive programmes that took into account existing skills and labour force characteristics was also raised. The Government member of Cameroon, speaking on behalf of the Africa group, [3] expressed his group's support for the ILO initiative to promote a global jobs pact. In his region, a further negative impact of the crisis was expected and resources needed to be mobilized at a time of increasing budget deficits and cuts in official development assistance (ODA). Finally, the crisis had to be dealt with at the global level with renewed commitment to international support to combat poverty.

45. The moderator gave the panellists the opportunity to respond to the issues raised.

46. Mr Ocampo confirmed that his main message was that countercyclical measures were needed to address the crisis. More international financial cooperation of a different sort was crucial to successfully addressing the crisis but this cooperation could not be exclusively based on lending by the IMF. He observed that more ODA would still be

[3] Angola, Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Guinea, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Swaziland, United Republic of Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe.

required for these countries. He stressed that the international community needed to move towards better managing the debt crisis of developing countries, mentioning earlier efforts that had been made to create a bankruptcy court and advocating that this issue be revisited. He said that access to trade was essential, especially for SMEs in developing countries. He confirmed that a common point in the interventions was the need for social protection and a social floor. This point, which was key for the ILO, would require further thinking particularly on the minimum level of social protection for all. He acknowledged that financial resources would be needed and felt that the international community would have to rethink how to revise the tax system.

47. Mr Radwan confirmed that the Committee of the Whole had an important role to play and invited delegations to welcome and support the proposed global jobs pact of the ILO. Regarding the stimulus package, he reiterated that there was no one-size-fits-all approach and noted the importance of further discussion of the design and financing of stimulus packages. He noted that the ILO was in a good position to provide technical assistance.

48. Mr Susantono observed that investment infrastructure had two dimensions: efficiency and equity. He gave the example of Indonesia where at the local level the ILO had introduced local resource-based infrastructure development, where local capacity was prioritized. He agreed that not all projects could be carried out in this manner but, if projects on local resource-based infrastructure could be optimized, these could have a significant impact on employment. He added that infrastructure development had many benefits including local training, access to credit, and providing equipment for small local projects. By integrating infrastructure policies with other policies, it would be possible to have a larger impact. Regarding fiscal stimulus, he noted the importance that this should not be designed as a stand-alone programme and should comprehensively address issues such as conditional cash transfers, education, health and other social policies.

49. Mr Kannan mentioned that countries with very little fiscal space would have a difficult time. He added that this affected a large number of countries, and that there was still a great need for international assistance, but that there was also a need for important internal decisions. In many countries, inequalities existed and tax efficiency was an important issue that needed political will. He mentioned that local economic development was an important instrument for poorer countries. If countries were heavily dependent on commodities for export, there was a further need to look at diversifying export baskets. He also mentioned that while employment guarantee schemes could reach the majority of workers in the informal economy, the unemployment insurance schemes would only be of benefit to workers in the formal economy.

50. The Special Adviser to the Representative of the Secretary-General provided a summary of the key points that had been mentioned in the discussion. In his closing remarks, the Employer Vice-Chairperson said that overcoming informality and ensuring the development of small enterprises were particularly important issues where the ILO could provide technical assistance and help to its constituents. The Worker Vice-Chairperson said that efforts should be made to work together and ensure accountability and transparency at all levels and to raise additional resources through progressive taxation and development assistance. Governments had an important role to play in ensuring the provision of social security, employment guarantee schemes, public works and investment in infrastructure.

Session 4. Thematic dialogue 4: The role of international labour standards in crisis response: The standards package

51. The Chairperson opened the session and introduced the panellists.

52. A representative of the Secretary-General referred to standards as setting out the minimum requirements so that the rights of all actors were respected. He reminded the Committee of the historical role played by the ILO in previous crisis situations in 1919 and after the Second World War when it had strengthened through its normative system the rights at work on which social dialogue and a search for social justice were based. That had been followed by the 1998 Declaration on the Fundamental Principles and Rights at Work and its Follow-up (the 1998 Declaration). While the global ratification rate of the core Conventions was now at least 90 per cent and their principles comprehensively recognized as aims to be fully pursued, he raised the concern that in times of crisis there would be pressure to lower the bar on those rights. He stressed that recovery, reconstruction, economic growth, globalization and the opening of markets had all been accompanied by measures to ensure respect for a set of standards which were recognized as being essential for the good conduct of the economy. Standards were a key part of the solution and not part of the problem.

53. Ms Mary Robinson (President of Realizing Rights: The Ethical Globalization Initiative) saluted the leadership of the Director-General of the ILO in adapting and revitalizing its work to meet the challenges of a rapidly changing world, and in establishing in particular the Decent Work Agenda, which had the potential to fundamentally reshape the broader economic and social development discourse globally. She highlighted the importance of the decision to hold a session of the International Labour Conference on the employment and social policy consequences of the global economic and financial crisis, as it refocused debate on finding a sound and sustainable response which put at its heart decent jobs which met basic labour standards. The 1998 Declaration in particular provided clear benchmarks to be realized and implemented. Drawing on her own experience, she commented that she had seen that these standards were too often marginalized and perceived as constraining growth. She welcomed the recent success of the Better Work programme, sponsored by the ILO and the International Finance Corporation (IFC), which highlighted the positive economic performance which came from the respect of labour rights. With informal employment in many developing countries flourishing and taking up 80 per cent of the labour force, governments had to rethink the mainstream economic approach to the informal economy. Informal workers needed to be visible, to be given a voice in decision-making and be made a target of policy-making. Most importantly, they needed a stronger and wider enforcement of global standards. She commended the ILO's embracing of the informal economy in its work, but raising the productivity of the informal sector remained a challenge. She called upon the ILO to lead a new international effort to tackle challenges related to the informal economy, which would require the involvement of the ILO's tripartite constituents. She also called for a significant increase in ILO assistance to support developing countries committed to the Decent Work Agenda. A focus on gender improved the effectiveness of the Decent Work Agenda. Extra resources were necessary to realize the benefits of these measures and she believed that the ILO should be a central part of any new facility to ensure decisions of international financial institutions (IFIs) on funding were coordinated and consistent with international labour standards, which would also require an effective working relationship with the World Bank, regional development banks, the human rights community and others. In conclusion, she believed that the crisis offered an opportunity to make the objectives of the Decent Work Agenda an integral part of a new multilateral framework to reform global economic governance and to shape a more sustainable and fairer globalization for all women and men.

54. Ms Janice Bellace (Chair of the ILO Committee of Experts on the Application of Conventions and Recommendations) stressed the need to ensure that fundamental principles and rights at work were not jeopardized by the crisis, as the key labour standards of the ILO were shaped with crisis in mind and served the purpose of dealing with and averting crisis. She reminded the Committee that the origins of the ILO in 1919 and the renewal of the ILO through the Declaration of Philadelphia could be traced back to periods of crisis; denial of rights to decent working hours, and safety and health was damaging to workers and their families. She pointed to the four categories of fundamental principles and rights of the 1998 Declaration and their importance in the context of crisis situations. First, the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), provided a core enabling right ensuring that workers and employers had a voice in the current context of plant closures, cutbacks and lay-offs. Countries where employers and workers had a voice showed greater social stability and crisis measures would have more legitimacy. Second, during times of crisis, protection against indecent forms of work, trafficking and exploitation was ensured by enforcing Conventions such as the Forced Labour Convention, 1930 (No. 29), and the Abolition of Forced Labour Convention, 1957 (No. 105), the Migration for Employment Convention (Revised), 1949 (No. 97), and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143). Third, discrimination at work in times of crisis increased and therefore labour standards such as the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and the Equal Remuneration Convention, 1951 (No. 100), were highly relevant. Fourth, pointing to the need to protect against child labour, which might be seen as a solution when adults were losing their jobs, the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182), were particularly important. She referred to various other ILO labour standards which ensured the efficient functioning of the labour market, such as the Termination of Employment Convention, 1982 (No. 158), which provided a framework for job termination, and the Private Employment Agencies Convention, 1997 (No. 181). Further, wage contraction, especially of a discriminatory nature, pushed down consumption and aggregate demand, which was counterproductive in the crisis. She reaffirmed the views expressed by the previous panellist on the challenges posed by the informal economy and the necessity to find solutions to prevent people sliding into the informal economy. She stressed that the economic crisis should not be used as an excuse for lowering labour standards and highlighted the role of the ILO in preserving social justice and social dialogue.

55. The Chairperson opened the floor for discussion.

56. The Worker spokesperson stated the key messages of the Workers' group that: the crisis was leading to an increase of violations of workers' rights. The destruction of jobs went contrary to the Employment Policy Convention, 1964 (No. 122), which called for full, productive and freely chosen employment; it was vital to re-establish the precepts of the international labour standards and the rules of the game which should be reaffirmed in a global jobs pact; the effective implementation of Convention No. 87 and Convention No. 98 was needed to ensure that workers' rights were respected in the crisis through social dialogue. Healthy competition should go together with free collective bargaining and protection of workers' rights especially wage levels and distribution. International labour standards were pertinent and, in addition to the ones stated in box 14 of the Report of the Director-General to the International Labour Conference, Report I(A), *Tackling the global jobs crisis: Recovery through decent work policies*, in the crisis context he referred to those covering minimum wage fixing, labour relations (public service), occupational safety and health, workers' representatives, labour inspection, cooperatives and human resources development. There was a need for new standards to make up for the lack of rights, which had been highlighted by the crisis and which should include, among other areas, the promotion of decent work in the case of economic restructuring and the promotion of decent work within the supply chain; and the rights acquired should not be sacrificed in the context of the current crisis.

57. The Employer spokesperson pointed out that there were no sustainable gains to be achieved by undermining labour standards and that her group was of the view that the crisis should not result in substandard employment. She emphasized that labour standards clearly had a role to play in developing responses to the crisis. A balance between maintaining labour standards and stimulating job creation and productivity needed to be struck. Reaffirming support for the 1998 Declaration, she pointed out the commitment of Employers, Workers and Governments to realizing these fundamental rights. The most vulnerable needed protection in times of crisis. She reminded the Committee that international labour standards were but one means of action for the ILO; Decent Work Country Programmes were another. She reiterated the point that private sector growth was necessary to create employment, particularly SME stimulation. Flexibility in the labour market was essential. She stated the necessity of enhancing social protection to bolster demand and protect the vulnerable through ALMPs and appropriate social safety nets.

58. Queries from Government members (Australia, Jamaica, Kenya, Spain and United States) referred to various issues such as the extent to which the outcome document of the Committee would elaborate on the economic benefits of the fundamental principles and rights at work; queries on which international labour standards would stimulate recovery; issues related to the informal economy and the transition from informality into formality, and issues related to labour inspection.

59. Some of the issues raised by the Government members (India, Jamaica and Spain) were also echoed by Employer and Worker members such as the need for economic policies to embrace the informal economy.

60. Employer members also raised issues concerning: the need for flexibility of labour standards; the applicability of standards under all circumstances including in times of crisis and how these standards needed to be effective in achieving their real objectives; and the need to address the issue of those standards with few ratifications or which did not apply to the majority of workers, in order to determine their relevance.

61. The Worker members from Mauritius and Ireland expressed concern that employment rights were under threat and queried how countries could ensure that labour standards were being observed.

62. Ms Robinson confirmed that quantification of the economic value of fundamental standards would greatly contribute to the discussions. With respect to whether formalization of the informal sector should be a precondition for social protection, she pointed to innovative solutions for the social protection of informal workers and shared her experience from the Self Employed Women's Association (SEWA). On the question around flexibility and forgoing rights, Ms Robinson agreed that some rights could be more flexible, as had been addressed earlier by Ms Bellace, but others could not. She referred to the work of the Commission on Legal Empowerment of the Poor, with respect to the importance of both property rights and labour rights, including in the informal economy, as well as business rights; self-organization was a vital part of this strategy. She stressed that it was important at least to ensure the core labour standards.

63. Addressing additional queries, Ms Bellace said that, although the range of international labour standards was wide and it was therefore difficult to generalize, regulation and change were not contradictory. Many labour standards allowed for flexibility, and rigidity tended to occur in the context of national implementation. There appeared to be misconceptions about the value of ILO Conventions, which could indeed provide a basis for economic recovery. Beyond the core standards, regulations on labour administration, labour inspection services, and human resources development would improve the functioning of the labour market to address the crisis. Regarding the informal economy, she said that an interesting pilot programme had been initiated in India using microinsurance, which could be used as a model for other countries.

64. The representative of the Secretary-General, in his concluding remarks, said that the discussion had highlighted the role of the normative framework and labour standards in the context of the Decent Work Agenda. Social justice was a necessary component of peace, and the risk to basic rights in the crisis had been discussed. He summarized the main points that had been discussed.

65. In his concluding remarks, the Employer Vice-Chairperson reiterated his group's respect for, and commitment to, fundamental rights at work, while there was always a need to keep existing standards under review. Flexible regulatory frameworks were required in order to be able to adapt to the reality of situations, but not at the expense of appropriate protection, and to enable small and medium-sized enterprises to contract labour and do business while respecting the law. Flexibility did not mean eliminating protection. There should not be a dual labour market. Labour standards must be respected not only as benchmarks but as normative instruments and implementation gaps must be bridged.

66. In his concluding remarks, the Worker spokesperson said that international labour standards had a particularly important role to play in times of crisis. Standards did not counter productivity and economic growth. Social justice and workers' rights must be the objective of all societies. It was essential to be coherent within countries, and globally between the ILO and other organizations. Labour inspection was a necessary part of the solution, ensuring that workers' rights were not lost in the struggle for competitiveness.

Session 5. Thematic dialogue 5: Social dialogue and industrial relations in the context of economic downturn: Strategies of social dialogue tripartite actors to address the consequences of the crisis and prepare for recovery

67. The Chairperson opened the fifth thematic dialogue, introducing the first speaker who presented the topic on behalf of the Secretary-General.

68. A representative of the Secretary-General reminded the Committee that the importance of social dialogue in dealing with the crisis derived from its capacity to find the best tripartite solutions. Its role was to promote consensus through negotiations, consultations and information sharing. This required well-functioning institutions. The speaker drew attention to the lack of sufficient information on the current state of social dialogue, but gave some examples of successful national negotiations that had taken place during the crisis. Regarding enterprise-level bargaining, an ILO study of 70 agreements had found that some had been concluded in response to the crisis and covered issues such as early retirement packages, reduction of working hours and cuts in executive pay. In conclusion, he invited the Committee to share its views on how to strengthen social dialogue institutions in dealing with crisis; and on whether and how national tripartite consultations were taking place in their countries.

69. Ms Jenni Myles (Director, Employee Engagement and Human Resources, G4S plc) introduced her company, noting that it was the world's second largest private employer. Its reputation as an employer and the quality of its service were critical elements in a very competitive market. The company had a long history of social dialogue as well as a broad spread of trade union activity, although union coverage globally varied by region. She commented on challenges related to collective bargaining particularly where there were gaps in either the skills or the motives of the negotiating parties. Recalling a recent global survey of more than 150,000 employees, she noted that 80 per cent of the respondents would recommend the company as an employer to a friend. The speaker turned to the global agreements concluded with the global union for skills and services, Union Network International (UNI). Relations had not always been easy but it was clear that both parties shared a common interest: the employees. The speaker gave concrete examples of country-level agreements. She identified three areas to be considered for an effective response to the crisis: for employers, it was crucial to listen to employees' voices; governments had to ensure there was a level playing field for all; and unions had to be creative in order to add value to the discussion in terms of, for example, developing mechanisms for handling job losses and wage deflation while supporting good employers.

70. Mr Philip Jennings (General Secretary, Union Network International (UNI)) underscored the importance of forging global agreements through social dialogue and encouraged the ILO to assist the social partners to enhance dialogue. Global crises required global responses. In this regard, he congratulated the ILO for reorganizing the Conference to focus on the crisis. There was a high level of distress and insecurity among workers and they were paying the price for a crisis for which they were not responsible. He asserted that the global jobs pact was an essential tool to combat the crisis and social dialogue had to be at its core. He said that the next G20 Summit that would take place in Pittsburgh should be a jobs summit – a "people first" summit – and the ILO should have a seat alongside the World Bank, the IMF and the World Trade Organization (WTO). When developing the global jobs pact, a key challenge was to find elements that the Director-General could present to the world leaders. Social dialogue was critical to protect existing jobs, to keep people working and to promote ALMPs. However, stimulus packages devoted small attention to ALMPs. At the regional level, he said that lack of social dialogue remained a challenge and referenced the EU as a good model for developing social dialogue. He also referenced Denmark's success, both in terms of its ability to weather the crisis as well as its overall social well-being as a direct result of its strong unions and commitment to social justice and collective bargaining. He concluded by reiterating that the ILO had a real chance to make a difference at this important time in history in which the world was at an economic crossroads with an unsustainable system.

71. Mr Richard Hyman (Professor of Industrial Relations, London School of Economics and Political Science) opened his presentation with an overview of the implications of the crisis, putting forward two scenarios. The first saw a reinforcement of efforts at social partnerships – a "sink or swim together" scenario. He elaborated by providing an overview of national- and company-level responses to previous crises. One area reflected upon was responses at national level – competitive corporatism and negotiation of social pacts. At the company level, there was a range of efforts at "concession bargaining" and co-management of restructuring, trading off guarantees of job protection against concessions such as job-sharing packages. That kind of response was based on the assumption that the situation was temporary and would return to business as usual in time. Mr Hyman argued that things were not likely to return to business as usual. The second scenario highlighted was the potential for new, unprecedented social conflicts, and public anger resulting from the inequity of the fact that those responsible for the crisis were not suffering to the same extent as others. He argued that unions had to support, mobilize and negotiate for a more just social system. He presented two possible outcomes: varieties of protectionism and xenophobia would increase or economic democracy would prevail. To facilitate the second outcome, the ILO had to make it central to the agenda. In conclusion, he asserted that social dialogue could be understood as a process or as an outcome, and it was important to focus on the latter. He suggested that the Committee concentrate on how to make the process effective to achieve real outcomes.

72. Ms Josephine Mapoma (Professor of Mass Communication, University of Lusaka) provided an overview of the impact of the crisis in Zambia. The consequences included: increased unemployment; a reduction in social security contributions; an increase in labour law violations; and decreased labour demand in the formal economy. Government strategies included diversifying the economy to sectors outside mining and reducing custom duty on heavy fuels; improving information flow in the financial sector; increasing financial regulation and supervision; and improving dialogue with key players in the economy. Concerning social dialogue mechanisms to face the crisis, a tripartite consultation had been provided for. In the wake of job losses in the mines, the Government had negotiated with mining management and workers' organizations. She gave examples of different positions on the economic crisis, specifically in mining. The Government had appealed to businesses not to lay off workers, emphasizing the need to respect existing labour legislation to protect workers' rights. Employers lobbied the Government to facilitate the review of laws and procedures to ensure that the cost of doing business was reduced. The workers' position called for stricter investment laws to protect the interests of the workers, and a stronger law enforcement mechanism to ensure that workers' rights were protected. Finally, she noted that the economic downturn in Zambia had contributed to a change in the social dialogue approach, which had led to the involvement of multiple actors. She pointed out that there was a need to build capacity among tripartite partners and review Decent Work Country Programmes for countries that were at the implementation stage to include new areas of focus brought about by the global economic crisis and effective ways to respond to the crisis.

73. The Chairperson opened the floor for discussion.

74. Several Government members (Egypt, India and Czech Republic on behalf of the EU) alluded to the importance of social dialogue particularly at times of crisis, acknowledging the importance of tripartite consultations and inviting panellists to share best practices as well as suggestions as to how to involve the informal sector in social dialogue.

75. The Government member of Jamaica recommended that the multi-agency crisis response missions to different countries that had been suggested the previous day include social dialogue as part of the agenda of each mission.

76. The Government member of India pointed out that the success of the global jobs pact exclusively depended on the success of social dialogue. He pointed out that in February 2009 the 42nd Session of the Indian Labour Conference had deliberated on the current crisis, producing a short- and medium-term strategy.

77. A Worker spokesperson from France pointed out that social dialogue could no longer be used as a smokescreen. It should not be only remembered at times of crisis but should be the basis of economic and social development. Social dialogue today, because of the crisis, should be all about saving jobs. He observed that wage cuts were leading to less consumption, which was feeding the crisis. Social dialogue was mainly about workers' rights. The Employment Policy Convention, 1964 (No. 122), which ensured the right to productive, full and freely chosen employment, required social dialogue. He also stressed the importance of governments' role in implementing the Migration for Employment Convention (Revised), 1949 (No. 97). He asked for more information from Ms Mapoma on how to include social dialogue in all policies and measures during the crisis. He concluded by stressing the importance of the public sector's role and the necessity to enhance trade union capacity, to bring the informal economy into the formal economy, and to safeguard equality between men and women and all types of workers. He added that the global jobs pact should include the primary role of collective bargaining.

