



Governing Body

317th Session, Geneva, 6–28 March 2013

GB.317/HL/PV/Draft

High-Level Section

HL

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DRAFT MINUTES

High-Level Section

Working Party on the Social Dimension of Globalization

1. The High-Level Section met on Friday, 22 March. It was chaired by the Chairperson of the Governing Body. Mr Rønnest, Mr Yuma and Mr Megateli (Employers) and Mr Cortebeek (Worker) were the spokespersons for their respective groups.

First item on the agenda

The post-2015 sustainable development agenda (GB.317/WP/SDG/1)

2. *The Director-General* welcomed the panellists. When introducing Mr Martin Schulz, he pointed out that it was the first time that a President of the European Parliament had addressed the Governing Body. He noted the rising importance of the European Parliament in European Union (EU) decision-making and the need for the EU to be a key player on the global stage. Broad support for the ILO in Europe was important in order to face the twin challenges of defending and modernizing the European social model while also building a stronger worldwide social dimension into globalization.
3. Brazil was a leader by example of social development. Ms Campello, that country's Minister of Social Development and Hunger Alleviation, had been one of the initiators of the *Bolsa Família* programme. He also welcomed Professor Deepak Nayyar, who was well known for the outstanding contribution which he had made to the World Commission on the Social Dimension of Globalization ten years earlier. It would be interesting to hear his perspective on how the ILO's Decent Work Agenda could be integrated into a truly global framework for sustainable development.

4. *The representative of the Director-General* (Deputy Director-General for Field Operations and Partnerships) explained that since progress towards the achievement of the Millennium Development Goals (MDGs) had varied from one country to another, the ILO was doing its best to assist countries to reach those goals. The Governing Body had started to reflect on the post-2015 agenda in November 2012. The concept note on jobs and livelihoods produced thereafter had proved to be useful. He asked constituents to share their experiences of the many national consultations that had taken place. Although the design of targets and indicators for employment-related development goals covering informal employment and equity across gender and generations could be challenging, many countries had, or would have, basic data for indicators in a number of areas. The active engagement of the social partners in the post-2015 process was vital.
5. *Mr Schulz* said that the European Parliament had frequently stressed the need to balance budgetary discipline with policies to promote growth, but regrettably insufficient heed had been paid to that view. The global economic and social crisis had exposed the fragility of inadequately regulated markets, which had put at risk the solidarity and social justice that were the cornerstones of European democracies. The ILO and the European Union shared the same concern for inclusive growth and decent work and both were opposed to austerity-driven politics. It was vital to invest in education, international cooperation and research and development. The European Parliament had rejected the recent Multiannual Financial Framework because it proposed cuts in investment in those areas.
6. The European Parliament's commitment to promoting good working conditions in all countries needed to be reflected in legally binding social standards, which should also be incorporated into future free trade agreements with third countries through the inclusion of provisions to secure better respect of workers' rights and sustainable development. Monitoring was also important, as without it there would be nothing but rhetoric. The European Parliament was pushing for the application of corporate social responsibility clauses to European companies doing business in third countries. It was playing an active part in the preparation of the post-2015 agenda, and the ILO was one of its main partners.
7. *Mr Nayyar* noted that the MDGs had successfully placed poverty at the centre of the development agenda and had captured the popular imagination, much as the Human Development Index had done. In practice, however, the MDGs did not quite serve their main strategic purpose of changing the discourse on development. The MDGs had focused on outcomes without reflecting on processes. They had been set without reference to initial conditions and they ignored distributional outcomes. While some framework was necessary for the future, structural flexibility was also needed at the national level, so that national goals could be formulated using global norms as a point of reference while taking into account initial conditions and national priorities. Inequality had to be borne in mind and the focus should therefore be on the poorest section of the population in order to foster inclusion and improve well-being. Lastly, although it was necessary to resist the temptation to prescribe particular policies, possible means of achieving development objectives should be outlined within strategies formulated by national actors.
8. The speaker called for a rethinking of development strategy to centre on employment and livelihoods and for recognition of the need to balance external and internal factors and of the critical importance of public action. Moreover, developing countries needed greater access to markets and technologies, as that was more important for development than foreign aid. Furthermore, there needed to be more flexibility and an enlarged policy space based on more equal partnership between industrialized and developing countries.
9. *Ms Campello* (Minister of Social Development and Hunger Alleviation of Brazil) said that social and environmental agendas must be combined with a focus on poverty reduction and inclusion. Past experience with fiscal austerity policies in Latin America had shown that

the austerity measures taken in order to contend with the current global economic crisis entailed a risk of greater suffering and increased poverty.

