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Opening address of the Director-General of the ILO to the 350th Session of the Governing Body (Monday, 4 March 2024)

Chairperson of the Governing Body, His Excellency Mr Abiodun Richards Adejola;

Employer Vice-Chairperson, Ms Renate Hornung-Draus;

Worker Vice-Chairperson, Ms Catelene Passchier;

members of the Governing Body, ladies and gentlemen,

I welcome you to this, the 350th Session of the Governing Body of the ILO.

As I begin my remarks, allow me to welcome and congratulate Ms Ana Virginia Moreira Gomes, the new Regional Director for Latin America and the Caribbean, who has taken up her position very recently.

The global employment situation improved worldwide throughout the previous year. The ILO's annual report entitled *World Employment and Social Outlook: Trends 2024* (known by its acronym in English as WESO-Trends), published in January, shows a considerable level of resilience in the labour market.

In addition, the global unemployment rate decreased in 2023. It decreased from 5.3 per cent in 2022 to 5.1 per cent in 2023. This difference should be noted, because it bears witness to tangible progress made in terms of employment policy. In this regard, in 2023, employment growth was recorded at 2.2 per cent and the employment deficit – known as the 'jobs gap' – decreased noticeably, falling below the pre-pandemic level.

At the global level, labour market participation rates rose to 60.8 per cent, which is a slight increase of 0.8 per cent above its historical trend. However, that figure is not entirely positive when we take into account the issue of employment quality.

These minor developments are not able to mask the current state of global geopolitics.

In Gaza, the ongoing conflict has serious repercussions on the lives and livelihoods of the populations there. The ILO estimates, in part on the basis of the estimations provided by the Palestinian Central Bureau of Statistics, that more than 66 per cent of jobs were destroyed in Gaza and approximately 32 per cent in the West Bank. Additionally, the conflict between Israel and Hamas has had serious repercussions on the Israeli labour market.

Since 7 October 2023, the Israeli labour market has temporarily lost at least 550,000 workers, which is equivalent to 13 per cent of the total number of jobs. The Bank of Israel estimates that this labour shortage costs the Israeli economy US\$600 million every week, or approximately 6 per cent of the country's weekly GDP.

This deadly war is one on a long list of other conflicts taking place around the world. I am thinking in particular of Ukraine, eastern Democratic Republic of the Congo, Sudan, Myanmar, Yemen and all the other countries facing crises leading to environmental disasters, devastation, instability and the displacement of innocent civilians.

It is in this context that I want to touch on the main items on the agenda of this session of the Governing Body.

The important points we must consider include essential aspects of our internal governance.

In that regard, the entry into force of the Instrument of Amendment to the ILO Constitution, 1986, will surely be at the heart of our discussions.

I will make every possible effort to support that process at various levels, with a view to obtaining the ratification of that instrument by three other Members of chief industrial importance in order to facilitate the entry into force of the amendment. This is the right time and place for me to reaffirm my determination to obtain the results that you expect, and that we have all been waiting for 38 years.

Alongside these ongoing efforts, it is essential that we review the other methods at our disposal to make tangible progress. In the last week, the Office has shared its ideas in that regard with the Members of the Governing Body in an unofficial document containing a pragmatic approach to making better progress.

This is clearly not just a proposal. These are ideas that we all share. In the light of your discussions on that subject, we stand ready to respond to any instructions that you deem right to give us.

The agenda also includes an item on the status of the Global Coalition for Social Justice, the creation of which you approved last November. The Coalition currently has 180 members, of whom 42 are governments, 48 are workers' organizations and 20 are employers' organizations, as well as several United Nations agencies and the World Trade Organization.

Over the next few months, we will organize a virtual introductory meeting for all members, as well as six webinars, one on each of the planned thematic policy domains, in accordance with the decision taken by the Governing Body in November 2023.

We are convinced that the Coalition will be a fundamental element in enabling the ILO to gain maximum potential from the Second World Summit for Social Development, which the United Nations General Assembly confirmed last week would take place.

The Office is preparing to take an active part in the organization of this Summit, which will also be part of our discussions during this Governing Body meeting.

You will recall that, last November, you set up a Working Party on the New Social Contract for Our Common Agenda, which should form the basis of the ILO's contribution to the World Summit. We hope that the 'Social Contract' will be fully supported during the World Summit.

Moreover, I have chosen the Social Contract to be the subject of my report to the International Labour Conference in June.

For the first time since 2018, there will be a high-level section on our agenda, the subject matter of which will be the effects of digitalization and artificial intelligence on the world of work.

When the agenda of this Governing Body session was drawn up, the vast majority of constituents came together to ensure that these topics could be better understood as a result of their undeniable consequences on the world of work.

This issue occupied a prominent place in the discussions of the World Economic Forum in Davos in January, where one quarter of business leaders surveyed said that they expected a significant reduction in the number of jobs, but also an increase in productivity.

As you are probably aware, the ILO has produced its own calculations which were published in August last year. We do not expect the job losses to be so bleak.

However, there will be structural and substantive changes to jobs and the quality of jobs. Certainly, millions of jobs will be threatened, or even eliminated; but we should expect the transformation of hundreds of millions of other jobs requiring a transition towards new skills.

On a global scale, the potential for “augmentation” (that is to say, the partial automation of tasks to complement human work), estimated to be 13 per cent of total employment, is almost six times higher than the potential for automation. According to the ILO’s report, automation accounts for 2.3 per cent of total employment.

Overall, there are a large number of unknown variables and the ILO will unquestionably need to show greater leadership in the areas of research that relate to the impact of artificial intelligence on the labour market.

That leaves the complex and worrying situation in the Occupied Palestinian Territory, remains, particularly in Gaza.

The document that the Governing Body has before it sets out the precise role of the ILO in the recovery and reconstruction phases. The planned elements of the ILO’s intervention will be implemented as soon as the situation allows. In the meantime, we will continue to support the Palestinian authorities in areas relating to the labour market or, in general, to the ILO’s mandate, and we will maintain an open dialogue with all stakeholders. The matters of vital importance linked to social security, job creation, support for micro, small and medium-sized enterprises, and respect for workers’ rights, including health and safety, remain at the heart of our concerns.

Finally, we also will consider also the next steps to be taken on the crucial issue of living wages in another document that you will discuss, following the meeting of experts on wage policies, including living wages, that was convened last month, I believe, to the satisfaction of all participants.

This agenda shows, as always, the complexity of the different subjects to be discussed. It reaffirms the real urgency of the problems for which the ILO must propose solutions.

Faced with the tasks that we have before us, we, as the Secretariat, commit to doing everything possible to carry out that work.

Thank you, Chairperson.