78. An Employer spokesperson said that social dialogue was a vital tool for the recovery of the world economy, and could be used as a vehicle for improving mutual understanding between workers and employers. Social dialogue should result in a win-win situation, which left the social partners the autonomy to adapt policies to the changing economy. The social partners were the main actors in the field and knew best what the economy needed and what the appropriate framework for industrial relations would be. Social dialogue was multifaceted and could range from structured collective bargaining to joint declarations and shared guidelines to less formal relations between the social partners, such as meetings to share experiences and information. The meaning of social dialogue differed between countries and regions, and could be adapted to different economic sectors in different ways. Social dialogue should be strengthened during the economic crisis, at the company and national levels. There were many examples of how combined efforts between governments and social partners could address issues such as unemployment and job protection through measures such as voluntary redundancies, reducing working hours and job mobility. Finally, the ILO had an important role to play in promoting tripartism and social dialogue.

79. The Chairperson invited the panellists to take the floor.

80. Ms Myles agreed that global agreements could be beneficial, provided that emphasis was placed on learning from both sides. The parties involved must understand each other and be wise to each other's cultures. Time and space were required to build mutual respect through understanding each other's interests.

81. Mr Jennings said that UNI had affiliates in India, who were working closely with G4S plc. A large percentage of the Indian workforce was considered to be in the informal sector, including those in the security industry. Through the global agreement it was possible to move workers from the informal to formal economy. Recovery from the financial crisis would be slow and there was a risk of returning to the pre-crisis situation. An effective response could only be found through a global approach. When there was economic cooperation across borders, the return on investment in ALMPs was much greater than if governments worked alone. Global agreements could be a way forward, and the ILO should play an active role in providing advice and assistance. The ILO should be represented at the forthcoming G20 Summit in order to activate the decisions of the Conference. The ILO must be relevant, credible, problem-solving and dialogue-based, working for the benefit of the "toiling masses", the majority of whom lived on less than two dollars a day.

82. Mr Hyman said that, in order to make the transition from low trust to social dialogue, meaningful negotiations must be facilitated on specific issues in which there was scope for mutual benefit. That process should give rise to a learning experience. Dialogue must yield results. Historically, the shadow of the law had helped to serve as a strong incentive for dialogue. The use of the term "informal sector" suggested that economies were divided into two clear halves. That was not the case. All sectors had varying degrees of informality. The issue at stake was how to extend protection and the concept of decent work throughout the economy to all forms of work. Consideration should also be given to how the representative organizations present could demonstrate that they genuinely represented the interests of those outside their traditional constituencies.

83. Ms Mapoma said that the informal economy accounted for 80 per cent of Zambia's workforce. In an effort to face the challenges posed by such large informality, the Zambia Business Forum had been established, which made efforts to join together the workers of the informal sector. Efforts had been made to include social dialogue in Zambia's Decent Work Country Programme and to ensure that the Programme focused on the informal sector. To that end, an advisory committee on decent work had been established, which was chaired by the Ministry for Labour and Social Security.

84. The Special Adviser to the Representative of the Secretary-General provided a summary of the key points of the discussion.

85. The Employer Vice-Chairperson began by recalling the introductory remarks given by the Representative of the Secretary-General at the beginning of the session, in which he had asked the members of the Committee to share their contributions to help the Office strengthen its response. He reminded the Committee that the 2008 Declaration on Social Justice for a Fair Globalization had in fact asked the Office to help its constituents, not the other way around. He then addressed the topic under discussion, stating that social dialogue required counterparts. He stated the commitment of employers' organizations to full recognition of their counterparts, the workers' organizations. The Employers believed in free initiative, the right to property and free markets. In order for there to be space for dialogue, there had to be recognition of this position and mutual respect between the social partners.

86. A Worker member from France, speaking on behalf of the Workers' group drew attention to the substantive content of social dialogue and its role in resolving, but not necessarily avoiding, conflict. Indeed, he considered conflict to be an integral part of the relationship between labour and capital and inherent in social dialogue. Collective bargaining had an important role in times of crisis, but also in the long term. It was an adaptable tool, but could only be used effectively if the rules of its use were recognized, as set out in Conventions Nos 87 and 98.

Session 8. Thematic dialogue 6: Policy packages: Wages and working conditions

87. The Employer Vice-Chairperson opened the session.

88. A representative of the Secretary-General acknowledged that job destruction was the most tangible manifestation of the crisis and reminded the Committee that conditions of work were also being eroded, especially wages and working time. She added that the risk of wage deflation could reduce consumption, thereby depressing aggregate demand even further. She noted concerns related to the vulnerability of low-paid workers and wage moderation which had led to wages lagging behind productivity. Turning to responses, she emphasized that the policy challenge was to create a framework that brought together measures at the national, enterprise and worker levels without disproportionately burdening workers, enterprises or the public budget. She proposed policy measures that could include: income and wage subsidies and work-sharing arrangements; minimum wage policies that helped establish a floor for wage setting; and collective bargaining and social dialogue to help ensure appropriate wage adjustments.

89. Mr Marc Lavoie (Professor, Department of Economics, University of Ottawa) made a presentation on the perverse effects of declining wages and declining wage shares. The importance of distinguishing between two issues at the macroeconomic level was highlighted at the outset of the presentation: the first related to the consequences of combined wage and price deflation without any change in real wages, and the second related to the consequences of a fall in wage share. With respect to the first issue, he criticized the standard economic perspective that argued that lower wages and prices had a positive impact on real aggregate demand through an increase in real wealth and improved international competitiveness. He presented the main critiques which related to the fact that, in a situation of falling prices, nominal wealth would also fall and the debt burden of households and enterprises would increase in real terms. He stressed that lower or falling wages and prices would have a negative effect on real aggregate demand. Many central banks endorsed that view and, fearing wage and price deflation, conducted their monetary policies in accordance with changes in the real interest rate. He highlighted that deflation was the worst possible scenario for economies. With respect to the second issue, he pointed to some of the macroeconomic impacts of changes in real wages. Increases in real wages relative to labour productivity had a direct positive impact on consumption, a direct negative impact on investment and an uncertain though generally negative impact on net exports. He pointed to the empirical evidence on growth from OECD countries between 1960 and 2005. He stated that results were ambiguous as to whether wage-led economies (where increases in real wages were higher than productivity leading to increasing wage shares at GDP) produced to higher economic activity or whether profit-led economies (where wage increases were lower than productivity leading to lower wage shares at GDP) led to higher economic activity. However, some general observations had emerged, for example that some profit-led or neutral countries were often also driven by the positive impact of reduced real wages on net exports, that hence the Euro-12 area as a whole was clearly wage-led, as was the world economy. However, it was acknowledged that a fallacy of composition existed, where not all countries could simultaneously increase net exports by reducing real wages. In this light, governments needed to take action to prevent wages and real wages from falling. He concluded his presentation by identifying a number of means for governments to prevent wages from falling. Enabling factors relating to state and public support included improvement of unemployment benefits, governments acting as employers of last resort, and governments not requiring concessions from labour unions when providing financial help to failing enterprises. Specific measures included the general maintenance or increase of minimum wages and work-sharing practices.

90. Mr Steffen Lehndorff (Director, Working-Time and Work Organization, Research Department, Institut Arbeit und Qualifikation, University of Duisberg-Essen) made a presentation on work-sharing in the jobs crisis context. He addressed the issue of why work-sharing could be a relevant policy measure in the current economic crisis where mass lay-offs were taking place. At the macroeconomic level, the crisis could cause wage deflation and also place a significant burden on social security budgets while, at the microeconomic level, the crisis could lead to a loss of labour flexibility for enterprises, a loss of human capital and higher turnover costs. He said that work-sharing was one answer to tackling those problems, acting as a "bridge over troubled waters". There were two approaches to work-sharing. The first approach was collective bargaining at the national, sectoral or enterprise level. The main advantage of that approach was the fact that it represented a tailor-made solution for enterprises, however there was the possibility that wage costs could still be too high, even after hours had been reduced. The second approach was public schemes. Mobilizing public budgets was less costly for governments than unemployment, but such schemes could possibly be too limited and, in particular, too rigid vis-à-vis local needs of enterprises. The optimal approach was an interplay of the two approaches and this was already in place in some European countries, in some American states, Canada, Japan and the Republic of Korea. There were also debates on its application in CEE countries and in countries in Latin America. He detailed two particularly interesting examples in the United Kingdom and in Germany, which illustrated the importance of local solutions and of social dialogue. The speaker concluded with a reminder of the advantages of combining collective bargaining with public support.

91. Mr Claudio Dedecca (Professor of Labour Economics, University of Campinas (Unicamp), Brazil) made a presentation on the public policy of employment and minimum wages in Brazil, which was playing an important role in maintaining production and income levels during the crisis. The minimum wage had been introduced in Brazil in 1940. With no accompanying rules put in place to determine or adjust its level, it was adjusted on an ad hoc basis according to the political context and inclination of the Government in power. He described the historical context which had led, in 2006, to the development of long-term policies regarding the minimum wage following discussions with the social partners. The current minimum wage policy was valid until 2011, at which point the social partners would reassess it and determine whether it would be continued until 2022. He enumerated some of the main rationales for a minimum wage policy which were: the compatibility of the minimum wage with economic growth and productivity; the predictability of the minimum wage which meant that the budget and labour costs could be foreseen; and the fact that all social security and social protection policies were linked to the minimum wage, such as the *Bolsa Família*. The minimum wage policy, which had emerged from the involvement of the social partners into the decision-making process, had contributed to strengthening tripartism and democracy and ensuring a better articulation between minimum wages and collective bargaining. It had helped the domestic market and, most importantly, low-income families, who were the majority of the population. The growth in the minimum wage had reduced income inequality and increased the share of total national income of wages for low-wage earners. It was an integral part of the country's development strategy.

92. The Employer Vice-Chairperson opened the floor for discussion.

93. A Worker member from Ireland, agreeing with points raised concerning the negative effects of wage deflation, observed that wage competition had intensified the fall in product prices leading to a wage-price deflationary spiral, resulting in postponed investment, postponed consumption and another round of cuts in production, wages and employment. She stressed the need for better coordinated efforts to increase confidence and trust. She highlighted eight points for a wage policy supported by the Workers' group. The first was the need for a credible wage floor such that real wage growth at least equalled productivity growth, while avoiding cuts to nominal wages. The second was the importance of a universal ratification of the Minimum Wage Fixing Convention, 1970 (No. 131), creating a joint commitment by all governments to fix a minimum wage at a level that took into account the needs of workers and their families, the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups. She recalled Mr Lavoie's presentation, however, and said that a one-size-fits-all solution was not possible, and urged the Office to design a methodology for developing a minimum living wage. The third was the need for protection of workers' claims. Highlighting the Protection of Workers' Claims (Employer's Insolvency) Convention, 1992 (No. 173), she called on governments to ratify that Convention and extend the protection to employment-based pensions. The fourth was the need to respect and extend collective bargaining. She alluded to Mr Lehndorff's reference to work-sharing and mentioned that work-sharing could have positive and negative effects for the workers. She pointed out that workers had often had difficulties in accessing training. The fifth was the need to close the gender pay gap. The sixth was the need to ensure that gains were not reduced by increasing taxes and she also highlighted the underlying importance of social benefits. The seventh was the need to use stimulus packages and public procurement to stabilize wage levels. In this context she referred to the Labour Clauses (Public Contracts) Convention, 1949 (No. 94). The eighth point was the need for reliable, comparable and comprehensive global wage data. She felt that this kind of global wage data should be provided by the ILO. She concluded by saying that there was a need to continue to respect, and not undermine, minimum wages and collective bargaining where systems had already been developed.

94. The Employer spokesperson from New Zealand, recalling earlier interventions, said that the discussions needed to focus on what was practical and on what the Office could do in terms of concrete proposals. He provided some key areas in this regard. First, there was the need to address how best to retain and create jobs in the context of wage policies at present and in the next two to five years. He observed that there had been a good deal of evidence presented by the experts during the Committee's sittings about how this might be done, including flexible work practices, shorter working weeks, the reduction of overtime, job-sharing and other ideas that were being tried with varying success. The ILO should compile information on country-specific examples and lessons learned in these areas. He noted that, although the first two speakers had focused on developed countries, it was important in this debate to take the lessons learned also from developing and least developed countries. Second, there was the need to try to reduce the cost of labour and he stressed that governments could do something in that area. Third, there was the need to avoid simply increasing wages in the public sector as a policy response. Fourth, there was the need to understand that introducing or increasing statutory minimum wages was not a policy panacea. He acknowledged, however, that in some countries this could be a positive policy tool, as mentioned by Mr Dedecca. Fifth, there was the need for wages to be affordable to sustain enterprise survival. He observed that if wages were unaffordable people would lose their jobs and enterprises that otherwise would have been sustainable would fail. Sixth, there was the need for wages to continue to be linked to competence and he alluded to the disastrous consequences of incentive systems that encouraged reckless risk-taking or that were not adequately linked to personal performance. In concluding, he said that, due to circumstances beyond their control, employers and workers faced a very difficult future unless hard choices were made. He stressed the need for dialogue that focused on the totality of what needed to be done to ensure the survival and future prosperity of enterprises and those who worked there.

95. There were queries and comments from Committee members (Egypt, France and United States) concerning the relationship between wage deflation and price deflation. A Government member (France) asked how non-deflationary policies could be coordinated, since they contributed to maintaining global demand, but would be contradictory if they only existed in one country.

96. Concerning work-sharing, one Government member (Trinidad and Tobago) asked how it could be applied to the situation of developing countries and another Government member (the Netherlands) asked how work-sharing arrangements could be targeted to minimize negative effects resulting from structural problems. An Employer member commented that, while short-term arrangements and work-sharing were interesting, they were only temporary measures, and structural reforms and improvements were necessary for long-term recovery.

97. Concerning minimum wages, one Government member (France) said that problems arose when minimum wages were not adjusted to meet the average increase in economic growth. A Worker member said that, whether minimum wages were statutory or sector-wide, they provided an essential ethical and economic yardstick for ensuring dignity and measuring wage development. This was particularly important in times of crisis, in order to counteract downward pressure. He said that the ILO could take measures to ensure that a minimum standard for wages was established. The minimum wage fixing process should involve the social partners and take food security policies into account.

98. A Government member (India) said that wage inequality in the informal sector should be addressed, particularly in the context of resolving the present crisis and that consideration had to be given to other working conditions, in particular gender issues, occupational safety and health, and employment relations.

99. Addressing the issues of wage deflation, Mr Lavoie said that this could be demonstrated by the following paradox: if all companies cut wages, the consequence would be that workers would not consume. Company profit could not be guaranteed through payment of low wages, but rather through the ability to sell goods.

100. Addressing some of the queries and concerns, Mr Lehndorff said that, in developing countries, schemes and negotiations on work-sharing were underdeveloped or non-existent. The introduction of unemployment insurance by the State would increase the latter's interest in measures such as work-sharing schemes. With regard to structural problems, he agreed that from a neoclassical perspective any crisis had the function of purifying the market. The main concern of anti-poverty, unemployment and welfare state schemes was to ensure that the purification of the market was not organized primarily at the expense of the workers. The targeting of such schemes to avoid structural conservatism should take place through negotiations and collective bargaining by local actors, rather than at the level of the State.

101. Mr Dedecca said that past experience showed that devaluation of wages and prices could not be prevented in times of crisis, but could only be mitigated. Statutory minimum wages had a substantial impact in resolving gender, racial and regional inequalities. The British experience demonstrated that minimum wages could help prevent the growth of inequality. While Brazil's experience could serve as a model for minimum wages around the world, each country had to adapt and adjust its minimum wage to its own context. Minimum wage policies were crucial in fighting wage devaluation and economic crisis.

102. The Special Adviser to the Representative of the Secretary-General highlighted conclusions from the session.

Session 9. Thematic dialogue 7: Policy packages: Active labour market policies (ALMPs)

103. The Chairperson welcomed the Committee to the seventh thematic dialogue and presented the panellists.

104. A representative of the Secretary-General provided the Committee with an overview of various measures that had been implemented to avoid redundancies and support labour demand, as well as measures to speed up re-employment and prevent long-term unemployment. The first group of measures included: subsidized reduction of working time or temporary lay-offs combined with worker training; wage subsidies; and public works programmes and employment guarantee schemes. The second group included: measures such as training and apprenticeship incentives for the unemployed combined with job security and other employment services; entrepreneurship incentives including training and microcredit; strengthening the capacity of public employment services (PES); and targeting vulnerable groups, particularly youth. She emphasized that available options were not abundant in all countries as it was mostly OECD countries that allocated substantial resources to ALMPs and employment services. Turning to constraints and challenges, several were highlighted, in particular financial and human resource constraints; balancing labour market security with economic efficiency; the interactions between ALMPs, unemployment benefits and other labour market institutions; and lack of monitoring and evaluation of ALMPs. In OECD countries, key challenges included activating employment when labour demand was weak, tailoring measures to the needs of different groups and avoiding large-scale untargeted measures that led to inefficient use of resources. It was also necessary to ensure that temporary measures did not become permanent. In developing countries, reaching the large informal and rural economies, mobilizing sufficient resources, the weak capacity of PES and the lack of reliable labour market information were major challenges.

105. Mr Stefano Scarpetta (Head of the Employment Analysis and Policy Division, OECD) remarked that the crisis had led to a dramatic deterioration of labour market and social conditions. Recent statistics showed that the OECD-wide unemployment rate had risen to 7.6 per cent in March 2009. Unemployment was also rising outside the OECD countries and was accompanied by growing informal employment. While global economic conditions were improving slightly, further deterioration of labour market outcomes and social unrest was forecast. Among short-term labour market policy choices, he explained the need to expand unemployment benefits, notably in terms of their duration, and that a recession was an important time to invest in training and education. The increase in the number of benefit applicants, longer unemployment spells, and the increasing numbers of ineligible jobseekers required scaling up resources for ALMPs to match the rise in unemployment and ensuring that resources were effectively targeted. Regarding policies to support labour demand, different forms of employment subsidies were available and needed to be designed in order to maximize employment effects. Effective targeting of expenditures was important and subsidies had to be transitory and phased out when economic conditions improved. Finally, he emphasized the importance of promoting worker training in times of high unemployment, as it could help improve employability of workers and productivity of enterprises.

106. Ms Ankica Paun Jarallah (Director General of the Croatian Employment Service) gave an overview of the role of the Croatian Employment Service, and described how it was working in the light of the economic downturn. Unemployment was on the rise and there was an increased need to provide services to the long-term unemployed, older unemployed people, particularly women. The PES had to respond to those and other challenges, such as applying flexicurity principles and improving access to education and training. The crisis meant that the responsiveness of the PES was critical, offering early interventions and better and faster services to jobseekers and employers. The services that were offered included: mobile centres and business counselling for employers; job-matching services, employment counselling, vacancy information and job mediation for employable people; and additional services, including training and public works programmes, for hard-to-place people. For those in work but threatened by unemployment, measures included co-financing of training and employment. Current challenges, however, could not be met by the PES alone and were the responsibility of all stakeholders involved. Partnerships with local, national and international bodies, both in terms of funding and finding suitable options such as work-sharing, were crucial.

107. Mr Camille Mouté à Bidias (Director General, National Employment Fund, Cameroon) explained that the crisis in Africa had not arrived in 2008 but had been ongoing in many countries in the region, and that this had been affecting the PES, which had been struggling to meet demands for many years. In most countries, there were no national employment plans (NEPs) that would put employment at the centre of socio-economic progress, despite key recommendations to this end at the Extraordinary Summit of the African Union Heads of State and Government in 2004. In countries where NEPs did exist, they were hard to implement. Many African countries did not have independent and flexible PES. The number of PES in Africa was very small and agencies were not well resourced. On average, the ratio of jobseekers to staff members was 3000:1, while in Europe the ratio was around 150:1. Women and young people in disadvantaged groups, especially those with low levels of education, needed targeted services. The current crisis made improving the capacity of PES even more urgent. It was important to improve their capacity both from the human and financial perspectives. A particular weakness was the lack of available labour market information and he called on governments to improve the statistical base. He recognized that PES needed to improve their services to jobseekers and employers and suggested that a targeted approach would be helpful. The role of the PES was essential in Africa and its importance would grow but would require adequate financial support from governments and through development assistance.

108. An Employer spokesperson from Brazil stressed the important role of effective public policies and services to help enterprises and workers in times of crisis. He highlighted the importance of vocational education and training policies and observed that data showed that it was the lesser skilled persons who were the most adversely affected. He said that education was key to sustainable development but required long-term investment. He stressed the need for more resources for education, training and employment services and emphasized that PES should work more with the private sector. He shared two experiences from Brazil where, beginning in the 1940s, effective private vocational educational systems had been set up, proposed by industry, as public–private partnerships, led by employers' associations, with companies providing training supported by compulsory contributions constituting parastatal resources managed by entrepreneurial bodies. The second example was cooperation with the private sector in training programmes in the construction sector for those low-income workers benefiting from the *Bolsa Família*, which filled a gap in programme implementation. Finally, he underscored the importance of improving education and training as part of stimulus packages to improve quality and to better respond to labour market needs; ALMPs targeting vulnerable groups; and good-quality public education. He added that these and other interventions needed to be discussed with the social partners, including giving special attention to programmes targeting SMEs, microenterprises, providing support to entrepreneurs and promoting entrepreneurial spirit. Finally, he called upon the ILO to promote and support the abovementioned interventions.

