



## **Summary reports of panel discussions (14 June 2011)**

### **Panel 3. “The role of decent work in a fairer, greener and more sustainable globalization”**

1. Panel 3 was held on 14 June 2011 and moderated by Mr Raymond Torres, ILO. The panellists were: Ms Noeleen Heyzer, Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), Ms Jennifer Kargbo, Deputy Executive Secretary of the United Nations Economic Commission for Africa (ECA), Ms Rima Khalaf, Under-Secretary-General and Executive Secretary of the United Nations Economic and Social Commission for Western Asia (ESCWA), Mr Jan Kubiš, Executive Secretary of the United Nations Economic Commission for Europe (UNECE), and Mr Antonio Prado, Deputy Executive Secretary of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). The panel addressed the issue of a more efficient growth pattern that distributed benefits and opportunities in a more balanced way and led to a fairer, greener and more sustainable globalization, and the progress that had been made in each region in that respect. It also discussed the changes that were needed in terms of international and regional cooperation to achieve greater policy coherence and improved governance around decent work at regional and global levels.
2. While acknowledging that Asia had benefited from globalization, Ms Heyzer stressed that at the same time inequalities and disparities had increased. The global financial crisis had just added to multiple crises in the region (food, fuel, natural disasters), increasing its volatility. Unlike the 1997 crisis, when Asia had been able to draw on its huge reserves, Asia had not been able to pull itself out of the 2008 crisis, mainly because of the debt deficit and the closure of export markets. Ms Heyzer stressed that Asia had to rethink itself and to build local markets using stimulus packages. She then raised the issue of decent work and jobs, which needed to be developed together with social protection. She claimed that Asia had integrated both economic and social dimensions into its development agenda, benefiting its people and stimulating the markets. She also noted that Asia was leading the green growth agenda. Ms Heyzer praised the Asian model and its leading role in developing new markets, investing in clean technologies and green growth. She commended that approach as green growth was not seen as a sacrifice in Asia, but rather as a factor in setting up a sustainable development agenda, which would provide security for workers and ensure that wealth was equitably shared. That investment in human and social capital was also linked to Asian resilience, which had helped to cushion the various shocks and crises and to develop a greater democratic space to include minorities and vulnerable groups.

- 
3. Mr Kubiš mentioned the vast diversity of countries covered by the UNECE and stressed that it was easier to discuss trends at the subregional level. The more developed countries of the region had traditionally had a model of social and economic development based on a high level of fiscal redistribution; inclusive social development and respect for workers' rights; and equitable market-based income. However, within the previous 20 years that model had been eroded as a result of a move towards a more neoliberal approach. As a result, policies implemented as an intended remedy to the financial and economic crisis were focusing on fiscal austerity and debt reduction rather than on demand as a factor of employment growth and job creation. In his opinion, such policies, which had resulted in a range of social and political problems, were neither contributing to equitable growth nor increasing decent employment. Mr Kubiš then recognized the importance of green jobs and stressed that green jobs were the one element that could potentially revitalize the whole region. Green jobs, he added, could increase competitiveness and help shift the focus to socially-oriented market economies.
  4. Ms Khalaf remarked that current popular uprisings in the Arab countries had largely been a consequence of the prevailing economic model, which was focusing on growth and not on the distribution of the results of growth. She stressed that people were rebelling against marginalization and injustice, against corruption. Another problem of the prevailing model was lack of respect for values and rights, which should have been the basis for economic restructuring. Ms Khalaf stressed that current developments called for a new growth model, based on popular participation and democracy; social justice that addressed the distribution of income; social inclusion in which citizenship should be the basis for rights; affirmative action empowering those who have been marginalized in the past; and environmental sustainability. Ms Khalaf concluded by calling on her colleagues to combat poverty of opportunity and not just income poverty; to fight deficits in empowerment and not just budget deficits; and to free people from fear and not just from poverty.
  5. Ms Kargbo remarked that the growth pattern observed in Africa reflected growth achieved mainly in resource-rich African countries. She noted that employment, to a large extent due to the increasing youth population, had become the main priority in the region. She stressed that job-centred growth depended on the efficient management of productive assets, such as land; on the development of the private sector, leading to wealth creation; on further regional integration and the development of regional infrastructure; and on strengthening the role of government, in particular with respect to the development of a system of checks and balances for the private sector in order to protect workers. Ms Kargbo summarized by stating that in the African context sustainable globalization was not only a question of social welfare but was also a question of competitive economic growth, with a focus on productive assets and infrastructure.
  6. Mr Prado noted that in Latin America and the Caribbean the pre-crisis period of 2002–08 had been characterized by high economic growth combined with a proper distribution of income accompanied by a substantial decrease in the poverty level. Although the region had experienced negative growth in 2009, since then the crisis recovery had been fast, in particular due to social policies, such as minimum wage policies and loans to farmers. Mr Prado asserted that the problem the region faced was how to extend growth while promoting decent work. He said that to sustain growth the region needed policies that would lead to a better distribution of income, while at the same time increasing productivity, attracting investments and supporting interregional trade. Mr Prado then stressed the importance of sustainable development for the region and emphasized the need to renovate the energy sector, particularly in urban centres.
  7. As a follow-up to the initial interventions, the panellists highlighted some experiences and trends from their respective regions. With regard to the Arab countries, Ms Khalaf suggested distinguishing between long-term recovery, which looked bright, and short-term

---

transition, which could be difficult, and identified four clusters of Arab countries. The first category consisted of States in transition to democracy with signs of positive development despite current difficulties. The second category consisted of countries where social cohesion had been lost and there were signs of ethnic division; where violence and damage to economic infrastructure were still in evidence; and where people were demanding rights and more democratic governance was needed in the longer term. The third category included States where the Government had made promises regarding reform, yet it still remained to be seen how those promises would be implemented. The fourth category included those States where Governments had frozen any attempts to reform by giving handouts and pumping a great deal of money into the economy. However, as Ms Khalaf stressed, those countries would have to move towards democracy in the longer term. Lastly, she noted that Palestine did not fit into any of those categories due to the constraints to its economic and social development caused by the occupation. Ms Khalaf expressed a hope for the end of the occupation and the establishment of a Palestinian State in the longer term.