109. A Worker spokesperson from Mauritius noted that, if well designed and implemented effectively, ALMPs helped to keep people employed and improved the re-employment chances of those out of work, especially during times of crisis. Previous crises had shown that countries with institutionalized ALMPs were better equipped to respond to the challenges. He gave an example from the Asian crisis where the involvement of the community and social partners ensured that the programmes met the requirement of workers, employers and communities. He stressed the need for ALMPs to provide short-term relief as well as to help address future challenges and asked the panellists why current fiscal packages adopted by many countries devoted relatively few resources to ALMPs. He referred to the intervention of the Government member of Bangladesh pointing out that millions of workers in least developed countries (LDCs) were brutally affected by the crisis. LDCs often did not have adequate labour market institutions to intervene effectively. In poor countries, in addition to cash transfers there was an urgent need for public works programmes. He asserted that ODA was not a sufficient answer but, for a rapid implementation of interventions in response to the crisis, the international community and IFIs needed to provide the LDCs with necessary financial support. He concluded by stressing the need for cooperation and confirmed the instrumental role that the ILO had to play.

110. Several Government members alluded to the importance of labour market policies and PES in particular. The Government member of the Russian Federation described some successful labour market interventions that had been implemented in his country in cooperation with the social partners. The Government member of the United Kingdom asked about the balance that should be struck between spending on those who were at risk of losing their jobs and those who were suffering from long-term unemployment and underemployment. The Government member of Argentina acknowledged the important role of PES in reducing the lag between economic recovery and job growth. He also applauded the work of the World Association of Public Employment Services in sharing information about effective programmes.

111. An Employer member from Belgium said that the adoption and entry into force of the Private Employment Agencies Convention, 1997 (No. 181), emphasized the important role of private employment services. He pointed out that the role of private employment services should be acknowledged by the Office in its policy work. It was also important to note the capacity of PES to work together with private services.

112. The Chairperson invited the panellists to deliver some concluding remarks.

113. According to Mr Scarpetta, there was consensus on the need to send a message to labour and education ministries to use the downturn to invest in training, education and skills development. Youth with low education and outside the labour market had been facing difficulties even before the crisis, and therefore needed strong support. Those who were in the labour market but at risk of losing their jobs were also in need of assistance particularly in terms of upgrading their skills. Specific support was required for those who had lost their jobs and would face a long spell of unemployment. It was important both for economic efficiency and social equity to support labour demand in the short term, while also finding a solution for the long-term unemployed. Consideration should be given to where resources for scaling up training programmes would come from, giving attention to mobilizing both private and public resources. Regarding spending on labour market policies, he said that, even in stimulus packages of OECD countries, resources devoted to these policies were insufficient. Efforts had to be made to move jobseekers into employment as fast as possible, through activation and tailored support including skills training, job counselling and labour market information. Short-term recovery measures depended on the resources available and had to be phased out as soon as recovery began. Long-term measures should be based on investment in education.

114. Ms Jarallah said that different countries had different approaches to ensuring cooperation between public and private employment services. In Croatia, the PES was assisting in the development of private services, although this was difficult with limited financial and human resources, and attention had to be paid to ensuring that services were made available to hard-to-place less educated workers. PES had to work together with other stakeholders – employers, workers, the education system – to create partnerships.

115. Mr Mouté à Bidias said that the PES in Africa were obligated to helping all people find employment. Private employment services would pertain only to highly skilled workers whereas 60 per cent of the workforce was unskilled. There was a lack of jobs, which resulted in highly qualified individuals resorting to working on market stalls or as taxi drivers. Public policies should invest in training and education while also developing the economic sectors that could employ more people in decent jobs. Although infrastructure development was a means of job creation, those jobs would be temporary. More permanent productive jobs were required.

116. The Special Adviser to the Representative of the Secretary-General provided a summary of the key points raised in the discussion.

Session 10. Thematic dialogue 8: Policy packages: Sustainable enterprises

117. The Chairperson opened the session.

118. The Representative of the Secretary-General, addressing the main challenges, said that the main crisis transmission mechanisms affecting enterprises and workers were declining demand and access to finance. Other challenges included developing policies and programmes to protect workers and entrepreneurs in existing enterprises that had the potential for sustainability, and developing strategies to support entrepreneurship and keep enterprises in the formal economy. He said that governments had responded with a variety of policies to improve the enabling environment during the crisis. Regarding the question as to what the ILO could do to support enterprises, he said that the Office had already begun to strengthen and expand its support to constituents to assess and improve the enabling environment for sustainable enterprises. He said that more should be done to promote the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. The Office was also in the process of mobilizing the ILO’s global network of enterprise development practitioners and institutions to support enterprises and to take advantage of new employment creation opportunities, especially as part of stimulus packages. The Office was also working with business, education and development institutions to integrate responsible and sustainable entrepreneurship practices into their programmes.

119. Mr Luc Hendrickx (Director, Enterprise Policy and External Relations, European Association of Craft, Small and Medium-Sized Enterprises) addressed the impact of the crisis on SMEs and their workers in the EU, and their response to the crisis. SMEs provided the most dynamic part of the European economy by creating jobs, economic growth and spurring innovation. They provided the most important stabilizer in times of crisis and would play an important role in overcoming the crisis. He stressed that every effort should be made to protect SMEs in times of crisis and ensure their access to finance. He said that the economic situation of SMEs had deteriorated, making it difficult to continue current employment levels. A recovery would not take place if SMEs were not protected. He asserted that policy-makers at all levels needed to work with economic and social partners to forge responses to the crisis and called on the ILO to ensure that SME organizations were involved in social dialogue. In order to maintain and create jobs, SMEs needed an enabling environment with, among others: secured access to finance; policies that did not advocate for tax increases; flexible working arrangements for their employees; support throughout the crisis to provide temporary unemployment benefits; better access to labour market instruments such as work-sharing in order to avoid redundancies; reduced non-wage labour costs; targeted labour market policies such as those related to training and skills development; assistance in the event of restructuring and access to social plans; and social security benefits accessible to all workers.

120. Ms Sandra D’Amico (Managing Director, HR Inc., Cambodia) provided an overview of the challenges facing SMEs in a developing country such as Cambodia, as a result of the crisis. She provided a brief description of the economic situation in the country. With respect to the crisis, she said that it had had a dramatic impact on all pillars of the economy. She said that the biggest challenges for SMEs were access to markets and capital as well as financing at reasonable rates. She recommended that a new approach be found for catering to the financial needs of entrepreneurs and SMEs. This could include setting reasonable interest rates, revisiting the need for collateral requirements and rethinking debt and equity financing. Social investment was needed, with greater integration and collaboration among stakeholders. SMEs themselves needed to make their voice heard with governments and the formal sector, to stimulate a focus on innovative investment and diversification. Work-sharing options needed to be considered along with increasing training and skills development measures. International donors also had a role. She encouraged donors to prioritize investment in SMEs, and called for a more integrated approach by international organizations. Addressing governments, the speaker stressed the need for additional financing for SMEs, for the business environment to be made more transparent and for its transaction costs to be reduced.

121. Ms Nancy Neamtan (President/Executive Director of Chantier de l’Economie sociale) noted that the definition of the social economy corresponded to the ILO’s vision of a sustainable enterprise. She noted that the social economy had grown as a response to repeated crises and represented a broad vision of a pluralist and inclusive economy within a sustainable development framework. The social economy was also emerging in many countries as an integrated system of social innovation rooted in local and regional development and supported by new systems of governance based on new partnerships with government, labour and the private sector. It also encompassed emergent financial institutions and investment vehicles. Social economy enterprises contributed to job creation as well as to social, environmental or cultural concerns. In developing countries, the social economy played a role in recognizing and structuring occupations within the informal economy as a step towards creating decent work. She believed that the social economy should be considered as an important part of an economic recovery strategy. She gave an overview of the perspectives for the social economy, in a few developed and developing countries noting that in her own country, Canada, it was considered to be an important part of government strategy for regional and local enterprise development, poverty alleviation, job creation and the creation of new services to respond to collective needs. She identified the four main elements that were key to maximizing the contribution of the social economy to sustainable development. The first element was governance and a commitment to social dialogue. The second was the formal recognition of the social economy as a legitimate and essential component of a pluralist economy. The third was adapting investment tools to social economy enterprises. The fourth element was the need for more research to better understand the dynamics of this emerging economy. She concluded with the hope that the inclusion of social economy issues into the work of the ILO would help further the development of the social economy.

122. Mr David Audretsch (Professor, Director, Institute for Development Strategies, Ameritech Chair of Economic Development) recalled the point that employment and job creation were important social goals in every region. He highlighted some of the social contributions of SMEs and entrepreneurs. Numerous studies had found that most jobs came from the creation of new enterprises and from entrepreneurs. In times of crisis, SMEs were more flexible and better able to mobilize the capacity of their employees and turn these into a positive outcome. Research evidence also showed that SMEs were significant employers of disadvantaged or marginal groups. SMEs were also a key organizational platform for capitalizing on innovation and were involved in environmental sustainability. He stressed that SMEs were agents of change taking advantage of ideas and people. The argument that SMEs had become more important in recent decades was partly attributed to globalization and more rapid technological change, given that they adapted better to change. In conclusion, he stated that, while SMEs and entrepreneurs were suffering as a consequence of the crisis, the crisis should be seen as an opportunity to deal with many of the existing impediments to SME development that included the reduction of administrative burdens and the introduction of new financial instruments to foster SME development.

123. Ms Rachel Kyte (Vice-President, Business Advisory Services, International Finance Corporation (IFC)) spoke about different contours of the current economic crisis and the response of the financial community to the situation. She acknowledged that one of the effects of the crisis was that trade finance was severely depleted and SMEs especially were struggling with access to credit. The IFC was responding to the crisis through various measures: the gaps in trade finance were being closed; financing for infrastructure investments was being provided; credit for microfinance institutions was being made available; and financing was being provided in developing countries to local financial institutions. Turning to the issue of how to come out of the crisis effectively, she argued for the development of public–private partnership linking governments, small suppliers and global brands in order to provide social protection responses to redundant workers in global supply chains. Governments needed to look at what could be done in terms of financing and providing access to credit to help enterprises in the "missing middle", especially in developing countries. A serious reform of the financial sector was required to reorient it towards long-term productive investments and small-scale initiatives. This required a big change in the regulatory mindset of governments, the creation of capacity, advocacy and lobbying. She noted that this was the first post-corporate social responsibility (CSR) crisis. It was important to leverage CSR by making a stronger business case for investing in decent work and sustainable enterprises. Finally, she said that a good way out of the crisis should not aim at reinflating consumer demand in developed countries but rather focus on productive investments for low- and middle-income groups in low- and middle-income countries.

124. The Chairperson opened the floor for discussion.

125. The spokesperson for the Employers' group started by congratulating the panel of speakers on their contributions and stressed that the question of how to sustain enterprises was in fact the core question of the entire debate which had been fuelled by the current economic crisis. She recalled that principles contained in the conclusions concerning the promotion of sustainable enterprises adopted at the 96th Session of the International Labour Conference in 2007 were all the more relevant in the current context. She said that businesses had become the victims of the crisis in both developing and developed countries and that the SMEs were hardest hit. She said that SMEs formed the backbone of almost all economies, hence policies needed to be targeted in the first instance to their needs. The most important thing at the present stage was to keep credit flowing, so as to avoid enterprises having to cut down their current operations through a lack of financing and thus there was a need to ensure that the right policies were in place. Social partners and policy-makers needed to encourage entrepreneurs, and the ILO had an important role to play here, especially in relation to promoting women's entrepreneurship. Policies needed to be put in place which provided support to SMEs to maintain their workforce. Concerning the issue of sustainability, she noted that the three pillars of sustainability – economic, environmental and social – could only be addressed if enterprises were profitable and competitive. Governments could help businesses through initiatives such as extra credits for corporate innovation or energy efficiency. She concluded by saying that the ILO had a role to play in promoting such good practices.

126. The spokesperson for the Workers' group thanked the panellists for their contributions. She put forward seven points. First, sustainable enterprises were not an end in themselves but a means to achieving an end (sustainable development). Sustainable enterprises were one of the means to create jobs and to alleviate the severe poverty created by the current global economic crisis. She stressed the need for the ILO, governments and social partners to come together to develop policies and programmes and recalled the discussions of the Conference in 2007, which concluded that sustainable enterprises built good industrial relations and engaged in collective bargaining, invested in training of workers, applied workplace practices based on full respect of fundamental principles and rights at work and international labour standards, and shared the economic gains with the workers. The conclusions called upon governments to establish competition rules that included universal respect for labour and social standards. Basic universal social security was defined as an essential part of an enabling environment for enterprise development. They also called on governments to apply social and environmental criteria in their procurement and lending practices. The relevance of the Labour Clauses (Public Contracts) Convention, 1949 (No. 94), was highlighted as especially relevant to the promotion of sustainable enterprises. Second, less was not better. She pointed out that there had been calls for less regulation, less intervention and less supervision from governments and, with the liberalization and deregulation of the financial sector, this had led to the present situation. She called on governments to create a legal framework to ensure that entrepreneurial freedom was balanced against the protection of society's needs and interest. Third, she called on the ILO to step up efforts to ensure compliance with international labour standards to prevent a race to the bottom. Fourth, there should be accountability in the use of public funds. Fifth, she called on governments to do a lot more to create a more vibrant public sector that could create jobs and temporary schemes, identify new growth areas and allocate resources for targeted specific development in areas where the private sector might not be present. Sixth, there was a need to provide access to credit through local banks. Seventh, she stressed the need for social dialogue and the protection of societies from banks and enterprises selling toxic products.

127. Two Government members (Egypt and Sri Lanka) spoke about SMEs and policies which had been put in place to encourage sustainable development in their own national contexts. One Government member (Sri Lanka) stressed the crucial role that labour administration, including labour inspection, had to play in sustainable enterprises. Another Government member (Australia) said that the ILO should focus on practical and immediate measures, including research, analysis and advice to governments, and provide technical assistance. He asked how the ILO could use those levers specifically in the crisis context in a way that related to sustainable enterprises. A Government member (United States) raised a query on the risks and opportunities of the social economy efforts.

128. Three Employer members also spoke about SMEs in their national contexts and highlighted their vital role in times of crisis. The need for greater support for the entrepreneurial spirit was essential and the need for concerted efforts was highlighted.

129. In concluding, Mr Hendrickx said that governments should start the process of drafting new, and amending existing, legislation on the basis of the needs of SMEs. SMEs were the champions of informal dialogue between workers and employers, since it was an integral part of their daily functioning. That focus on dialogue resulted in better working conditions in SMEs than in larger enterprises.

130. Ms D'Amico agreed that there was constant dialogue in SMEs but that conditions at the workplace were not ideal. She called for an integrated approach by international organizations in dealing with the crisis and recommended improving donor programmes by means of greater cooperation with local private sector leaders.

131. Ms Neamtan said that the present crisis was more than simply an economic crisis. It encompassed financial, environmental, and food crises. In times of economic crisis the social economy played its most important role.

132. Mr Audretsch said that an entrepreneurial economy was where entrepreneurship and SMEs were the engines of growth.

133. Ms Kyte said that one of the strong points of the ILO was its capacity to move fast. She noted three lessons from the current crisis. First, there was a need for more collaboration between the public and the private sectors and between international organizations. Second, there were opportunities for investment in productive and responsible small enterprises in emerging markets but there was not enough information about them. Third, financial innovation should not go beyond the capacity to manage it.

134. The Special Adviser to the Representative of the Secretary-General provided a summary of the key points raised in the discussion.

135. The Employer Vice-Chairperson said that interaction was required between institutions in the multilateral arena, particularly the ILO and development banks, in order to address the phases of recovery. Responses to the crisis had to be found by facilitating support mechanisms and using good practice models. Economies must be re-stimulated. A multilateral approach was required to sustain SMEs, in order to lead to better enterprise strategy.

136. In her concluding remarks, the Worker spokesperson from Singapore stated that, by providing economic and social development, SMEs contributed to overall stability. She expressed concern that the workers and the poor would be the biggest losers in the crisis, and said that the Decent Work Agenda provided a useful tool to respond to the crisis, but there was need for a more coordinated and concerted effort at the global and national levels to make the greatest impact.

Session 11. Thematic dialogue 9: Social protection

137. The Chairperson opened the session.

138. A representative of the Secretary-General noted that in previous sessions social protection had been identified as an essential and natural response to the crisis and as an indispensable component of the global jobs pact. He reminded the Committee that social protection was a right guaranteed by Article 22 of the Universal Declaration of Human Rights, the Declaration of Philadelphia, and had been confirmed by the Declaration on Social Justice for a Fair Globalization. Furthermore, the UN Chief Executives Board (CEB) had adopted the initiative of a social protection floor as one of the measures to counter the crisis. Highlighting that social security systems contributed to the reduction of poverty, insecurity and inequality and that these systems were economic stabilizers in times of crisis, he said that countries which had systems of social security that worked were in a better position to recover than the others. However, various pressures existed, including financial pressures, the losses of pension reserves in funded systems and the risk of a reduction in social spending. In countries with operational social security schemes, it was essential to guarantee benefits in line with the Social Security (Minimum Standards) Convention, 1952 (No. 102), and to guarantee the required fiscal space. In countries where coverage was incomplete, it was essential to concentrate on providing access to basic health care, benefits for the poor and vulnerable, and basic pensions for the elderly. He stressed that ILO calculations and experience in various countries had shown that a basic benefits package was affordable. Therefore, it was necessary to adjust national priorities and to increase public revenues in order to ensure social protection. Countries like Brazil with the *Bolsa Família* programme and Mexico with the *Oportunidades* programme as well as other countries had demonstrated that it was possible to finance social protection where there was the political will. Quoting the Director-General, he concluded that it was not that the world did not have enough resources to eradicate poverty but rather that it lacked the right priorities.

139. Ms Joy Phumaphi (Vice President of the Human Development Network, World Bank) made a presentation of the World Bank's view on improving social protection through better social risk management. The World Bank had three broad policy objectives: to improve earning opportunities and the quality of jobs in the formal and informal economies; to improve security through better management of risks for all concerned; and to improve equity and reduce extreme poverty through better assistance programmes. The World Bank's definition of social risk management comprised three elements: risk reduction, risk mitigation, and risk coping mechanisms. Efforts had been made to prepare the World Bank to respond to social risk management challenges through one of their tools, the MILES programme: Macroeconomics, Investment climate, Labour market institutions, Education and skills, and Social protection. Turning to the question of pensions, she said that the World Bank model sought to create a pension policy framework that supported the establishment of a multi-pillar pension system at the country level. Regarding health, she said that the complexity of health financing meant that in all countries different financing mechanisms and resource allocation mechanisms coexisted, and there was therefore a considerable need for collaboration, harmonization and alignment. With regard to lessons learned, she said that the World Bank felt that the first effective means of reducing poverty was redistribution which depended on investment at the household level, helping households manage risk, and developing trade and industrial policy. There had also to be, however, be an effective delivery mechanism to put the concepts into practice. Evidence-based policy development was necessary to build national capacity. In order to respond effectively to the present crisis, the World Bank had called for the establishment of a global fund to build capacity in countries in order to respond to the social security needs of the public. The operations financed by that fund needed to be aligned with the stimulus packages. The World Bank had called on international institutions, including the ILO, to collaborate in order to build capacity at the country level and develop platforms for delivering social safety nets, so that countries could respond better to the social protection needs of the population.

140. Mr Nicholas Barr (Professor of Public Economics, London School of Economics and Political Science), speaking on the issue of income security, said that there was no single best pension system, since pension systems could have several objectives, including "consumption smoothing", insurance, poverty relief and income redistribution. Constraints on pension systems included fiscal capacity, institutional capacity, behavioural parameters and the shape of the income distribution. Policy-makers and societies attached different relative weights to the different objectives, and the pattern of fiscal and institutional constraints differed from country to country. Optimal systems therefore differed between countries and also changed over time. Concerning policies aimed at poverty relief, he concentrated his presentation on non-contributory basic pension schemes and on child benefits. He made a strong case for non-contributory basic pensions, given that the assumptions on which contributory systems had been based had changed. There was now increasing international competition through globalization, a change in the nature of work with more fluid and diverse relations between the worker and the labour market, rising international mobility, changing family structures and rising labour-market activity of women. Those structural changes challenged the role and coverage of contributory benefits that were tied to employment, and gave rise to problems when basing women's benefits on their husbands' contributions. Such problems led to the consideration of the benefits of non-contributory basic pensions, which could strengthen poverty relief in terms of coverage, adequacy and gender balance. They could also improve work incentives compared to income-tested benefits, provide effective targeting without an income test, assist international labour mobility through pro-rata arrangements, and act as a stabilizer during economic turbulence by providing a floor level of income. He said that there were powerful instruments available for making universal pensions affordable. Adjustments could be made in three ways to overcome budgetary constraints: through the size of the pension; through the age at which the pension was first paid; and through an affluence test. The affluence test had been used in Chile, where a pension was provided for the poorest two-thirds of the population. With universal benefits, savings could be made in respect of income-testing and there would still be social gains from reduced poverty and reduced uncertainty. He gave examples from various countries including the United Kingdom which had reduced its contribution requirements and was thus moving towards a non-contributory basic pension and South Africa which had introduced near-universal pensions. Making the case for child benefits, he argued that these were generally well targeted. He explained that benefits targeted via the mother could often have broader social benefits and added that most of the principal advantages of a non-contributory pension were equally applicable to child benefit.

141. Addressing the issue of later and more flexible retirement, he stressed that there was no ageing problem and that the problem was not that people were living longer but the fact that people were retiring earlier. Thus, pension age needed to be linked to life expectancy and pensionable age should rise in a rational way as life expectancy increased and there should be more flexible retirement provisions. He ended his presentation by referring to problems related to defined contribution (DC) schemes and which should be addressed in the discussions.

142. Dr David Evans (Director, Health Systems Financing, World Health Organization (WHO)) described the WHO Framework for Assessing Health Systems as having three strands: how to assess health systems to see if they were achieving the outcomes that were desirable; the renewal of primary health care; and the recognition that there was a need to work with other actors in the social sphere to ascertain good health outcomes. Referring to the first strand, he said that the objective of health financing systems should be universal coverage. Countries should develop health financing systems that ensured that all people had access to needed services without suffering severe financial consequences associated with accessing or using services. This objective had been adopted at the World Health Assembly in 2005 and should be implemented through country activities, the WHO/ILO Consortium on Social Health Protection in Developing Countries, and the Providing for Health (P4H) initiative. Referring to the second strand, he indicated the need to refocus health systems on primary health care. The four areas of reform proposed were: universal coverage reforms to improve health equity; service delivery reforms to make health systems people-centred; leadership reforms to make health authorities more reliable; and public policy reforms to promote and protect the health of communities. He stressed, however, that being people-centred was most important. Referring to the third strand, he stressed the fact that health-care delivery systems alone could not ensure good health outcomes and hence there was a need to work together with other sectors in order to achieve universal social health. On the issue of monitoring the impact of the financial crisis, he confirmed that the WHO was mainly concerned with the health system inputs, outputs and outcomes and described some of the impacts. He also mentioned that the WHO was involved in various ways to assist countries, including participation in the ILO/WHO-led UN rapid response proposal of a social protection floor. He concluded by referring to what experience had shown from economic downturns of previous crises: reduction in household and government capacity to spend on health; a shift from using non-government to government services; and declines in some health outcomes. He stressed that if countries took the right steps, those results could be avoided. He confirmed the idea behind a social protection floor, noting that it was in line with the principles of primary health care and the concept of universal coverage and social protection.

143. Mr Jomo Sundaram (Assistant Secretary-General on Economic Development, United Nations Department of Economic and Social Affairs (UNDESA)), speaking on the opportunities which might arise for social security from the crisis, began by noting that the character in the Chinese alphabet for crisis was made up of two elements: danger and opportunity. He recalled that the crisis of the 1930s had offered such dangers and opportunities and, from that, the welfare state and social protection systems had grown in some countries. On the issue of the current crisis, he said that, unlike in previous crises, at present the fates of the developing and the developed countries were intertwined and he described some of the economic and social impacts of the crisis. He said that there had been a failure of global coordination in responding to the crisis and emphasized that a coordinated global stimulus would benefit all countries, in particular the LDCs, but no such global approach was in evidence. Social spending was already a low priority and due to the crisis had been reduced further. He said that the current crisis could be seen as an opportunity to change this situation. He reminded the Committee that the New Deal had been put in place in response to the 1929 stock market crash in the United States and said that the prospects of a global new deal in response to the current crisis looked unlikely. That was due to the fact that responses were constrained by orthodox monetary thinking, by conditionalities imposed both domestically and by the IMF, by the limited fiscal revenues available to governments and by the poor coordination of responses. The present climate meant that the establishment of a social floor was particularly important but might also meet with difficulties, although many of the constraints were imagined rather than real. He cited strong normative, economic and political reasons in favour of social protection. He noted that the experience of the OECD countries had shown that introducing social transfers had cut poverty by half; this had also been the experience of South Africa. Reducing poverty required employment-generating macroeconomic and sectoral policies; progressive fiscal policies; social transfers and remittances. Cash transfer schemes were increasingly being introduced in developing countries, with almost 200 million people covered by such schemes in 25 developing countries. The impact of cash transfer schemes was well illustrated by the success of Mexico's *Oportunidades* and Brazil's *Bolsa Família*, which had reduced poverty substantially.

144. Turning to the crucial question of the affordability of social protection for developing countries, the speaker insisted that this was both viable and feasible but that the political will of how much a society was willing to redistribute was lacking. World Bank research showed that universal approaches were the most efficient as targeted approaches risked excluding as much as three-quarters of potential beneficiaries. UNDESA's own research, as well as that of the ILO, had found that a $1-a-day universal old-age pension was within the means of all countries, even the poorest. It was estimated that a basic package of social transfers would cost between 1 and 3 per cent of GDP in developing countries. He cautioned that the fiscal capacity of many countries was being undermined by tax systems and by poor international tax cooperation. The speaker highlighted the key role that could be played by international actors in this respect to assist countries. He recalled the role of the Bretton Woods institutions and the UN in 1944, when the United States had initiated the United Nations Monetary and Financial Conference with a clear emphasis on sustaining growth and employment, and had reformed the international economic system. He said that there was now a need to set about a new process of reform focused not only on financial stability, but on redefining a financial system that sustained growth and employment and created enabling conditions for development. While the UN could legitimately lead reform, the process needed to be inclusive and involve all the multilateral institutions and ensure policy coherence.

145. The Chairperson opened the floor for discussion.

146. The Employer spokesperson emphasized that countries were seeking more comprehensive, universal social protection, but many lacked the revenues and capacity to ensure this. The positive development in Mexico, for example, was largely attributed to its oil revenue. He highlighted that the improvement in social security protection had come about through a process of dialogue. There was a need for more dialogue to ensure universal and viable social protection which could be implemented in more countries.

147. The Worker spokesperson, referring to the issue of retirement age, cautioned that the reality of social protection for workers varied tremendously across occupations and skill levels and therefore extending retirement age was difficult. Rather than increasing the age of retirement, the focus should be on how to ensure that everyone had a full-time job up to the age of 60 which would also help pension systems. Social protection for all was a human right, a floor against poverty, a pillar of sustainable development and an economic stabilizer. To protect people against poverty, there was a need for a universal social floor. Social protection had a function to protect the vulnerable and workers from falling into poverty. That needed a comprehensive social security package that went beyond the minimalist package and fulfilled at least the requirements of Convention No. 102. He gave the example of his country, China, where a national consensus had been developed on a more universal, flexible and efficient social security system. The Workers' group highlighted five key areas for immediate policy action. The first was the need for a basic universal social protection floor to extend social security coverage to all and he supported the UN CEB's initiative in this regard. The second was the maintenance and, where necessary, the rapid extension of a pay-as-you-go social insurance system for all those able to contribute in line with the requirements of Convention No. 102. The third was an introduction of employment guarantee schemes, partial unemployment benefits and extended duration of unemployment benefit payment. The fourth was the protection of pension systems against capital market volatility. The fifth was the need to maintain and expand the fiscal space for social policies. He concluded by calling for the empowerment of workers so as to participate in the governance of social security schemes.

148. Some Government members (Austria and United Kingdom) who took the floor endorsed the UN CEB's initiative on the social protection floor. Some of them (Austria, China, Egypt, India, Malaysia and United Kingdom) described the high priority of social protection in their countries, especially in terms of crisis response and poverty alleviation, described some of the policies being implemented in their countries supporting the extension of their systems, and highlighted the issue of the necessity for political will. There were queries from Government members (China, India, United Kingdom and United States) concerning the issues of: how to identify social security priorities given that social security systems could not be established in short time frames; how to better operate social security funds given the recent failures of the markets; whether to focus social protection priorities on the "new poor" resulting from the crisis or on the most vulnerable; and the difference between the terms "social protection" and "social security". Concerning the 80 per cent of the world's population not covered by social security, a Government member (United States) wondered how many did not have social security coverage because they had opted out of the system, seeing no benefit in it. The importance of the specific design features of a social security system was raised by a Government member (Egypt). Another Government member (Austria) said that the provision of basic social security should be a part of the general policy of the ILO in cooperation with its member States and other international organizations.

149. The Employer spokesperson said that the main question that arose under the current circumstances was whether it was wise to invest in the recovery of industry or in extending social protection coverage. Social protection was an important response to the crisis, but was subject to certain challenges, such as the limitations on fiscal space in developing countries. In developed countries, focus needed to be on helping those who had lost their jobs to re-enter the labour market and a balance needed to be struck between passive and active labour market programmes designed to stabilize earnings. Although the crisis presented an opportunity for many countries to improve the focus of their social protection schemes, it also presented the danger of adopting wrong policies, and he wondered to what extent the opportunities afforded would outweigh that danger. An Employer member from Morocco said that social protection was a core subject for developing countries and that it needed to be a priority for public authorities and needed to be extended to those who were not covered at present.

150. A Worker member from Brazil described her own country situation to make the case for social protection programmes. She showed the benefits brought by the *Bolsa Família* social protection programme and the minimum wage policy.

151. The Worker spokesperson, in his concluding remarks, said that social protection constituted an investment in people and development. There was a need for a concerted attack on poverty through the establishment of a social protection floor. In the context of the crisis, social protection had been recognized as a useful tool for restabilizing the economy. Social protection was an automatic stabilizer, a rapid improvement of social security schemes was required.

152. Mr Barr, replying to the comments made by the Worker members on retirement age, said that pensions were facing problems because people were living longer, having fewer children and retiring earlier. While all parties agreed on the core objective of providing a good retirement pension for all, the risk related to pensions needed to be shared equitably. A range of instruments was available for sharing that risk as well as options to tailor retirement age solutions to the needs of people. Chile and South Africa were good examples of how social protection could be addressed in the short term. Both countries had financed non-contributory pensions and child benefits, which were powerful solutions that could be implemented very quickly.

153. Dr Evans said that it was particularly important to make plans on how to move forward in the domain of social protection. Many countries did not have health-care plans and a plan was required for moving away from user fees and moving towards prepayment in the form of taxes, or contributions. One way of seizing those opportunities was to share experiences and take action to move closer towards social protection by using innovative ways to find funds, by focusing more on the poor and through greater efficiency.

154. Mr Sundaram said that the only way to overcome the danger of the crisis was to seize the opportunities it afforded. Recovery efforts needed to be sustained, and the lesson of 1937 was that efforts had to continue even when the so-called “green shoots” began to appear. Consideration should be given to what were the real dangers of the crisis and a concerted and coordinated effort was required. Although there was a tendency to think at the level of national interests, international coordination was essential. The question of danger and opportunity was not a choice but rather two sides of the same coin. While the choices were similar to those that had been made at the time of the Great Depression in the 1930s, globalization was an important factor in the contemporary situation. Design of systems often depended on particular experience and prioritization was an important issue. Even if spending on the poor and vulnerable was increased, those funds might not reach all those in need. The question of whether to target the “new poor” or the poorest should be resolved politically rather than through good intentions. The desire to target help to the poorest could often become a problem, owing to attempts to impose conditionalities which raised costs and excluded people who should qualify for protection.

155. The Special Adviser to the Representative of the Secretary-General provided a summary of the key points raised in the discussion.

Session 12. Thematic dialogue 10: Shaping a fair, inclusive and sustainable globalization

156. The Chairperson welcomed the Committee to the tenth thematic dialogue and invited a representative of the Secretary-General to make an introductory presentation.

157. The Deputy Representative of the Secretary-General recalled at the outset of his presentation the 2008 Declaration on Social Justice for a Fair Globalization and how globalization was reshaping the world of work. He explained that, until mid-2007, trade, capital flows and remittances had been growing and contributing to global growth, although uneven. Those drivers of globalization were now in reverse and were spreading the recession. It was necessary to deliberate on what could be done immediately to get such drivers into forward motion to contribute to a job-rich recovery. There were three areas worth investigating: environment and how to get employment and environment policies working together for both goals; finance, including financial regulations to favour investments in sustainable enterprises and decent work; and trade and supportive efforts to accelerate a jobs recovery and reverse the trade decline. The three areas called for policy coherence. He referred to the G20 statement from the London Summit and addressed the challenge for the ILO in crafting the crisis response and particularly the ILO’s role in connecting the expertise and knowledge of the world of work to other issues in an effective manner. At the same time, the UN system had been developing a system-wide crisis response to help countries with integrated policy packages. The ILO was asked to help build the decent work component of such packages. This would lead to interagency collaboration and closer involvement of ILO constituents in the design and implementation of such packages.

158. Ms Teresa Ribera (State Secretary, Ministry of the Environment, Spain) highlighted two key points from the Report of the Director-General, namely the importance to invest in tomorrow’s green economy and the support of recovery policies through social dialogue. The crisis had made it clear that there were key links between the environment and economic and social sustainability. She highlighted the need to rethink potential scenarios in order to generate a recovery model that would bring together growth, equity and environmental sustainability. In other words, she confirmed that the future had to be green or it would not be sustainable. There was a strong link between the economic crisis and the environmental crisis and both were catalysts to change the current model. A better management of environmental resources was needed through a participatory process that would include the citizens and the social partners. Policies and interventions undertaken had to be both daring and courageous. To generate stability and investor confidence, they should be based on the principles of social participation and ensure the protection of the most vulnerable workers. She drew on Spain's positive experience since 2004 with responsible social dialogue in various industries to deal with the challenges of implementing the Kyoto Protocol. Increased confidence in the merits of addressing issues in that manner meant the country was well prepared for the current crisis, she added. Consumption of water and energy needed to be drastically changed in the next few years, requiring significant infrastructure development and training. These were key sectors that would define sustainability and competitiveness in the future. She drew attention to the United Nations Climate Change Conference to be held in Copenhagen in December 2009. A new climate agreement which would be effective in reducing emissions, socially equitable and flexible implementation would send a perfect signal for economic recovery.

159. Mr Tariq Banuri (Director, Division for Sustainable Development, UNDESA) invited the Committee to think of the world as a fictitious country, with a population of 6.5 billion and $6,500 per capita income, to set the stage for his presentation on sustainable development. It would be the most unequal country in the world. This country had many attributes of developing countries, namely the absence of institutions for collective decision-making, the very issue being confronted in addressing the environment. He reiterated the point made by the previous speaker that energy was the key aspect of climate change, noting the large differences in kilowatt consumption between developed and developing countries. The climate change agenda needed to move away from fossil fuels towards renewable energy, an option unavailable in developing countries, given the current costs. He proposed one option: to raise the price of energy for rich countries and reduce it for the poor. In searching for reasonable solutions, he drew on a recent UNDESA policy brief *A Global Green New Deal for Sustainable Development*, which included public works, social contracts and regulation of financial markets as the starting point. He reflected on lessons learned from the New Deal response to the Great Depression and the structural adjustment programmes of the 1980s, whereby developing countries had been forced to adopt pro-cyclical measures which were detrimental to their development. He left it to the Committee to consider whether it could draw on *A Global Green New Deal for Sustainable Development* while avoiding those problems of the past, and suggested the need for a global public works programme.

160. Mr Richard Samans (Managing Director, Centre for Public–Private Partnerships, World Economic Forum) considered that the crisis provided an opportunity for a new development paradigm, which he sought to link to the deliberations on the global jobs pact and the mandate given to the ILO by the G20. Since May 2009, there had been the beginnings of a move to a post-crisis agenda as policy-makers had managed to avoid the worst-case macroeconomic scenario. The opportunity to commence structural economic reform should involve the G20, the multilateral institutions and the UN system. He focused on two aspects of the reform: the change to a fair and sustainable development model and the policy agenda for change. Regarding the change of model, the conservative economic policies of the past had lost sight of economic institution-building and the role of the state. Economic institution-building was crucial to ensuring the diffusion of wealth, including consumer protection, anti-corruption and social protection. The role of the State included providing incentives for development of the real economy and ensuring adequate regulation. There was now a political opportunity to capitalize on the fact that the agendas of the North and South largely coincided. The way forward was to build on the Washington Consensus in order to move to a Roosevelt Agenda. Such an agenda would need to give country assistance on issues such as environmentally sound growth, a sound domestic financial system, social security and legislation, and to provide training and funding to achieve this. The Decent Work Agenda could provide great support and the international community should strengthen the ILO. The ILO had a key role in developing indicators on decent work, to provide a database that would allow benchmarking and monitoring of progress – at an estimated cost of $40 million per year. He suggested tripling ILO resources devoted to capacity building on ILO standards to $130 million per annum; and $40 million to implement supervision of ILO findings. The need for social security expenditure was underestimated. Financing of pensions and unemployment and expansion of fixed coverage would require a revolving fund of at least $3 billion per year. He concluded that the global jobs pact should go beyond a narrow vision of just providing jobs. The IMF country surveillance should be complemented by monitoring the employment and social agenda, which the ILO's mandate from the G20 permitted. He called for an improved cooperation agenda with the IMF so that the agendas could be integrated in the development of a "Roosevelt Consensus".

161. Mr Charles Gore (Special Coordinator for Cross-Sectoral Issues, Division for Africa, LDCs and Special Programmes, United Nations Conference on Trade and Development (UNCTAD)) emphasized the need for a twin-track approach to respond to the crisis through mitigation and recovery measures and for developing a new paradigm. Regarding the crisis response, business as usual was not possible. The international institutions needed to be midwives of the new development agenda. He presented data from the IMF's April 2009 *World Economic Outlook* and UNDESA's May 2009 *World Economic Situation and Prospects* to illustrate the severity of the crisis, characterized by a collapse in world trade and remittances. The recession would be more severe in developing countries in 2010 than in 2009 and there was a danger of the GDP graphs turning from a "V" to a "U" or even to an "L" shape. Regarding the paradigm shift, the causes of the crisis lay not only in the failure of the financial system but also in the contradictions in the development trajectory. The weaknesses included "market fundamentalism" and "methodological nationalism" that led to problems being analysed from the national perspective alone. There was also a socio-institutional mismatch whereby developing countries had difficulty coping with changes such as the emerging knowledge economy. Problems posed by global income inequality were vital. The development model was failing to create a middle class. LDCs suffered from a chronic insufficiency of job opportunities. In Mali and Madagascar, the number of new labour market entrants was set to grow massively each year at a time of severe environmental limits to growth. A key challenge for global governance was to find effective and fair ways to mitigate and adapt to climate change, while reducing inequalities. Policy-makers should look at the growth–employment–poverty nexus. Productive capacities should be developed while taking into account poverty, climate change and other issues concerned. Some of the policy implications for LDCs and Africa were: prioritization of structural change in agricultural and industrial policy and associated employment generation; rebalancing domestic and external sources of demand; breaking the chronic credit crunch; and building knowledge systems. Concerning the ILO's role, he recommended investing in producing global labour market and social statistics.

162. The Employer Vice-Chairperson thanked the panellists for their enriching contributions. What was required for sustainable economic and social growth was not a paradigm shift but a better matching of the free market principles with improved regulation to enhance competitiveness. The best way to support employment would be to preserve pro-growth policies and developing policy approaches that ensured prosperity was more fully shared without threatening its fundamental basis. This required boosting social safety nets and a better balance in the respective roles of the State and market forces. While state intervention was essential to recovery, it should be achieved without undermining the foundations of a free economy. A sound environmental policy along market economy lines could also develop into an engine for growth and employment. However, while "green opportunities” existed, a belief in a “green miracle” recovery should be avoided. Short-term government policies would facilitate a return to economic recovery but it was important that these did not compromise long-term growth. Employers were committed to building for the future and believed the ILO could be instrumental in determining the right way to restore confidence and move forward. Empirical analysis was critical to the development of policies to mitigate the effects of the crisis, and to chart a new path to overcome concerns on climate change, the food crisis and gaps in social safety nets. Such analysis should inform the ongoing debate on a future fairer globalization. Capitalism might have problems but it was the best system available. Business was firmly committed to work with policy-makers and trade unions to reinvigorate global economic growth and re-establish confidence in the financial systems, based on sound and effective regulatory frameworks for a more sustainable and inclusive economy and society for all.