8. Mr Kubiš stressed that although growth in Europe at large was not as spectacular as in Asia, Latin America or Africa, a number of European countries, such as Germany and Slovakia, had been growing quite fast. The problem was rather the impact of that growth on the social and political environment within the countries. He stressed that in many European Union countries social and economic policies faced new challenges and the way forward was for the politicians to think beyond the election cycle and to listen to people. Referring to the report of the Director-General to the International Labour Conference, which had pointed out that some institutions were “too big to fail” while many people were “too small to matter”,<sup>1</sup> he felt that, similar to Northern Africa, people in Europe had also felt injustice, increasing inequality, lack of good governance and corruption. Mr Kubiš called for a need to find a systemic solution to those problems in the longer term, while pointing out that, in the short term, persistent unemployment and lack of perspectives were the problems. In the long term, the solution could include new technology, better competitiveness and the green economy. He concluded by stressing that the long-term solution should not only be communicated, but also promulgated by such platforms as the European Union and the G8.
9. Ms Heyzer noted that Asia was seen as a centre of gravity, where a huge capital inflow had been observed. In her view, Asia had learned from the 1997 financial crisis, building capital control mechanisms. Also, Asia felt a strong need for economic governance. The importance of democratic governance at the global level was also noted, together with a job-led recovery and a wealth-generating system. She outlined a variety of problems that various countries of the region were facing, such as poverty in South Asia and climate change in the Pacific. In her view, those who benefited from globalization and regionalization were the “developmental States”, like the North-East Asia States, that invested in education, equitable sharing of land, housing, sanitation, water management and in building sustainable cities. With regard to social protection, she felt that, to date, measures had been ad hoc and had not been integrated into the economic and social strategies of various countries. Referring to the discussion on the minimum Social Protection Floor, she pointed out that a number of informal economy workers, workers in rural areas and casual workers were not covered. She emphasized the need to think about “citizens’ rights” over “workers’ rights” in order to ensure minimum security. Lastly, she said that Asia had come together to establish a regional financial architecture that would involve regional coordination, including exchange rate coordination.

<sup>1</sup> ILO: *A New Era of Social Justice*, Report of the Director-General, International Labour Conference, 100th Session, Geneva, 2011, para. 10.

- 
10. Ms Kargbo emphasized that in Africa social protection programmes were embedded in economic policies and were not seen separately. Social protection could be derived from the types of economic policies that recognized the need for job creation. That was particularly true for the extractive industry, where industrial policies needed to ensure that the extractive industry was linked to domestic industry so that natural resources also benefited local communities. One way of ensuring that was through local procurement policies that required the extractive industry to establish links with domestic companies and thus offer opportunities for local development. Ms Kargbo also supported the concept of a developmental State as a State that promoted economic development and economic growth, while ensuring employment opportunities and social benefits for its citizens. She noted that African countries had to situate themselves in global supply chains in order to link the extractive industry with local industry and offer possibilities for social spin-offs locally. She emphasized that Africa was indeed a continent rich in natural resources, which should be translated into social benefits for the population.
  11. Mr Prado said that the region of Latin America and the Caribbean had many monetary reserves and that those reserves had been very important in mitigating the impact of the recent crisis. He stressed, however, that since most of those reserves were in US dollars, there were problems relating to exchange rate volatility, possible depreciation of the US dollar and, consequently, possible negative repercussions on the region's competitiveness. Mr Prado called for the need to establish policies to avoid speculative capital and to ensure that direct investment was not used for speculative reasons. At the same time, he stressed that fiscal policies had indeed made it possible to counterbalance the crisis, noting that some countries had a low level of public deficit. However, since different taxation models existed in the various countries of the region, international cooperation was needed to deal with fiscal debt. He also highlighted the need to invest in clean and sustainable technologies to generate new economic growth. He referred, however, to the commitment that the developed countries had made to the developing countries regarding technology transfer and expressed his disappointment that that commitment had not yet been acted upon.
  12. The Government member of Cameroon thanked the ILO for organizing the panel and asked Ms Kargbo when, in her opinion, economic growth in Africa, which was mainly based on natural resources, would indeed translate itself into job creation and a better distribution of social benefits. Ms Kargbo responded that economic growth called for a new developmental paradigm geared towards domestic development, which should help to link the extractive industry to the global economy, ensuring that global supply chains generated value locally. She also called for regional integration so that the continent as a whole could be further developed. Ms Kargbo said that value should be added to natural resources within countries rather than outside them, so that reserves could be built up locally to invest, develop and create value locally.



---

## CONTENTS

|                                                                                                  | <i>Page</i> |
|--------------------------------------------------------------------------------------------------|-------------|
| <i>Summary reports of panel discussions (14 June 2011)</i>                                       |             |
| Panel 3. “The role of decent work in a fairer, greener and more sustainable globalization” ..... | 1           |

.....  
: This document is printed in limited numbers to minimize the environmental impact of the ILO's activities and :  
: contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings :  
: and to avoid asking for additional ones. All ILC documents are available on the Internet at [www.ilo.org](http://www.ilo.org). :  
.....