163. A Worker spokesperson from Australia noted that the deficiencies of the old trade, finance and labour market regime had been highlighted by many speakers. The pre-crisis model of globalization had not met the test of time. Profit opportunities in largely deregulated markets led to irresponsible behaviour with workers the victims, through no fault of their own. The Workers’ group agreed with the speakers who counselled for pragmatic solutions rather than ideology. However, they would not accept such simple answers as deregulated labour markets as the panacea. Financial deregulation, state downsizing, an orientation towards export surpluses and inequality were some causes of the crisis and had to be addressed. She concurred with the Employers’ spokesperson on the need for rebalancing the relationship between the State and the market. The State had a key role in setting market rules but it also needed to be democratic and accountable. The recovery could only be wage-driven to increase aggregate effective demand redirecting resources from financial speculation towards real investment. A wage floor through collective bargaining was key to expanding and sustaining demand. The current development and trade system had made developing countries extremely vulnerable to external shocks and in need of building up their own industrial base for domestic-led growth. Transition from free to fair trade was necessary. Successful economies grew and matured first before opening up and used tools they now argued against, including tariffs and subsidies. Environmental degradation was another market failure. The crisis and stimulus packages provided an opportunity to speed up a transition to low-carbon economy. Transfer of knowledge and access to cutting-edge technology had to be made available to all countries to make industrialization environmentally sustainable. The global jobs pact needed to address this challenge and a coordinated response from the multilateral system was necessary. As with the UN system which had recognized the importance of decent work, this also needed to guide the measures proposed by the World Bank and the IMF. This would only happen if there was an institutional cooperation mechanism among the different institutions. The Conference needed to build a global tripartite commitment for a coordinated and coherent policy response to the crisis.

164. Several Government members (Australia, Malawi and Mali) shared their experiences in terms of the economic and social impacts of the crisis, as well as their policy responses and called for adequate international assistance. The Government member of Malawi shared his country’s experience and government response through a fund targeting youth and rural areas. The Government member of Mali asked for some clarifications regarding the statistics presented, in particular if these took into consideration the impact of recent employment interventions. Issues related to the crisis and the green economies were also raised. The Government member of Australia questioned whether there was a danger of linking policy-making on the greening of the economy to the current crisis as the crisis would be finished before the greening of the economy had been achieved. The Government member of Spain wondered whether there was a danger in thinking that “green” was automatically “good” and “ethical”, and suggested that more nuance needed to be added to the concept of green jobs. The concept of social sustainability and decent workplaces was key if these were to be ethical jobs.

165. Some Worker members emphasized the key role of the ILO in developing a response to the crisis and expressed their support to the global jobs pact. A Worker member from Pakistan reminded the Committee of the lessons learned from the global financial crisis and called for the international community to provide the necessary assistance to developing countries and the intergovernmental organizations to use their influence to shape the policy of the Bretton Woods institutions to help recovery and create jobs.

166. Several Employer members stressed the need for a common understanding between workers and employers to mitigate the impact of the crisis and the importance of lasting social dialogue. An Employer member from the United States supported the statement from the Government member of Australia and his use of the wording “greening” of jobs as a more accurate description of this necessary process, rather than talking about a panacea of “green jobs”. She voiced her concerns that there might be short-term costs to greening employment, citing a recent study on Spain which suggested that, for every job created in renewable energy, there would be 2.2 jobs lost elsewhere in the economy. She acknowledged that this might be a necessary transition process, worth bearing over the long term, but questioned how the ILO should address the tension between short-term and long-term needs.

167. Mr Banuri answered the question on the timing and scale of greening of jobs. There had been signs of greening of jobs earlier. The crisis had provided an opportunity for policy-makers and other actors to link the employment and the environmental dimensions. In that sense, the crisis had opened up a new phase. On the one hand, the crisis required an immediate response to create jobs, any jobs. On the other hand, jobs were created in infrastructure and paved the way for future needs, therefore the stimulus period could lay the foundation for a new paradigm. He suggested that the ILO adopt a very long-term time approach. He added that amongst global challenges, climate change was the easiest, because some natural resources such as solar energy were not limited. He encouraged the ILO to work on green jobs. Green jobs needed to be quality jobs. He noted that the agendas of governments and international organizations needed to take into consideration the social, environmental and economic dimensions. He stressed the need to support institutions to enhance their capacity to integrate agendas, in particular at the state level. The environment was the responsibility of everybody including at the local level. He emphasized the need for more equity to achieve outcomes which were sustainable politically. The choice was between a world of fortresses for the rich versus the transition to a new development framework. Regarding the possibility of moving to a fairer globalization, he said that a fairer globalization would only be the outcome of global democracy.

168. Mr Samans stated that the crisis was a way to advocate green jobs, taking advantage of the fact that policy-makers could advance the timing of infrastructure planning in times of crisis to create jobs. However, it was not only a logical question, it was a structural issue. On that, he recalled the next negotiations in Copenhagen, which could bring a new regime but could also face scepticism from developing countries if promises of investment and assistance did not materialize. At the moment, the proposed text was goal-setting with burden-sharing, with little proposals on practical items such as technology transfer. The crisis was therefore an opportunity to talk about green jobs and infrastructure and technology transfer to developing countries. Turning to the issue of how much of the global jobs pact should be about decent work, he answered that it should be “a lot but not all” as it would be more constructive to formulate it in broader terms. The Decent Work Agenda was a powerful tool for return to higher growth based on a better balance between domestic and external demand. However, the real economy agenda was broader than the

Decent Work Agenda. The Decent Work Agenda was an important element of a strategy to increase purchasing power and reduce dependence on exports, which was what the G20 was looking for. He therefore advised the ILO to cast the Decent Work Agenda as a domestic-led growth model, adding that the contextualization of decent work would make it more acceptable to development ministers. That was important in view of the probable G20 move to structural reforms.

169. Mr Gore commented on the need to carefully consider the statements from the Employers' and Workers' groups, which highlighted a critical issue to be resolved – how to get beyond a state-versus-market approach in both the short term and the long term. In response to the query regarding the statistics on Mali, he clarified that the figures represented the number of new entrants to the labour market, not the number of unemployed. He noted that the example was provided to demonstrate the challenges Mali, like all LDCs, would face – inability to produce sufficient decent work opportunities to meet the increasing number of labour market entrants. He suggested that the Government would need to take a greater role in guiding the process. With regard to labour market migration and rules on the free movement of people and trade, he proposed the introduction of a regime with a development dimension rather than free movement. He reflected on the issue raised by the Employer member from the United States on the relation between the reality on the ground versus the business-as-usual track, indicating that a longer term vision was required, rather than a business-as-usual approach.

170. The Special Adviser to the Representative of the Secretary-General provided a summary of the key points raised in the discussion.

General discussion on the thematic dialogues and draft outline for the outcome texts on crisis response

171. The Chairperson opened the floor to general discussion and invited the Committee members to share their national experiences and reactions to the crisis, to comment on the Report of the Director-General to the Conference (Report I(A)), and to discuss the nature of the products that might come out of the Committee. By agreement with the Vice-Chairpersons, the Chairperson opened the floor first to the Government members.

172. Government members who took the floor acknowledged the timeliness and the value of the Report of the Director-General and the panel discussions of the Committee and thanked the Office for coordinating the effort.

173. The Government member of Trinidad and Tobago provided a brief description of the challenges faced by her country and the policy responses taken by her Government to address the recession and to maintain levels of employment, efforts which placed employment and social protection at the core of recovery policies. The measures put in place included, inter alia: fiscal and other incentives targeted at the manufacturing sector which had suffered considerably from the fall in demand due to the crisis; and ensuring support and credit flows to enterprises, in particular micro, small and medium-sized enterprises. Through the continued provision of social welfare grants and the increase in the levels of conditional cash transfers, the Government was enhancing its poverty reduction strategy. She affirmed her Government's commitment to the collaborative approach of the ILO to mitigating the widespread effects of the crisis and supported the global jobs pact.

174. The Government member of the Czech Republic, speaking on behalf of the Governments of the EU Member States, stressed the human dimension of the crisis and its potential impact on economic, social and political stability. A countercyclical response, based on the fundamental principles of solidarity and social justice, was necessary. She underlined the need for coordinated policy actions integrating economic, employment and social policies at all levels, with respect to the sustainability of public finances and preventing protectionism. Maintaining employment, creating jobs and promoting mobility; upgrading skills and matching labour market needs; and increasing access to employment were identified as key EU priorities and she indicated that measures to address these had been implemented in some EU Member States. She stated that the EU saw the Decent Work Agenda as the major tool for bringing employment and social protection into the wider development agenda and highlighted the ILO's role in developing monitoring systems for the most vulnerable countries to better identify and address their needs. She noted that respect for international labour standards and sustainable growth were mutually reinforcing and called for international labour standards to be a more prominent part of a fair and equitable globalization. Social security standards and protection of workers' rights represented an important framework for social peace and support in times of crisis, as well as facilitating transitions to employment and enabling social systems to play a role of macroeconomic stabilizers. Social dialogue played an indispensable role in mobilizing all relevant actors and opening the floor for formulation of policy responses that were timely, targeted and acceptable to both employers and workers.

175. Turning to the issue of the possible outcome of the Committee, the Government member of the Czech Republic, speaking on behalf of the Governments of the EU Member States and Norway, welcomed the proposals presented in the Report of the Director-General as policy options for the tripartite constituents to utilize in responding to the crisis. She indicated that the conclusions should have a strong focus on policy coherence, measures to reinforce labour market participation, social protection and effective skills development policies to ensure the compatibility of short-term measures with long-term goals. She indicated support for two outcome documents which should build on existing efforts to coordinate crisis responses: the first, a short political document containing key messages, and the second, a document elaborating operational guidelines and future actions. She highlighted support for a stronger and more effective role for the ILO in the relevant multilateral forums and initiatives. In that regard, she called for the ILO to monitor and analyse the employment and social impact of the crisis, looking at both positive and negative effects, and discern evidence-based policy options. In concluding, she welcomed a global jobs pact.

176. The Government member of France underscored the duty of the Conference to address the current crisis situation in order to build a more balanced global structure, and highlighted the mandate given by the G20 to the ILO. He voiced support for the global jobs pact and stressed that for it to be helpful it needed to address structural responses to the crisis. He encouraged the ILO together with other relevant institutions to make an effort to define those, including how the ILO should become more engaged in the process. Finally, he supported the proposals of the Office, especially the recommendations for a concise communication followed up with a more detailed set of conclusions.

177. The Government member of Cameroon, speaking on behalf of the Africa group, reiterated the recommendations of the 2004 Ouagadougou Declaration and Plan of Action adopted by the Extraordinary Summit of the African Union Heads of State and Government, in which governments gave priority to improving employment and decent work and urged for a follow-up to that meeting. African governments remained committed to the fight against poverty and unemployment and he mentioned the various measures taken by them in that respect. He stated, however, that such actions had not been sufficient and that a global response – a global jobs pact – was essential. In responding to the crisis, he underscored the importance of employment and social protection and the relevance of the ILO Declaration on Social Justice for a Fair Globalization. He emphasized the necessity for the global jobs pact as a response to the crisis and assured the Committee of his group's support.

178. The Government member of Japan suggested that the outcome documents of the Committee should capitalize on the experience of Japan in dealing with crises and its experience with regional technical cooperation. He stated that Japan supported the preparation of two outcome documents: a document illustrating detailed responses which both individual countries and the ILO should make and a political statement as its summary. He said that the decision on whether or not to have separate documents on the responses of individual countries and those of the ILO should be made after the general discussion of the Committee.

179. The Government member of the United States agreed with the proposals suggested by the EU and Japan with respect to the preparation of two documents, a political statement together with a longer document which elaborated on the statement. He supported use of the term "recovery" when focusing on the response to the crisis and referenced the web site set up by the US Government to track developments and responses in his country related to the crisis. Regarding the structure of the outcome document, he suggested that the document should include five sections: an introduction on the motivation to jumpstart recovery, followed by four subsequent sections based on the four strategic objectives of the Office. The Drafting Group should discuss how to fill in each of those sections but decent work should provide the basis for organizing the document.

180. The Government member of Ukraine spoke in favour of a global jobs pact and the initiatives of the ILO. He said that a new international approach should be developed with a strong focus on the humanitarian perspective.

181. The Government member of India underscored the need for a global jobs pact. He referred to the recent Indian Labour Conference which had included an agenda item on the global financial crisis and which had proposed recommendations in line with the proposals of a global jobs pact. He highlighted the various measures in terms of stimulus packages and schemes adopted by India which concentrated on employment guarantees, social protection in the organized and unorganized sectors and infrastructure development. Thus, the impact of job loss had been less severe than in other countries. He stated that ensuring growth and fiscal balance was necessary and that stimulus packages must be linked with prevention of job loss and creation of jobs. Efforts should be concentrated on, among others, labour-intensive, export-oriented industries, support for retraining and skills development and on enhancing social protection. All efforts would require strong social dialogue. In conclusion, he stressed that the ILO had a role to play in the responses to the crisis.

182. The Government member of the Republic of Korea focused his intervention on the role and importance of social dialogue to overcome crisis, drawing on the example of a multiparty dialogue launched in his country in February 2009. The outcome of that dialogue was the agreement concerning nationwide implementation of the voluntary job-sharing policy. He pointed out that, due to job creation policies and the measures adopted with the social partners, unemployment had decreased recently in his country.

183. The Government member of New Zealand, speaking on behalf of the Government members of the Asia–Pacific group (ASPAG), [4] stressed that employment was key in any response to the crisis. In order to be able to make a contribution, he stressed that the ILO needed to provide concrete tools and measures as soon as possible to respond to the crisis,

[4] Afghanistan, Bahrain, Bangladesh, Brunei Darussalam, Cambodia, China, Fiji, India, Indonesia, Islamic Republic of Iran, Iraq, Japan, Jordan, Kazakhstan, Republic of Korea, Kuwait, Lao People's Democratic Republic, Lebanon, Malaysia, Mongolia, Myanmar, Nepal, Oman, Pakistan, Papua New Guinea, Philippines, Qatar, Saudi Arabia, Singapore, Sri Lanka, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, United Arab Emirates, Uzbekistan, Viet Nam, Yemen.

which needed to be practical, timely and adaptable to country situations. He recalled that a commitment had been made at the March 2009 Governing Body and action was needed now. With regard to the outcome documents, he suggested that the groupings articulated under the four pillars of decent work would be appropriate.

184. The Government member of the Syrian Arab Republic emphasized the need to focus on the opportunities brought about by the crisis not just the challenges. He noted that the discussions had revolved around short-term measures and that not enough focus had been put on the labour environment and social security. He hoped that those would be taken into account in the Office outcome documents. He concluded by stating his Government's support for the global jobs pact.

185. The Government member of China supported the statement made by the Government member of New Zealand, speaking on behalf of ASPAG. He briefly described the situation faced by his country due to the crisis and added that China had adopted a number of timely measures to boost domestic demand, encourage employment and create jobs, improve employment services, enhance skills development for particular groups of the labour force, enhance the social security system, and provide support to enterprises in difficulty, among other things. Regarding the outcome document, he stated preference for a single document which would include four sections: a short preface, a section on principles which should highlight a people-centred development approach to address the employment and social aspects of the crisis, a section on policy tools, and a section focusing on international cooperation and policy coherence.

186. The Government member of Canada emphasized the need for practical job-centred recovery measures with a range of policies and tools taking into account that a one-size-fits-all approach was not feasible. She stressed that the measures should be timely, targeted and temporary. She drew attention to the need to consider vulnerable groups, adapt ALMPs to enhance skills development and strengthen social protection, support SMEs through tax reductions and increased access to credit financing and promote youth entrepreneurship and green job initiatives. She stated that social dialogue and the respect of the fundamental labour principles were key components of a response. Turning to the outcome document, she expressed support for the proposals of the EU and the format elaborated by the Government member of the United States.

187. The Government member of Australia expressed his Government's support for the statement by ASPAG. He also voiced support for a global jobs pact based on the points outlined in the Report of the Director-General, which created a flexible framework that member States could use to create their own crisis response packages. He acknowledged the ILO's long experience in providing technical support to member States and encouraged the Office to avail itself of the opportunity to see how to use the knowledge of best practices and policies it had acquired. He pointed out that innovative measures had been implemented in Australia, focusing on employment, social protection, training and creating stronger minimum workplace standards. With regard to the outcome document, he affirmed the need for practical tools and assistance which focused on recovery, outcomes and solutions. He also stated that the document should be based on the 2008 Declaration on Social Justice for a Fair Globalization.

188. The Government member of Sri Lanka endorsed the Director-General's proposal to make decent work a cornerstone to cope with the crisis and described the situation his country was facing. He added that Sri Lanka was fully aware of the need for greater cooperation at the international level. However, he wished to stress the significance of social dialogue and the need for effective labour administration in implementing policies at the national level. He acknowledged that the ILO had the expertise and the necessary tools within its mandate to assist member States to strengthen labour administration to design appropriate policies and implement them effectively. He concluded by stressing the need to strengthen labour administration and to promote social dialogue in addressing the problems of the current financial crisis.

189. The Government member of the Russian Federation confirmed that his delegation was convinced that the only possible way to ensure sustainable development was through the achievement of the MDGs. He endorsed the idea of developing a very strong document on the global jobs pact which could be the specific contribution to overall efforts to overcome the crisis. He was convinced that success was guaranteed by the uniqueness of the Organization, especially due to its tripartite nature and dialogue with its social partners.

190. The Government member of Argentina stressed that the crisis was at present an employment crisis and highlighted the important role of the ILO in looking for instruments and policies affecting employment. Its tripartite nature and its activities gave it the strength that other organizations did not have. He announced that Argentina and Brazil had submitted a joint proposal to the Government of the United Kingdom for the ILO to be present at, and to have its work included in, the G20 discussions. Regarding the outcome document, he stressed the need for a political statement. He welcomed the global jobs pact as an important measure, given that it required a global approach and would focus on the social impact of job losses. He stressed the need for it to be particularly adaptable to regional realities.

191. The Government member of Namibia associated herself with the statement of the Government member of Cameroon, speaking on behalf of the Africa group. She noted that the pre-existing situation in the Namibian labour market, and undoubtedly also in many other developing countries, had already been of crisis proportions decades before the current crisis hit. The current discussions about the response to the crisis had confirmed the appropriateness of approaches being taken by Namibia and many other African countries to put employment and social protection at the centre of national development strategies. She explained that various measures to address the problems of the labour market had been adopted in Namibia. She observed that the current debate presented the opportunity to rethink the type of international support that was needed to assist Namibia and other developing countries with small economies to emerge from the long-standing crises of their labour markets. She voiced support for the proposal for a global jobs pact in order to restore the modest gains in development that had been affected by the crisis but, more importantly, to support the forward trajectory for development. She proposed that the Conference support, as part of the global jobs pact, a commitment to coordinated multilateral and bilateral budgetary support as well as technical assistance to developing countries to support employment creation through training, enterprise development, employment-intensive public works, strengthened public employment services and industrialization and diversification of their economies.

192. The Government member of Belgium supported the idea of giving the ILO a more consistent role to play so that the social dimension could be brought into policy development. Through its Decent Work Agenda and the Declaration on Social Justice for a Fair Globalization, the ILO had the instruments to carry out that responsibility. He supported the idea that the ILO should do analysis and monitoring of employment impact and of the policy response in member States. He stressed that more cooperation between international organizations and Bretton Woods, the OECD and WTO was needed. In his final comments, he pointed out that special emphasis should be placed on the gender dimension. He concluded that Belgium would like to see strong conclusions from this Conference, in the form of a global jobs pact, addressing the human drama caused by the current crisis.

193. The Employer Vice-Chairperson said that, while the economic crisis had caused a lot of pain, it had also generated a feeling of responsibility. His group appreciated the contributions to the discussion made by the Governments indicating their experiences and practices. Regarding the Committee's outcome documents, he said that they should give examples of results based on those experiences and practices. In whatever format the Committee decided, the outcome must include a political component emphasizing that the way out of the crisis was through the market economy, entrepreneurship, recognizing the role of trade unions, respecting rights and social dialogue. Responses to the crisis should be considered in terms of employment: developing human resources, improving vocational training, flexibility and adapting the market to contemporary needs, such as flexicurity as demonstrated by Denmark, green jobs, and technological development. Consideration should be given to how to formalize the informal sector through building infrastructure, protecting vulnerable groups and taking measures to ensure sustainability for SMEs. Social protection measures must be viable. Fiscal stimuli were required, and active labour market measures should be adopted. Conditions must be established that were favourable to the creation of business and employment. The Conference should send the message that the Office had a responsibility to respond immediately to the needs of its constituents and in that regard a programme of action would be needed. The Office should consider how it would work with other international institutions, in particular the Bretton Woods institutions and regional development banks. Efforts should be made to address the gap between economic recovery and employment creation.

194. The Worker Vice-Chairperson said that his group agreed with the views of the EU and other countries that the outcome documents should be in two parts and include a political component. He responded to the concern of the Employers' group regarding the overregulation of labour markets by noting that the labour markets had not caused the financial crisis. Protection of workers was not incompatible with successful business. Governments, employers and workers were facing the crisis together and must therefore find a common solution. There was therefore a considerable need for comprehensive global governance in the form of a global set of binding rules that built labour standards and provided for social and environmental responsibility.

195. The Workers' group supported a global jobs pact that would ensure space for global policy coordination. The idea that each country should find its own solution to the crisis was a direct road to failure. The global jobs pact should take full account of the gender dimension of the crisis and take measures to overcome structural gender discrimination. Such a pact would constitute a significant contribution to building trust among countries and to making labour standards a pillar of a new regulatory environment. The pact should be based on the understanding that labour and social policies must be embedded in a broader set of policies for a speedy recovery and progress towards a fair, socially and environmentally sustainable economic and political order, which would reduce inequality, overcome poverty and create decent work. The Workers' group considered that a global jobs pact should include the following components: the regulation of national and international capital markets, in order to serve society and the real economy; social dialogue and collective bargaining, including the ratification of the relevant ILO Conventions; a universal social protection floor and progressive extension of social security, to safeguard against poverty and serve as automatic economic stabilizers; safeguards against a competitive race to the bottom and wage deflation, through the establishment of a wage floor based on the concept of the Convention on minimum wage fixing; coordinated employment, social and environmentally oriented stimulus packages; fiscal space and priority public expenditure including through progressive taxation; the protection of workers' rights, creation of a level playing field and a climate of mutual trust through ratification and implementation of international labour standards; and a new trade and development paradigm. Measures should be timely but not temporary. Development assistance was needed by countries which lacked fiscal space, but not on the basis of the old austerity conditionalities. The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy needed to be used to protect labour standards in supply chains.

196. The Government member of Malaysia focused on the need to strengthen ministries of labour and help them streamline employment, expand social protection and support social dialogue. Strong labour administration could bring about more policy coherence, contribute to sustainable development and the creation of sustainable enterprises. The Declaration on Social Justice and a Fair Globalization and the Decent Work Agenda were of assistance to governments in the current crisis. He highlighted key measures implemented by his Government to mitigate the social consequences of the crisis. In concluding, the speaker thanked the Office for its support in setting up an unemployment insurance system in his country.

197. The Government member of South Africa outlined the need for an integrated approach, with a focus on gender, youth unemployment and HIV/AIDS. For Africa, the financial crisis added new challenges to poverty, underemployment and rising inequality. To face those challenges, support packages at the global, national and regional levels were necessary and needed to be complemented with new measures taken by the ILO. That process should occur in a transparent manner and rely on social dialogue. While it was necessary to promote the development of the private sector, the government's role needed to be strengthened to achieve a green new deal and address the lack of social protection in Africa through targeted programmes for vulnerable groups. He recalled that no country could deal with the crisis alone.

198. The Government member of Jamaica recommended two outcome documents: general conclusions and a second document which would expand on the global jobs pact. For the outcome on the conclusions, he agreed with the Government member of China to start with guideline principles. Jobs and the Decent Work Agenda should be the focus of recovery plans, while policy coherence was central for recovery. Plans should be synchronized, built with technical assistance support and include both short-term measures to deal with the crisis and future development. International labour standards should not be compromised during the crisis. Social dialogue could help achieve better outcomes. He indicated support for the global jobs pact as a way to achieve the MDGs.

199. The Government member of Algeria gave an overview of the legislative reform that had been taking place in his country since the early 1990s. As a result of the reform, social dialogue had become an important instrument, several bipartite and tripartite meetings had been organized and in 2006 a national economic and social pact had been signed. He stressed the important role of the state budget as a driver for economic recovery and noted the important role that the 2005–09 plan played in improving infrastructure and creating jobs. The 2010–14 plan included employment at the heart of development and 3 million jobs were planned to be created over the next five years. The plan included specific measures targeting youth. Finally, he stressed his Government's support for the global jobs pact and its implementation.

200. The Government member of Brazil expressed his support for the global jobs pact and noted that his Government had adopted several measures to overcome the crisis that reflected some of the suggestions made in the Report of the Director-General. These included public investment in infrastructure, tax exemptions for strategic sectors, increased coverage of social protection such as the *Bolsa Família*, increased access to credit and promotion of social dialogue. The Brazilian Government was committed to fighting the crisis without punishing the real economy. Finally, he expressed his Government's support for the global jobs pact, as it would be an important portfolio of options to adequately tackle the crisis. After its adoption, the Office should provide assistance to its constituents in order to implement it.

201. The Government member of Uruguay expressed his Government's support for the global jobs pact as it was crucial for recovering from the crisis in a humane way. He also welcomed the Report of the Director-General.

202. A Worker member from India agreed that one-size-fits-all solutions were not appropriate, but there needed to be a common guiding framework. Most importantly, dialogue had to be ensured. National-level social dialogue was not sufficient and trade unions should be heard in policy-making in all areas, not only in discussions of labour issues. He reminded the Committee that the crisis had its origins in other policy areas but was having its effect on labour. Social dialogue was needed at the micro and macro levels, ensuring the job potential of investment. In conclusion, he stated his delegation's hopes for the discussions at the ILO Summit on the Global Jobs Crisis. He called for the IMF to commit to moving away from conditionalities; governments to take the lead in ensuring social dialogue; employers' organizations to keep at bay lockouts, lay-offs and retrenchments during this period of crisis; and trade unions to take a more active role in shaping and implementing labour laws. He warned against his own Government deregulating the labour market and embarking on privatizations.

203. The Government member of New Zealand noted that different countries would have to respond differently to the crisis due to the very different policy environments and fiscal space and reiterated that one size did not fit all. In its deliberations, the Committee had to focus on finding practical solutions, learning from the technical panels on different measures and their impact. A tailored approach was needed based on evaluation of what did and did not work, where and under what circumstances. He emphasized that the ILO must draw on its experience to deliver support to its constituents and reiterated that the global jobs pact had to add value and provide practical measures to ensure a job-rich recovery.

204. The Government member of Bangladesh expressed his hope that the outcome document would talk to the people "in their language", not theoretically nor academically. He was concerned about the lack of consideration given to LDCs in the documents and discussions. Simple pronouncements were needed that made sense at home. He noted that LDCs did not have the fiscal space to deal with the "paradigm shift" referenced in the Report of the Director-General. He was concerned that LDCs would be left behind and the ILO needed to ensure that this did not happen. Referring to the Report of the Director-General, he welcomed the suggestions regarding ILO support to its constituents, namely the inclusion of monitoring, the provision of emergency services to constituents on request and strengthening partnerships with multilateral organizations. He concluded by requesting the ILO to include LDCs' specific needs and concerns in all these suggestions.

205. The Government member of the United Republic of Tanzania said that his Government had established a task force to mitigate the effects of the crisis in his country. He requested that the ILO work with member States to improve social dialogue and facilitate increased aid from donor agencies. He reasserted that the global jobs pact had to include country-specific solutions and should have employment creation and social protection at its centre.

206. A representative of SOLIDAR addressed the Committee with authorization of the Officers and stated that the unfolding crisis had shown the need for better and more government involvement in the economy, ensuring a new balance between the market and public interest. She welcomed the proposal of a global jobs pact outlined in the Report of the Director-General. She called upon the ILO to be a bridge between the G20 and the proposals for a reform of the international financial architecture by the "Stiglitz Commission". [5] She emphasized that the ILO had a pivotal role to play in ensuring policy coherence between the various initiatives undertaken by governments and a watchdog role in policy coherence among the multilateral institutions.

207. Authorized by the Chairperson, a representative of Women in Informal Employment: Globalizing and Organizing (WIEGO) indicated that many developing countries had well over half of their workers struggling to eke out a living in various forms of precarious and informal work. She said that these workers were particularly susceptible to the effects of the crisis. Local governments who disengaged themselves from the responsibility of labour market issues were exacerbating the crisis by contributing to the termination of contracts. In line with the Declaration on Social Justice for a Fair Globalization and the Strategic Policy Framework 2010–15 as well as the global jobs pact, local government authorities should be involved in policy-making strategies for economic recovery. Towards this end, local authorities should find innovative local social protection schemes, be sensitized to the long-term impacts of crisis response measures on workers and engage in extensive and effective social dialogue.

208. Authorized by the Chairperson, a representative of the Organization of African Trade Union Unity (OATUU) asserted that it was not possible to return to the old order of business which preceded the crisis. There was a need for a new paradigm of people-centred development, with decent work at its core. In this regard, he offered support for the global jobs pact. In contributing to the change of paradigm, he said that the recent OATUU meeting in Cairo had decided to judge good governance of member countries by the ability of governments to provide basic needs relating to food, housing, health, education, water, electricity, transport, communications and decent work. Finally, he stressed the importance of social dialogue at all levels and emphasized the need for outcomes rather than processes.

209. The Worker spokesperson highlighted the challenge to the Office to provide leadership in thinking through pathways to stable growth and in order to ensure a secure future. The outline of the outcome documents provided a useful framework. The Worker members wished to see the document address the social and employment consequences of the crisis as well as the structural reforms needed to create a more sustainable and fairer globalization and which also supported partnerships with other national, international and social partner institutions. She supported the idea highlighted by other speakers on the need for change and the need to find better and more enduring solutions for the future and to seize the opportunity to explain to the world how the Decent Work Agenda could be a cornerstone of a broader policy response. Noting that experience from other big crises had shown that responses could not be found just through labour market policies, she called on the global jobs pact to provide a broader and more integrated approach. She suggested that the following main principles form the framework of the global jobs pact: that economic revitalization, fair globalization and social justice required a coordinated global commitment to respond to the crisis; that the recovery should be wage- and consumption-led; that key elements of the global economic system needed to be addressed; that developing countries needed support to strengthen their social and economic infrastructure; that a basic social protection floor should be part of the recovery strategy; that governments needed to provide and maintain labour market institutions and the ILO needed to provide guidance and assistance in this respect; that the set of labour standards highlighted in the Report of the Director-General needed to be a core element but some additional standards should be referred to.

[5] The Commission of Experts of the United Nations General Assembly on Reforms of the International Monetary and Financial System.

210. The Employer Vice-Chairperson confirmed his group's strong commitment to producing an outcome document which sent a strong message to the outside world and which proposed achievable solutions. It needed to provide flexible responses recognizing the varying needs across countries. He stressed the importance of working within the mandate of the ILO. He acknowledged that the ultimate aim was full employment, yet that was not realistic in the short or medium term; therefore, the emphasis needed to be put on freely chosen productive employment within a market economy. He underscored the key messages the Employer members wanted to have emerge in the documents: emphasis on sustainable enterprises; focus on core labour standards; fostering of entrepreneurship; a social protection approach that was realistic in the current environment; education and skills development, better preparation of workers for the labour market; and flexible organizational strategies in response to the crisis. In conclusion, he reiterated the point that social dialogue should be seen beyond collective bargaining and debate was needed on the national and global levels.

211. The Government member of the Czech Republic, speaking on behalf of the Governments of the EU Member States and focusing her intervention on thematic dialogues 6–10, said that solutions needed to be sought in a multilateral context and a clear message of coordination could help restore confidence and stabilize the world economy. She strongly supported the principles of free and open markets with a reliable framework of rules and regulations and rejected protectionism. She emphasized several key points: the most vulnerable countries should not be the victims of the crisis; the internationally agreed goals, including MDGs, should not be undermined; social partners and governments needed to work together; working conditions and workers' rights should not be weakened; social protection had to be ensured; the role of ALMPs needed to be further strengthened; measures implemented by States needed to be consistent with long-term structural reforms; and there was a need to promote sustainable enterprises including through support for a green economy. She appealed to the ILO to take an active role in the monitoring and evaluation of the employment and social impacts of the crisis, and in analysis of the policy options implemented at the national and international levels. She concluded with the hope that the conclusions of the thematic dialogues would be reflected in the outcome document.

212. The Government member of the United States said that the outcome documents should be written to emphasize economic recovery rather than crisis response. It was crucial to ensure that recovery was effective and led to a situation in which there was a global supply of decent work that matched the stock of those who wanted to work. He suggested that there was a need to focus on what could be delivered to ILO constituents and to focus on issues relating to the four pillars of the Decent Work Agenda. Turning to the issue of research and technical assistance, he said that the ILO should focus its efforts and resources on the promotion of decent work in the developing world, since in a time of recovery available resources should be focused on those most in need. He stressed that the ILO should aim to provide professional advice to member States through the development of structured policy responses based on research and discussion, in particular in promoting rights and explaining their economic benefits in terms of crisis recovery development.

213. The Government members of Malaysia and Sri Lanka, highlighting the importance of labour administration and labour inspection in times of crisis, said that this should be included in the outcome documents.

214. The Government member of New Zealand said that it was important to maintain a clear focus on a comprehensive forward-looking practical outcome to assist governments, employers and workers speed up economic recovery. He saw the need for the ILO to have an outcome document which could be presented at the upcoming crisis response meeting being organized by the OECD. As had been agreed by most, employment needed to be the main focus of stimulus packages with social protection, wage protection and keeping people in jobs also critical elements for recovery. Supporting the view of an Employer member, he stressed the need for the ILO to focus on issues in its mandate and on what it could do at present. The outcome documents should include a high-level political statement calling on the international community to take job-rich measures to address the crisis and which set out the role of the ILO in the international response to the crisis. His delegation did not support an outcome that spoke of a new globalization model at the expense of outlining concrete measures to help constituents weather the crisis. The outcome document should be a policy package, focusing on the substance and use of existing tools, such as the Global Employment Agenda. Consideration should be given to the social and economic diversity of the member States, and particular attention should be paid to measures that would be appropriate for member States with no fiscal space. All efforts should be made to ensure that the ILO's part in the global response was concrete, valid and constructive.

215. The Government member of Jamaica agreed with the titles of the parts of the draft outcome texts. He felt that the introduction should include a statement on the adverse impact of the crisis on achieving the MDGs. Part II should contain a more explicit statement on policy coherence and the need for a synchronized and integrated response by IFIs, G20 countries and the ILO. Reference should be made to the conclusions of the ILO Tripartite Caribbean Conference, held in Kingston, Jamaica, on 1–2 April 2009. There should also be a statement on the need for special international assistance for vulnerable and developing countries, and the reform of IFIs to make them more sensitive to developing countries. Recalling the principles from the conclusions of the Caribbean Conference, Part III should place greater focus on education and training for employability, research and development, protection of wages and pensions, including for migrant workers. Emphasis should be placed on the need to strengthen mechanisms to foster social dialogue on a prominent basis at the national and regional levels. Part IV should include a reference to the need for international governance and regulation of financial markets and institutions.

216. The Government member of Spain endorsed the statement made by the Government member of the Czech Republic on behalf of the Governments of EU Member States, in particular the references made to the fact that the improvement of working conditions could contribute to productivity in the economy. Consideration should be given to those to whom the final document was addressed, as well as the perspective from which its content should be presented. Consideration should be given to the economic side of social issues and the social side of economics. Although the ILO had received an important instruction from the G20, since that was an ad hoc group the ILO was not in a subordinate position. The ILO's mandate was derived from the 1919 Constitution.

217. The Government member of the Islamic Republic of Iran stressed that the Declaration on Social Justice for a Fair Globalization and the Decent Work Agenda, as well as the Global Employment Agenda and the resolution concerning the promotion of sustainable enterprises adopted at the 96th Session of the International Labour Conference, should be the framework for the global jobs pact. There was a need to establish suitable diagnostic tools through which the progress made could be monitored scientifically and realistically. Therefore, access to reliable statistics concerning the impact of the crisis was necessary. He suggested that the ILO's International Conference of Labour Statisticians (ICLS) with its tripartite structure play a crucial role in achieving the abovementioned requirements and that it be included in the agenda of the 19th ICLS.

218. The Government member of Australia said that the fundamental question which should drive the preparation of the outcome documents was what the ILO could do to assist its Members to recover from the crisis in as good a shape as possible. The Declaration on

Social Justice for a Fair Globalization, the Strategic Policy Framework, the programme and budget documents and the commitment to finalize and make good use of indicators, including indicators of field performance, had given high profile to the work of the ILO within the international community. Recalling that the G20 had called upon the ILO to "assess the actions taken and those required for the future", he stressed the need for the Office to provide analysis based on a robust evidence base. Concerning Part III, he said that the headings should correspond to the four pillars of the Decent Work Agenda. In addition, an explicit analytical distinction regarding the differing country contexts and its consequences for policy-making should be followed throughout the documents. Part IV should be renamed "The way forward: The decent work contribution to shaping a fair and sustainable globalization". He suggested that the longer document be written so that the analytical and evidence basis for the policy recommendations was clear. He mentioned that the ILO had two basic levers for action: monitoring, analysing and advising, on the one hand, and direct technical assistance to member States, on the other, and that it should be made clear throughout the document, as well as in a dedicated part at the end of the document, how the ILO would use them. He concluded by alluding to the great opportunity that existed for the ILO, in this historic calling by the international community, to make a useful and constructive contribution.

219. The Government member of Algeria also supported the view that the response to the crisis had to be adapted and differentiated depending on levels of development of countries.

220. The Government member of Lebanon noted that the draft outline provided the themes for consideration by all concerned. She noted that there was a need for ordering of priorities to be decided at the national level through tripartite discussions.

221. The Government member of Canada highlighted that the Committee had the opportunity to make an important contribution to global crisis responses supportive of decent work. The outcome documents needed to be concise and comprehensible to the outside world. She stressed the need to identify the specific contributions that ILO could bring to broader international responses to ensure that the decent work perspectives were given proper attention. Credible ILO contributions required strong research and analysis demonstrating the social and economic benefits of decent work policies as well as partnership and collaboration with other international organizations. The Declaration on Social Justice for a Fair Globalization provided an important framework for the ILO's work in identifying sustainable business, labour and employment recovery responses. She supported the proposal to structure Part III of the outcome document around the ILO's four strategic objectives and mentioned that specific references to policies that helped workers retain employment such as work-sharing, skills, and programmes targeting youth and disadvantaged groups should be included. Part IV should identify the specific contributions that the ILO could make to the way forward, including strong research and assessment of policy impacts, dissemination of information on various policy options and demonstrable good practices based on national experience which supported a jobs-focused recovery and that could be adapted to national needs.

222. The Government member of the Czech Republic, speaking on behalf of the Governments of the EU Member States and Norway, reaffirmed the interest of the EU to engage in developing the global jobs pact. The global jobs pact had to build on the Decent Work Agenda and the Declaration on Social Justice for a Fair Globalization, and not reinvent the ILO's mandate. The global jobs pact had to be action-oriented and acknowledge the ILO's key role. The outcomes had to be divided into two documents: the first focusing on political messages, and the second on policy options. The first had to address cross-cutting issues applying to all measures advocated in the Decent Work Agenda. Principles for policy implementation included timely and targeted cooperation by tripartite constituents, support for sustainable recovery and rejection of protectionism. The policy focus had to be on employment, social protection, safeguarding of international labour standards and social dialogue. Governments had to outline steps to move the agenda forward subject to national circumstances. Guidelines for the areas to be specified in the second outcome were suggested, including promoting employment through support of sustainable enterprises; strengthening of PES and ALMPs; safeguarding and improving social protection systems; efficient collective bargaining; and involving the social partners in designing recovery packages that protect and promote fundamental principles and rights at work. The Declaration on Social Justice for a Fair Globalization served as an action plan for the ILO, inter alia to monitor government measures, provide technical assistance, support the social partners, facilitate sharing of good and bad practices and enhance cooperation with other international organizations.

223. The Government member of Japan, speaking on behalf of ASPAG, acknowledged the Office's efforts in preparing the thematic dialogues, which were deemed useful. Decent work had to be at the centre of the crisis response focusing in particular on "accelerating jobs recovery". The measures described in the draft outline were felt to be an appropriate response to the crisis, and were in general supported by ASPAG. He stressed the importance for the ILO to collaborate with other international organizations to ensure policy coherence and avoid duplication.

224. The Government member of Switzerland reasserted that the Decent Work Agenda was an integral response to the global crisis. The Swiss Government was placing employment and social protection at the centre of its policy to tackle the current economic crisis. He agreed with the structure of the current draft and noted that the closing part of the document should focus on the specific role of the ILO in the current crisis, in particular in relation to promoting the eight fundamental labour standards as well as the four standards that were the most significant from the viewpoint of governance as stated in the Declaration on Social Justice for a Fair Globalization.

225. The Government member of India pointed out that Part IV of the draft outline had to take into consideration less developed countries. In addition, he highlighted the importance of supporting the involvement of labour ministries in developing crisis response policies.

226. The Government member of Japan supported the draft outline but observed that the final outcome had to be carefully discussed. He explained how the Japanese Government had approached the crisis and noted that the following points were considered of outmost importance: it was necessary to ensure that workers did not lose their jobs; unemployed workers needed access to a comprehensive package of ALMPs, unemployment benefits, and PES; special emphasis had to be placed upon social dialogue and due attention had to be paid to vulnerable groups including older workers. Finally, the ILO had an important role to play in providing technical assistance to countries.

227. An Employer member from India stressed the need to ensure that there was full focus in the final document on employment and social protection issues. In relation to employment, measures to promote employment had to be identified and laid out in guidelines and action plans. Furthermore, sustained economic growth was key to facilitate employment growth and the speaker noted that the draft outline did not say much on this point. For example, the key role of developing sustainable enterprises and promoting SMEs had to be further developed. He emphasized the importance of social security and noted that in developing countries a key challenge was its financing.

228. The Government member of China supported the draft outline, stressing that it would be important to specify the time dimension of implementation. There were three dimensions of the documents under discussion: their audience, mandate and content. The outcome documents should target a broad audience beyond the ILO; the ILO's constituents; and the

Office itself. As the ILO's focus was on employment issues, those should be at the core of the response rather than macroeconomics. The political statement document would be addressed to a broad audience. The language should therefore be concise and clear. Furthermore, it should stress a people-centred approach, with employment clearly at the core of the response. It should also highlight the importance of social dialogue and of avoiding protectionism. International support for developing countries, in particular LDCs, should be underscored, as should the importance of policy coherence and a greater role for the ILO. The policy framework document was crucial and should highlight concrete practical tools grouped around the four strategic objectives.

229. The Government member of Egypt stressed that the core issue of the text was to preserve and protect sustainable jobs and labour standards. In addition to recognizing differences in levels of development between countries, the text had to reflect differences between economic sectors and social partners in responding to the crisis. It was critical to strike a balance in the rights and responsibilities of all stakeholders involved in the crisis response. The text needed to highlight workable measures and these measures had to be evaluated and revised. A formal follow-up process had to be defined. Regarding the structure of the document, the references to the Declaration on Social Justice for a Fair Globalization, the Governing Body decisions of 2008 and the G20 should be moved to the introduction and a reference to the emergency services to the ILO's constituents should be included in the text.

230. The Government member of the Russian Federation expressed his support for the draft outline but referred to some ambiguities on which he sought clarity. The ILO was not only a technical assistance institution and its objectives extended far beyond this. Given that the ILO was convening a global summit in which Heads of State would be participating, it should give a strong message in a time of serious crisis. He asked that the document include explicit reference to the need for transparency and regulation of financial markets, as without this reform there was a continued risk of recurring crises and a perpetuation of the current climate of market fluctuations and unfairness.

231. The Government member of Cameroon, speaking on behalf of the Africa group, supported the calls for a global solution delivered through international solidarity and requested that this be made explicit. He supported the statements referring to the needs of LDCs. It was not possible for the region to implement broad-scale social protection, and collaboration between the World Bank and ILO was welcomed. A minimum wage and the avoidance of wage deflation were key and the crisis should not be a pretext for weakening workers. Improved labour market statistics were also key as well as the development of SMEs. Affirming strong support for social dialogue, in order to accelerate the fight against HIV/AIDS this had to go beyond the social partners. It was important to create the necessary infrastructure to support skills acquisition and training as well as strengthening the PES so that they could play a greater role in the implementation of ALMPs particularly targeting women, youth, persons with disabilities and migrant workers. He supported a previous statement that called the ILO to concentrate particular efforts on Africa.

232. The Government member of Argentina noted that the ILO had a crucial and increasing role to play in adding the social component to the work of the United Nations and the G20. The document on policies and measures should include a general part, as currently included in the global jobs pact. This would be broad, placing social protection at the heart of recovery. A toolkit of policy options should also be included, drawing on those resulting from the High-level Tripartite Meeting on the Current Global Financial and Economic Crisis, which had taken place in March 2009. Argentina had taken successful initiatives in response to the 2001–02 crisis which had included cash transfers, public investment in infrastructure and social protection, and collective agreements, resulting in unprecedented levels of social dialogue. The variety of policies implemented had been far more successful than the neoliberal policies followed previously. Public support for the market, including offering credit and tax moratoria, was important to address the current crisis. It was also important to strengthen pension provision, social protection and to improve support to the PES. A new international framework built on cooperation not subordination was necessary. He concluded with specific comments on the content of the outcome documents, such as the wording in Spanish of the reference to “imbalances” and the need to emphasize vulnerable workers in Part III.

233. The Government member of Germany noted the key contribution of the global jobs pact as part of the crisis response. However, sustainability of the measures was also of key importance. The development of an architecture that could be used for a framework for sustainability was therefore necessary. In this respect, she suggested that the principles of the global jobs pact should become a crucial part of the “Charter on Sustainable Economic Activity” that would be discussed at the next G20 meeting.

234. The Government member of Belgium endorsed the EU statement on the document under discussion. The global jobs pact had to be conceived as a “policy framework for the period ahead and as a resource of practical policies for governments, workers and employers”. The global jobs pact should be based on the Decent Work Agenda and the Declaration on Social Justice for a Fair Globalization, but should not reinvent the mandate of the ILO. The pact had to be based on action-oriented policies focusing on the role of the ILO. It was necessary, however, to go beyond the Decent Work Agenda in order to deal with issues such as the green economy and sustainable economic growth as well as world economic governance.

235. The Employer Vice-Chairperson expressed his group’s commitment to the proposed outcomes. He noted the importance of developing policy responses that could add something novel to national recovery plans. The outcome documents had to be forward-looking and based on policy measures to assist in labour market recovery and ensure the sustainability of enterprises. In the words of the 2008 G20 communiqué, they had to be “grounded in a commitment to free market principles”. Furthermore, they had to be structured around the four pillars of the ILO and had to be practical and relevant to constituents. The ILO’s role had to be elaborated in the second outcome document and be practical, focused and relevant. It had to be action-oriented and emphasize the ILO’s role in helping its constituents and not the other way around. The Employers’ group was committed to work towards these goals. Consensus had to be the basis of the work and firmly grounded in the G20 mandate, the Declaration on Social Justice for a Fair Globalization, the resolution concerning the promotion of sustainable enterprises, and the 1998 Declaration.

236. The Worker spokesperson proposed alternative texts to the first and second parts of the draft outline. The suggested text in the first part referred to the principle of coordination, the Workers’ commitment to tripartism and a reference to the ILO’s Constitution. The alternative text to the second part should include wording from the Declaration on Social Justice for a Fair Globalization. She endorsed in general terms the elements of the other parts and referred to some areas where additional explanation was required. As regarded the third part of the decent work response, namely accelerating a jobs recovery and sustaining enterprises, expansionary fiscal measures to stimulate domestic demand as well as the need for a national wage floor were crucial elements. The Labour Clauses (Public Contracts) Convention, 1949 (No. 94), and the Minimum Wage Fixing Convention, 1970 (No. 131), were key instruments. Sustainable public finances were important and required efforts to improve the capacity and possibility to collect revenues. The ILO could work with the OECD on this matter. The ALMPs expertise of the ILO was recognized and considered vital. Regarding social protection, a universal social protection floor to provide a basic income to all was required to lift people out of poverty and to increase domestic demand. The Social Security (Minimum Standards) Convention, 1952 (No. 102), was important in order to protect income and to function as a shock absorber. The ILO was key in providing advice on design, implementation and financing of social protection systems. With regard to labour standards, she emphasized the importance of international labour standards for governments to stabilize employment standards, wages, working conditions and secure fundamental principles and rights at work. She stated that the Workers based the "tripartite global jobs pact" on full respect and promotion of freedom of association and collective bargaining. She suggested that box 14 of the Report of the Director-General be complemented with the Workers' Representatives Convention, 1971 (No. 135), the Labour Inspection Convention, 1947 (No. 81), the Promotion of Cooperatives Recommendation, 2002 (No. 193), and the Human Resources Development Recommendation, 2004 (No. 195), and annexed to the global jobs pact. Turning to social dialogue: she referred to the Declaration on Social Justice for a Fair Globalization which the Workers felt should be referenced in the outcome document. Drawing again on the 2008 Declaration, key issues to be included in the last part were: strengthening labour market institutions; supporting social dialogue and collective bargaining; putting in place unemployment insurance, employment guarantee schemes and training programmes; prioritizing developing countries hardest hit by the crisis; increasing levels of ODA; balancing export orientation and domestic-led growth; regulating financial markets; shifting to low-carbon poverty reducing and promoting markets with a strong social dimension avoiding inward-looking protectionism.

237. The Government member of the Bolivarian Republic of Venezuela stated the importance her Government attached to the standards which appeared in paragraph 133 of the 2009 Report of the Committee of Experts on the Application of Conventions and Recommendations (Report III(1A)) to guide in helping its workers. She noted measures taken by her Government including: identifying a new institutional order that promoted decent work and defended social dialogue; strengthening health, education and social protection; ensuring sufficient financing of basic services; expanding social dialogue to those typically excluded; and appealing to multinational enterprises to observe tax, finance and labour laws.

238. The Chairperson explained that the Drafting Group would prepare a text of outcome documents and presented the plan for future work of the Committee.

Presentation by the Officers of the Committee on Gender Equality and general discussion

239. The Chairperson welcomed the Officers of the Committee on Gender Equality who, by agreement of the Selection Committee, had been invited to share the conclusions of their Committee. The Chairperson recalled that the Committee of the Whole had decided to be briefed on the outcomes of the Committee on Gender Equality in order to decide the most appropriate way for incorporating the gender dimension of the crisis response in its outcome documents. Given that the Committee on Gender Equality had concluded its deliberations and drafting, even though the conclusions had not yet been adopted, he felt that this was the opportune moment to have the briefing so that the Drafting Group of the Committee of the Whole could consider the outcomes in respect of gender equality.

240. The Chairperson of the Committee on Gender Equality said that the Committee on Gender Equality had considered the current economic crisis in its discussion on the ways forward for gender equality in the world of work. Referring to Report VI entitled *Gender equality at the heart of decent work*, he noted that it contained analysis and information on the ways in which the crisis might impact differently on women and men. He acknowledged that the thematic dialogues presented in the Committee of the Whole had also looked at the various subjects through a gender lens. On the social and employment consequences of the crisis, the Committee on Gender Equality had discussed the immediate and medium- to long-term measures which needed to be taken to preserve and advance gains achieved for gender equality and to offset the negative effects of the crisis. He summed up ten points which had emerged from his Committee's discussion which could be reflected in the outcomes of the Committee of the Whole. One, there was universal recognition that gender equality in the world of work was a core value of the ILO. Two, the ILO had a role in examining all international economic and financial policies in the light of gender equality in order to achieve policy coherence. Three, during times of economic crisis the failure to respect fundamental principles and rights at work represented not only a failure to uphold universally recognized rights but a failure of economic policy. Four, the crisis should be viewed as an opportunity to shape new gender equality responses. Five, the impact of budgets should be considered from a gender perspective, and governments should monitor and report on their outcomes for women and men. Six, recovery packages should integrate gender concerns in all measures. Seven, short-term measures in response to the crisis should include the creation and preservation of jobs, adoption of income-replacement measures, skills training and retraining and support for SMEs. Eight, medium- and long-term measures should include: formalizing informal employment; revising legislation, including labour laws, where appropriate; providing opportunities for women and men to reconcile work and family responsibilities; training women in non-traditional areas of work and new green jobs; developing skills for women and men in order to assist them to break through occupational segregation; ALMPs, including affirmative action; combating gender stereotypes; investing in public and community services, including in rural areas; and focusing on greater sharing of care and home responsibilities between women and men. Nine, women should be ensured an equal voice with men in designing and assessing the success of recovery packages. Ten, the ILO should strengthen its research on emerging issues and new trends and patterns in the world of work, and promote policy coherence on issues of decent work and gender equality at the international level.

241. The Employer Vice-Chairperson of the Committee on Gender Equality said that her group believed that the discussions of the Committee on Gender Equality were of the utmost importance and was satisfied that it had achieved tangible, sustainable and practical results. Women were over-represented in the informal economy, where the worst forms of discrimination were taking place. There was a clear need to foster measures to formalize businesses and jobs and to create a conducive environment for formal employment. Measures to try to achieve, preserve and extend gender equality had to be sustainable and tangible. There was no one-size-fits-all solution, so efforts to achieve gender equality should be adapted to national situations. Given the specific difficulties women had entering and re-entering the labour market, her group placed particular emphasis on the crucial role of education, skills development and training. She noted that there had been tripartite consensus on this in the Committee on Gender Equality. She also underscored the value of entrepreneurship as an important means by which to empower women and for them to balance family responsibilities and work. Employers wished to have entrepreneurship needs also reflected in any eventual reforms of the labour market. International labour standards were one of many measures through which the ILO offered support to its constituents. The ILO had an important role in making labour markets sustainable and her group called on the Office to focus its work and mandate on this. She concluded by stating that the competitive advantage of the ILO lay in its tripartism.

242. The Worker Vice-Chairperson of the Committee on Gender Equality said that urgent measures were required in times of crisis to address accumulated and persisting disadvantages of working women. The discussions of the Committee had shown that eliminating sex discrimination at work did not necessarily advance equality. Proactive support and enabling conditions were required to advance equality. Immediate measures should combine efforts to address the root causes of inequality and to meet the needs of working women. With respect to the crisis, their Committee considered that, first, there was a need for a gender lens to help address the differential impact of the crisis with a focus on the specific vulnerability of women and, second, that the crisis was the result of deliberate policy choices in the context of globalization. In the effort to respond to the crisis, her group felt that the messages from the Committee on Gender Equality were consistent with those of the Committee of the Whole. These were the need for: more decent jobs and greater public support for working women; a social infrastructure which would create jobs and help women to sustain employment; a basic social security floor accessible for all; minimum living wages; collective bargaining and social dialogue; and stable employment relationships. Equality was an automatic stabilizer that would help boost demand through improved income for women. Short-term measures must be consistent with the objective of achieving gender equality. The convergence of short- and long-term measures should lead from equality of opportunity to equality in outcomes. Stable, decent employment should be increased for women and men alike and working women must receive equal pay for work of equal value. Efforts must be made during the present Conference to advance decent work with gender equality at its heart.

243. The Worker spokesperson welcomed the ten points raised by the Chairperson of the Committee on Gender Equality. She stressed the need to incorporate the message of the importance of gender equality for economic recovery into the responses to the crisis. There had to be true equality; true pay equity; a social security floor that would give all workers and especially women the hope that a life of dignity could be achieved; a minimum wage which enabled people to live in dignity and helped to stabilize the economic floor of nations; and the right to bargain collectively. There was a need to look at measures to close the gender wage gap and to end the discrimination women faced. She congratulated the Committee on Gender Equality on its work.

244. The Employer spokesperson, highlighting that the conclusions of the Committee on Gender Equality were sound, balanced and common sense, said that they should be incorporated into the outcome document of the Committee of the Whole. Gender equality had to be considered a common objective of workers, employers and governments.

245. The Government member of Lebanon asked what could be done to ensure the application of the principle of equal pay for work of equal value if job classification and job evaluation did not exist.

246. A Worker member from Greece said that the economic and financial crisis was having a gender impact on employment and was exacerbating multiple discrimination. She said that attention should be paid to the difference between the concept of discrimination and that of inequality and recalled that gender equality was a fundamental right guaranteed by the relevant labour standards. There was a need for global recognition of the right of trade unions to seek legal reparation for workers who had been victims of inequalities and discrimination.

247. The Government member of India asked whether consideration had been given to the correlation between the lower representation of women in higher echelons of decision-making political bodies, namely parliaments and legislatures, and gender inequality and discrimination.

248. The Government member of New Zealand underscored the active involvement of governments in the discussions of the Committee on Gender Equality and stressed that the gender perspective should be incorporated into the results of the work of the Committee of the Whole.

249. The Worker Vice-Chairperson of the Committee on Gender Equality said that the Committee had considered the representation of women in courts and labour bodies, but not specifically their representation in parliaments. The concept of equal pay for work of equal value consisted in assessing jobs on the basis of skill, effort, responsibility and working conditions. Most often, jobs that were done predominantly by women had been undervalued. The status and value of predominantly female jobs should be increased.

250. The Employer Vice-Chairperson of the Committee on Gender Equality said that much remained to be done to establish gender equality. The Employers' group believed that better access to education and training was the most effective way to achieve equality.

251. The Chairperson of the Committee on Gender Equality said that discussions on equal pay were particularly complex. The ILO, with its tripartite structure, was the ideal forum for discussing the issue. When gender equality policies and women's rights were promoted, women's access to political bodies tended to be improved. Efforts had to be made to mainstream gender issues, equality and women's rights. Changing the public mindset would be a complex, but necessary, exercise, in order to move the gender equality agenda forward. He expected gender equality to remain on the ILO agenda for the foreseeable future.

Discussion of the draft document "Recovering from the crisis: A Global Jobs Pact"

252. The Chairperson commended all the work accomplished. The Committee had before it a draft document that was being formally submitted for its consideration by the Officers of the Conference in accordance with article 17, paragraph 2, of the Standing Orders. The text was a result of a consensus reached within the Drafting Group. Although the text was not perfect and needed some editing, it reflected the views of all three groups and different perspectives from the different regions.

253. The Reporter congratulated the Drafting Group on its productive, constructive and successful work and acknowledged the excellent direction given by the Chairperson. The key issues raised by the Committee on Gender Equality had been integrated. She stressed that the experience of working on the document in a tripartite manner had been greatly satisfying. It had been a "masterclass in tripartism" – social dialogue in action with all the abilities it required: mediation, consultation and consensus seeking. The result was a carefully calibrated document. She reported that, after considering the inputs from the Office, the Drafting Group had decided to work on one outcome document. The outcome document had to be visionary, easily understood and not overly prescriptive. A great deal of effort had been made to incorporate the position of LDCs. Regarding the structure, the first part set out the context and the goal; the second included the principles for promoting recovery; and the third provided operational guidance through policy options based on the Decent Work Agenda. The two concluding parts established the way forward and noted the importance of policy coherence, international cooperation, sustainable responses, the need to generate decent work opportunities and, finally, the Organization's role in responding to the crisis and in promoting economic and social development.

254. The Chairperson agreed with the Reporter in terms of the quality of the work done by the Drafting Group. The draft document provided a robust global framework. Chairing the Drafting Group had increased his high regard for tripartism as a method, not only for solving problems, but for developing a shared vision and commitment. The next step would be to take the Global Jobs Pact forward, into action.

255. The Employer Vice-Chairperson expressed his satisfaction with the work accomplished. Finding consensus had meant that each side had had to give up certain positions but arriving at this shared vision was the best witness of political action undertaken for the common good. If the document was approved, the Committee would have achieved something remarkable for the ILO as well as for the international community. Given the balanced regional representation, the Drafting Group had had all the elements to build up a solid common product. It was the wish of the Employers' group for the document to become a declaration of the hope of recovery. He acknowledged all the work carried out by the Workers' group and, in particular, by the Worker Vice-Chairperson and the Worker spokesperson from Australia. Finally, he requested that the document be presented at the forthcoming ILO Summit on the Global Jobs Crisis.

256. The Worker spokesperson in the Drafting Group noted that this was one of the most serious crises of modern times. The world was experiencing bleak times, with workers losing jobs, pensions and livelihoods, and the challenge of climate change to be faced. Against this backdrop, the third paragraph of the draft document was most relevant: "The world must do better" and could not go back to business as usual. The ILO was in a great position to undertake this work. Prior work done within the framework of the Decent Work Agenda, the Global Employment Agenda, the World Commission on the Social Dimension of Globalization and the 2008 Declaration on Social Justice for a Fair Globalization had provided a solid platform for future work. It was particularly encouraging that the draft document included headings with words such as "jobs recovery" and "employment creation". A particularly key challenge was to achieve social protection for all and to build a global social protection floor. Labour standards had to guide the way and automatic stabilizers, including minimum wages, were particularly relevant to maintain or build up domestic demand. Working with the LDCs to achieve decent work and development was particularly important. Finally, she commended all the work undertaken jointly with the Employers' group and noted that it had been an extraordinary and intense discussion. All in all, she considered that the document was a good pact and stressed the importance of the fact that gender concerns had been fully incorporated.

257. The Chairperson opened the floor to other members of the Committee and welcomed general comments or comments on particular sections.

258. The Government member of New Zealand acknowledged all the contributions and noted that the draft document met the expectations of the Governments, Employers and Workers and enhanced the voice of the ILO. It was a point of departure for recovery and addressed the needs of developing countries. The process had been open and it was a good precedent for the ILO. The outcome was a carefully calibrated document that reflected the work that had started with the 2008 Declaration on Social Justice for a Fair Globalization. It was an indication to the international community of the role of the ILO. The Government of New Zealand endorsed the document.

259. The Government member of Norway expressed her satisfaction with the work done by the Committee. The document was a useful tool in a time of recovery. The document acknowledged the importance of not using the crisis as an excuse to deprive the workforce of their rights. That was unacceptable, regardless of the level of development. The crisis needed to be another argument for strengthening commitment with respect to international labour standards. In Norway, an important measure included in the revised 2009 government budget was to increase funding of the labour inspection authority. Dialogue and cooperation between social partners and the Government was a fundamental part of the Norwegian model and had to be a fundamental part of any successful model. Collective bargaining and collective agreements were crucial. Those elements would play an important role in the Global Jobs Pact. The most important part, however, was to make sure that the principles of coherence and decent work were transformed into practical tools. That was the responsibility of employers, workers and governments and the ILO in accordance with the 2008 Declaration on Social Justice for a Fair Globalization.

260. The Government member of Argentina commended all the work done by the Committee. He noted the importance of the Global Jobs Pact to strengthen the ILO's role. The draft document expressed a clear message about the centrality of employment in the current crisis framework. The actions that had guided the draft document were based on the Decent Work Agenda. His region would be able to follow up the proposals of the document and work together with the ILO in its implementation. Although the document provided a global vision, its implementation needed to be regional and national. In the case of his region, the Regional Office for Latin America and the Caribbean would have to prepare proposals, coordinate actions and call the social partners and governments to design a road map, together with regional and subregional organizations such as regional development banks.

261. The Government member of Lebanon noted that the document was country-owned and countries' needs and capacities had to be taken into consideration; the document was also linked to the ILO through the prescriptive provisions of the document. Hence, cooperation and coordination among relevant bodies and agencies at national and international levels was needed. The draft document mentioned issues such as small enterprises and the informal economy. However, no reference was made to rural development. Finally, paragraph 9(9) noted that short-term actions had to be coherent with economic, social and environmental sustainability. That was equally true for medium- and long-term actions.

262. The Government member of India congratulated the Drafting Group on the excellent document. It reflected the need for a change in the development paradigm by placing employment and ALMPs as the engines of recovery. The document would act as a guide and lay down the road map for policy-making and governance to confront the crisis. It would also support the framework for a fair globalization. Endorsing the Worker spokesperson's statement, she stressed the need to operationalize the Global Jobs Pact. The ILO needed to play a key role not only at the multilateral level but also at the national level, working directly with labour ministries.

263. The Government member of Spain endorsed the draft document. He thanked the Drafting Group for its work. It was an excellent and sound document which represented tripartite consensus. Referring to paragraph 3 of the document, the speaker proposed the following wording: "The world must function better" instead of "The world must do better." Referring to paragraph 26, he suggested referring to labour administration together with labour inspection. Finally, he added that the reference in paragraph 27 to the "Declaration on Social Justice for a Fair Globalization" of 2008 was particularly relevant given that the Declaration was the guide and most important mandate for the ILO in light of the future that was being designed to achieve the social dimension of globalization.

264. The Government member of Belgium noted the agreement reached by the social partners with respect to the draft document. He underscored the importance for the Committee to inform the ILO Summit on the Global Jobs Crisis of the draft pact. The draft document was prudent and sober. He stressed the importance his Government placed on the Office continuing to monitor and analyse the responses to the crisis. Referring to previous discussions in the Committee, he suggested that the document include the need to ensure the work of labour administration and labour inspection. Referring to paragraph 18, which called on the ILO to collaborate with the United Nations and other international organizations, he said that, on the contrary, it should call on the international community, in particular the World Bank and the IMF, to work together with the ILO.

265. The Government member of Jamaica, speaking on behalf of Governments of Member States of the Caribbean Community (CARICOM), [6] applauded the draft document which showed sensitivity towards the special needs of the developing and vulnerable countries and which reflected the conclusions of the recent ILO Tripartite Caribbean Conference. He

[6] Bahamas, Barbados, Belize, Haiti, Jamaica, Suriname, Trinidad and Tobago.

recalled that the Drafting Group's deliberations had been guided by a vision for the future, and the need for a global response to take the world through the crisis and lay the foundations for opportunities beyond the crisis.

266. The Government member of Cameroon, speaking on behalf of the Africa group, congratulated the Drafting Group on its work and welcomed the draft document, which he said satisfied the concerns of the Africa group. The production of wealth had to be strengthened in Africa to ensure that jobs could be created. Africa must not simply remain a producer of raw materials for the rest of the world. Africa required support and the rules of the game needed to be fair for all. The Africa group supported the document.

267. The Government member of Australia said that, while his delegation had faith in the Drafting Group's decision to draft one document only, he recalled that the Committee's original decision to draft two documents had been made for a reason. The second, longer, document had been intended to contain specific policy prescriptions for technical cooperation. Those were as important as the issues identified in the document currently before the Committee, and thus also needed high profile and focus.

268. The Chairperson said that the Office had drafted a second, longer, document but it had been a decision of the Drafting Group to have only one document.

269. The Government member of the Russian Federation said that the draft document contained all the key elements expected from a Global Jobs Pact. While there would always be room for improvement, he welcomed the brief nature of the document, which recognized a new paradigm in relations between the State, business and labour, based on the central principles of social justice and social protection. The document could become a powerful instrument for protecting the needs of workers, employers and enterprises. He supported the point raised by the Government member of Belgium, and noted that the ILO, and the Director-General in particular, had made laudable and energetic efforts to work with other organizations. The document should therefore call on other organizations and the international community to work with the ILO.

270. The Worker Vice-Chairperson thanked Government members for their support in the drafting process. The conclusions of the ILO Tripartite Caribbean Conference contained similar principles to those set out in the document before the Committee. Referring to paragraph 27, he said that the idea of fair globalization should become a fact. He called for a simple resolution to be drafted in order to move forward to practical action and progress that could be measured and monitored over the coming months.

271. The Employer Vice-Chairperson highlighted the support given by Government members to the draft document and the fact that it reflected regional compromises. The document consisted of a set of policies which had resulted from a joint effort by the social partners and Government members. His group supported the document.

272. The Chairperson reaffirmed that the document had resulted from a consensus which took into account various interests. He stressed that this balance should be maintained in the formulation of any amendments and suggested the following procedure on behalf of the Officers. As all geographical areas had been represented in the Drafting Group, any proposed amendments should first be discussed within the respective regional grouping, before being submitted to the secretariat. It was recommended that the Drafting Group discuss all amendments relating to specific paragraphs together and not one by one. The authors of the amendments could avail themselves of the possibility to attend the Drafting Group in order to explain their amendments. The Drafting Group would examine all the amendments as well as any inputs from the ILO Summit on the Global Jobs Crisis. The

Drafting Group would be expected to present a consolidated text to the Committee at its next sitting.

273. The Chairperson would report on the significant and remarkable progress made by the Committee to the Summit.

General discussion on the draft outcome document

274. The Chairperson welcomed the Committee and invited the Reporter to introduce the amended draft outcome "Recovering from the crisis: A Global Jobs Pact" prepared by the Drafting Group the previous day.

275. The Reporter expressed her satisfaction that the work of the Drafting Group had continued in a spirit of full cooperation, respect for different views and in an efficient manner. The Drafting Group had examined 19 amendments that had been formally submitted by Committee members, namely the Government members of Australia, Czech Republic, Malaysia, South Africa, Sri Lanka and Switzerland, as well as the Government members of the EU Member States, and the Africa group. All amendments that had been seconded had been discussed. Members who had attended the sitting of the Drafting Group had been invited to introduce their amendments orally. Some had agreed to withdraw their amendments following discussions with members of the Drafting Group. The Drafting Group had also taken into account highlights from the discussions of the ILO Summit on the Global Jobs Crisis and had agreed upon some editorial changes. She emphasized that the amendments that had been retained by the Drafting Group did not substantially modify the text but improved it. There was specific mention of labour administration, agriculture and, in a new paragraph 25, of the necessary funding for the implementation of the recommendations and policy options in the Global Jobs Pact. On an initiative of the Africa group, references to gender equality and HIV/AIDS had been reinforced. An EU amendment, aimed at promoting collaboration of the UN and other organizations with the ILO, had not been retained as it had been considered outside the limits of the Committee's mandate. However, she hoped that governments, including her own, would remember the need for interagency collaboration when acting within these other organizations. Finally, she asked the Committee for its support for the new text, which fully reflected the strong consensus reached by the Drafting Group. Finally, she thanked the authors of the amendments and the members of the Drafting Group for their dedication and sense of responsibility.

276. The Employer Vice-Chairperson said that his group supported the draft text, which had been drafted in a spirit of flexibility and reflected all the contributions made. Although some statements made during the ILO Summit on the Global Jobs Crisis might have gone beyond the content of the text, the text constituted a tripartite compromise. The draft had an outward perspective, considering the action to be taken by countries, as well as an inward perspective, setting forth a specific action plan for the ILO. The fact that the text was the outcome of a consensus among all parties added to its political weight. It served as a message to the international community that, in a time of great crisis which had affected employers, businesses and workers, a proposal could be made that was rooted in practical action and reality. His group supported the draft, and pledged to use it as a basis for recovery efforts.

277. The Worker spokesperson from Australia said that her group was committed to implementing the text, which focused on responding to the crisis by ensuring that jobs were at the centre of recovery efforts. Job creation was essential, and minimum wages and collective bargaining were imperative to ensure that existing enterprises and jobs were saved, as well as new jobs created. The combination of decent work and development was important for developing countries charting their course to development, and for developed economies charting their course to a greener future. The draft text contained policy options to make those developments possible. The strength of commitment was demonstrated when consensus was achieved through negotiation, as had been the case with the present draft. The commitment of all parties was now required to ensure that the document was implemented effectively. Her group urged all governments to work at the national level to implement the Global Jobs Pact, and to serve as advocates for multilateral action to support the ILO and countries in need. The Global Jobs Pact should be promoted at the forthcoming G8 Summit, as well as at the G20 Summit, and should be circulated in forthcoming United Nations forums, in order to ensure that it would become a living tool for recovery. Governments should advocate, through the multilateral system, easier access to technical cooperation funds to make development and social protection possible. Transparent benchmarks should be set in order to guide evaluation of the implementation of the Global Jobs Pact over the coming years.

278. The Government member of Australia, speaking on behalf of the Government members of industrialized market economy countries (IMEC), [7] welcomed the draft outcome document and noted that it was the result of constituents coming together in a time of crisis to seek solutions and consensus. The document reflected the importance of placing employment and social concerns at the heart of the policies needed to achieve full recovery based on sustainable development. It demonstrated a commitment to a coherent set of policy responses for the global community. The IMEC group was convinced that the ILO had a key role to play in analysing and addressing the crisis. The international community, through the G20, the G8 Social Summit and other meetings, had asked for their input on the employment and social response to the crisis. The draft outcome document synthesized the response and gave the ideal platform for the next stage of country-based work. However, this was not the end of the work. The ILO now had a framework for implementing practical responses and would now continue to assist its members in a job-centred recovery. He called the ILO to keep its Members updated on progress and impacts. He thanked the social partners and the Office for their flexibility and responsiveness and applauded the hard work and engagement of the secretariat. He then provided some comments on the approach taken in the Committee with the hope that these would be helpful for the future. The major part of the Committee work had taken place during the thematic dialogues and it was felt that they could have been more limited in number and better focused, leaving sufficient time for a truly interactive discussion. Greater Office input to the Committee in the form of an Office panel could have been helpful for the deliberations and the drafting process. The ILO Summit on the Global Jobs Crisis had also been a key feature of the Conference and it had not been possible to incorporate the full range of its results into the outcome document. He suggested that any future events such as the Summit should take place first to allow full information for the Committee work that followed. Finally, he noted that the work of the Committee had resulted in a product which met the objectives set for it.

279. The Government of the Czech Republic, speaking on behalf of the Government members of the EU Member States, welcomed the Global Jobs Pact. It set out a tripartite vision on working towards sustainable globalization and decent work for all and responded to the challenge of clearly identifying the core areas where action was needed to tackle the impact of the crisis and to pave the way for recovery. She reiterated that the policy options highlighted in the Global Jobs Pact converged with crucial areas of actions identified by

[7] Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Republic of Korea, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

the EU, such as maintaining employment, creating new jobs, improving entrepreneurial environment, upgrading skills, supporting the most vulnerable and supporting the transition to a low-carbon economy. Social protection systems and social inclusion polices played a key role in cushioning the social impact of the downturn. Restoring growth and employment also implied supporting the principles of free and open markets. The EU was fully committed to a coordinated multilateral response to the crisis and reconfirmed its support to developing countries. Furthermore, respect for international labour standards was essential for human dignity, sustainable growth and employment. As had been requested by the G20 and suggested by the G8 Social Summit in Rome, the ILO would have to monitor and analyse the employment and social impact of the crisis in order to find solutions. Finally, she noted that the Global Jobs Pact, together with the key messages that had emerged from the ILO Summit on the Global Jobs Crisis, gave a clear signal that workers, employers, governments and international institutions had to work together for a sustainable recovery.

280. The Government member of New Zealand supported the IMEC statement, notably concerning the tripartite consensus reached in formulating the Global Jobs Pact and the options identified for the social partners, governments and the ILO. He emphasized the continuing importance of consensus also during the implementation phase.

281. The Government member of Japan expressed his Government's support for a decent work response to the crisis. He noted that there were expectations regarding the nature of the ILO's activities, such as the strengthening of the relationship between ILO headquarters and its field offices and the reinforcement of its position as the single international organization dealing with labour issues. He emphasized that the Labour Ministers Meeting for Asia and the Pacific that was being held in Geneva was focusing on safety nets for the unemployed. These were very important for recovering from the crisis but also for the mid- and long-term perspective. Finally, he expressed his Government's commitment to the ILO's activities in response to the crisis.

282. The Government member of France supported the IMEC and EU statements. He raised concerns about the absence of reference to the social dimension of globalization in the Global Jobs Pact, a term that had been consistently referred to during the Summit on the Global Jobs Crisis. He emphasized that, according to page 9 of the French version of the Conference Guide, it was still possible for a reference to be included.

283. The Government member of Bangladesh endorsed the draft outcome document. He thanked the social partners and the Government members for having reached the consensus which had led to a comprehensive and balanced text. Stressing that the Committee had fulfilled its mandate, he supported the view that the draft document was a "a strong political product for meaningful action". He raised two issues concerning the work which had been done. First, in support of the thematic dialogues, he said that they had set the tone for the discussions and for the work of the Drafting Group and he hoped that some of the ideas raised but which were not reflected in the Global Jobs Pact would be followed up. Second, he hoped that the development agenda which featured prominently in the draft outcome document would be sustained in the future work of the ILO and other international organizations.

284. The Government member of Spain endorsed the IMEC and EU statements. He supported the Global Jobs Pact and concluded by highlighting that the 2008 Declaration on Social Justice for a Fair Globalization as well as the ILO Constitution and the fundamental regulatory texts of the Organization provided the guide, and the Constitution of the ILO provided the mandate for the Global Jobs Pact.

285. The Government member of Australia endorsed the IMEC statement. While endorsing the Global Jobs Pact, he asked what the ILO would do to ensure that it would be put into practice. It provided a framework for scaling-up the technical assistance provided by the Office, which he stressed was required in order to cement the central position of the ILO and the efforts made towards a fair globalization within the global community.

286. The Government member of Lebanon thanked the Drafting Group for a well-formulated Global Jobs Pact. Drawing attention to the Office's commitment to report, at the November 2009 session of the Governing Body, on the actions foreseen by the ILO to put the Global Jobs Pact into action, she stressed that practical measures would be highly valued. She noted that there was no reference in the Global Jobs Pact to nationals returning to their homes as a result of the crisis.

287. The Government member of Namibia, speaking on behalf of the Africa group, associated her group with the views in support of the Global Jobs Pact. She noted that African countries did not aspire to "recover" to pre-crisis levels of unemployment, underemployment and inequality, but to move forward. She thanked the Committee for listening to the perspectives of developing countries and for ensuring that they had been reflected in the draft outcome document.

288. The Chairperson, addressing the concern of the Government member of Lebanon referred to the final bullet point of paragraph 26 of the draft outcome document, which addressed labour migration.

289. Addressing the concern of the Government member of France, the Chairperson said that the Officers of the Committee had proposed not to reopen the draft outcome document. However, a draft resolution would take into account the point raised by the Government member of France. Following discussions with the Vice-Chairpersons and the secretariat regarding the modalities of such a resolution, the Chairperson confirmed that the Officers would propose to the President of the Conference a draft resolution in conformity with article 17(2) of the Standing Orders. The draft resolution would be discussed by the Committee at its next sitting together with the draft report of the Committee.

290. The Committee agreed to proceed as suggested.

291. The Committee adopted the outcome document "Recovering from the crisis: A Global Jobs Pact" as amended by the Drafting Group.

292. The Chairperson congratulated the Committee, the members of the Drafting Group and the secretariat on the final outcome. The goal had been achieved thanks to the common will to find a consensus on the maximum number of common denominators.

Consideration and adoption of the draft report

293. The Chairperson explained that, as a follow-up of the previous sitting, the Officers of the Committee had drafted a few formal paragraphs that would introduce the Global Jobs Pact to the Plenary which would be included in the *Provisional Record* of the Conference. The Committee considered the draft paragraphs.

294. Following the comments of some Committee members to include references to the other delegates that had participated in the ILO Summit on the Global Jobs Crisis, the Committee decided to add reference to those participants in the second paragraph of the proposed draft.

295. The Government member of France thanked the Officers for the improvements in the text and for the elegant solution which recognized the contributions of the high-level participants in the ILO Summit on the Global Jobs Crisis and the reference to the Declaration on Social Justice for a Fair Globalization. He highlighted that this brought the different actors together and mobilized them, and gave the Committee's work more weight.

296. The Government member of New Zealand endorsed the draft text.

297. The Government members of Lebanon, Nigeria and the United Kingdom asked for clarification on the legal status of the Global Jobs Pact. The Government member of Argentina, referring to the fourth paragraph of the draft text, queried whether that implied that the implementation of the resolution would be discussed at the following session of the Governing Body.

298. A representative of the Legal Adviser of the Conference, responding to these queries, explained that, whatever the name given to the outcome document, it would be considered a resolution of the Conference. A resolution was not a legally binding document. However, the Governing Body and the Office gave follow-up to Conference resolutions in accordance with the existing rules and long-standing practice. He explained that the Global Jobs Pact had been formally introduced to the work of the Conference following approval by the President and all three Vice-Presidents of the Conference on 13 June 2009, when the draft was produced by the Drafting Group.

299. The Employer Vice-Chairperson emphasized that the resolution reflected the reality which had been discussed in the March 2009 session of the Governing Body, the discussions in the Committee and those of the ILO Summit on the Global Jobs Crisis. He elaborated on the appropriateness of the draft text that would guide Heads of State, social partners and the ILO when designing their crisis responses. He reaffirmed that the outcome document and the text under discussion had been achieved through compromise and consensus by all. He concluded by endorsing the draft introductory paragraphs.

300. The Worker spokesperson from Australia endorsed the resolution. She hoped that it would be an outcome owned by all. Noting that all had a responsibility to disseminate the Global Jobs Pact in their own countries, she said that the Workers would distribute it widely, advising on options for implementing it on a tripartite basis. She stressed that the Workers' group wanted to see the ILO at the international level at the heart of the work on employment and social protection. She reiterated the importance of the Decent Work Agenda, the ILO Declaration on Social Justice for a Fair Globalization and the social dimension of globalization. Noting that the Global Jobs Pact was a living document, she said that her group looked forward to monitoring its implementation in the Governing Body. In conclusion, she highlighted that the draft text had been a document based on consensus and her group endorsed the submission of the draft introductory paragraphs.

301. Following examination of the three linguistic versions, the Committee approved the introductory paragraphs by consensus.

302. The Committee considered its draft report. Introducing the draft report, the Reporter thanked the Employer and Worker Vice-Chairpersons and various spokespersons, as well as the Government members who had fully participated in the discussions of the Committee. She thanked the members of the Drafting Group whose goodwill and long hours had ensured an excellent text for the Global Jobs Pact, which had resulted from consensus of all three groups. She said that the information discussed in the thematic dialogues, as well as the experience shared by countries, had been rich. She felt confident that the content of the debates had been appropriately reflected in the draft report and apologized to those Government members whose individual contributions during the thematic dialogues could not be represented given the length of the report. In closing, she acknowledged the efficient and effective chairmanship of the Chairperson who had made a major contribution to the success of the Committee.

303. The Government member of Spain acknowledged the effort that had gone into the drafting of the report. However, there had been no time to read it all and there were some problems. He noted that there were some sections where the Government interventions had been summarized. It was therefore impossible to provide amendments if there was no mention of the specific Government interventions. He thus suggested that the introduction of the draft report include a sentence along the lines: "The following report presents a summary of the discussions."

304. The Government member of India suggested listing the exact countries each time the draft report mentioned "several Government members ..." and gave the example of paragraph 164.

305. The Government member of New Zealand pointed out that the draft report was a sound representation of the debates. He suggested adopting the draft report in its current state.

306. The Government member of Argentina supported the intervention of the Government member of Spain and the Representative of the Secretary-General endorsed the suggestion.

307. The Chairperson invited the Committee to submit amendments. Corrections to specific paragraphs were submitted by various members for incorporation in the draft report.

308. At its 18th sitting, the Committee unanimously adopted its draft report, as amended.

309. The Chairperson invited the Committee to examine the French and Spanish draft introductory paragraphs to the Global Jobs Pact. The Government member from France pointed out a translation issue in the French version of the text. The Chairperson said that the concerns of the French Government would be addressed. In the absence of any further objections, the introductory text was adopted.

310. The Chairperson thanked the two Vice-Chairpersons, and the Reporter of the Committee. He also thanked the Drafting Group and, in particular, the spokespersons of the Employers' and Workers' groups. The work of the Drafting Group had been particularly successful. It had been a pleasure and honour to chair the Committee. The results of the work of the Committee were proof that, when common will prevailed and flexibility was demonstrated, a maximum number of common denominators could be found. He thanked all those who had participated, and declared the session of the Committee of the Whole on Crisis Responses closed.

Geneva, 19 June 2009.

(Signed) Z. Rapacki
Chairperson

I. Dembsher
Reporter

CONTENTS