10. Brazil's development strategy in recent years, which had centred on the inclusion of millions, had brought prosperity. In the past decade there had been significant gains in earnings and poverty had been reduced, particularly among the poorest quintile. The factors which had contributed to those outcomes included the formalization of the labour market, significant real increases in the minimum wage and the extension of the social protection floor, of which *Bolsa Família* was just one example. Those policies had resulted in more equitable development, more jobs and an expansion of the domestic market. The President of Brazil was committed to furthering opportunities for the poor by increasing access to health and education, from pre-school to university. She insisted that the poor did not want favours; they wanted opportunities, and it was the State's responsibility to create those opportunities. Lastly, she invited tripartite participation in the forthcoming Third Global Conference on Child Labour, to be held in Brasília in October 2013.
11. *The Employer spokesperson* noted that although the business world had not been consulted on the development of the MDGs, achievements in that field had been due to firms' involvement in creating wealth and jobs and facilitating access to food and water. He did not support the suggestion in paragraph 11 of the document that a virtuous spiral for economic development had been set in motion by increasing workers' incomes. For the sustainable development goals to be successful, priority had to be given to creating the right regulatory environment, developing entrepreneurship, creating robust infrastructure and investing in skills and education. For most countries, competitive markets were the main source of growth. Furthermore, greater emphasis should be placed on enhancing skills in science, mathematics and engineering, as well as on vocational training. Governments and businesses should work together to design strategies to develop those skills. Wealth creation was not a political dictate, but was the result of hard work by individuals. Any ILO policies formulated for the post-2015 agenda should be referred to the Governing Body for decision.
12. *The Worker Vice-Chairperson* emphasized that the discussion on the post-2015 sustainable development agenda was of critical importance for his group. In order to frame the discussion, it would be useful to learn from experience with the MDGs. He therefore asked the Office to provide a full review of progress in meeting the MDG target 1B on achieving full and productive employment and decent work for all, including women and young people, in time for the next Governing Body discussion of the post-2015 agenda. While the MDG process had been a positive step forward, the time had come to shift the focus from poverty reduction to development. The post-2015 development framework should address five key objectives: eradication of poverty in developing and developed countries; protection of basic human rights; inclusive and equitable development; sustainable development that reconciled the economic, social and environmental dimensions; and sustainable development goals that were universally applicable, while at the same time taking into account different levels of development and respecting national priorities, as agreed in the Rio +20 outcome document.
13. The Workers believed that the ILO's role should not be limited to making decent work and employment a key goal of the post-2015 framework. It was also important to set other goals, including goals related to global governance, equity, productive and green jobs, a just transition to a green economy, environmental sustainability, structural transformation, global governance and universal access to quality public services. He asked the Office to develop concept notes on those goals in collaboration with ACTRAV and ACT/EMP. Workers' organizations should be involved in the post-2015 consultations. Social dialogue should be used to help design and implement the new agenda.

14. *Speaking on behalf of the member States of the Africa group represented on the Governing Body,*¹ a Government representative of Algeria stressed that when reflecting on the post-2015 agenda, consideration needed to be given to the consequences of the substantial changes which had affected the global economy since 2000 when the MDGs had been set. Those changes included the rise of emerging economies, the structural crisis of the international financial system, increasing income gaps between North and South and within some countries and the growing role of information and communication technologies in the production of goods and services. His group felt that it was necessary to draw upon the lessons of the MDGs and to recognize the challenges faced by developing countries, especially those in Africa. Much remained to be done to fight poverty, improve health indicators and education, create jobs for new entrants into the labour market and implement social protection floors to ensure that populations were provided with a minimum of social services. Key frameworks had been put in place in the region for development, climate change and poverty alleviation, namely, the New Partnership for Africa's Development (NEPAD), the African Peer Review Mechanism and the African Union/NEPAD African Action Plan.
15. The Africa group encouraged the Office to ensure that the ILO's voice was heard in the relevant international forums and urged the ILO and its constituents to redouble efforts to promote employment as a strategic objective in the post-2015 period. It was also necessary to provide emergency aid for the inclusion of the climate dimension in policies and development projects. For Africa, agriculture needed to be a priority as well.
16. *Speaking on behalf of the member States of the European Union represented on the Governing Body,*² a representative of the European Union to the United Nations regretted the fact that increasing inequality in many countries was undercutting efforts to achieve the MDGs. The EU supported the incorporation of full and productive employment and decent work, including social protection floors, in the post-2015 agenda, despite the complexity of the process. He asked the Office to provide constituents with an analysis of the May 2013 report of the High-Level Panel of Eminent Persons to the Secretary-General. The Office's experience and the lessons learned in respect of measuring decent work should be valuable when it came to devising workable indicators for the post-2015 goals in cooperation with other organizations.
17. *Speaking on behalf of the member States of the Asia and Pacific group (ASPAG) represented on the Governing Body,*³ a Government representative of Australia expressed support for the ILO's strategy in regard to the post-2015 development agenda, a strategy which should focus on reinforcing core ILO messages. While the ILO would obviously need to retain a degree of flexibility in its strategy and approach, ASPAG would welcome further updates on how the Office intended to engage with the post-2015 agenda negotiation process. The group broadly agreed with the examples given in paragraph 27 of the paper and felt that the Office's position in discussions would be strengthened if it referred to actual examples of good practice drawn from the implementation of the Decent Work Agenda. It would be better to make information in future concept notes more closely related to the context of the post-2015 agenda framework and for the Office to draw upon quantitative data in order to demonstrate policy and programmatic successes. The Office

¹ Algeria, Angola, Botswana, Congo, Egypt, Ghana, Kenya, Niger, Sudan, United Republic of Tanzania, Togo, Zambia, Zimbabwe.

² Bulgaria, Cyprus, Denmark, France, Germany, Hungary, Italy, Malta, Netherlands, Romania, United Kingdom.

³ Australia, Cambodia, China, India, Indonesia, Islamic Republic of Iran, Japan, Republic of South Korea, Lebanon, Pakistan, Qatar, Sri Lanka, Thailand, United Arab Emirates, Viet Nam.

should quickly define its strategy, notify the Governing Body of related time frames and planned concept notes and ensure that future consultations included relevant parties outside the UN system, including the G20. In order to retain linkages and convergence between the MDGs and the post-2015 goals high priority had to be given to attaining unfulfilled MDGs. ASPAG would therefore also welcome an update from the Office on progress in assisting countries which were lagging behind in meeting the existing MDGs.

18. *Speaking on behalf of the member States of the Group of Latin American and Caribbean Countries (GRULAC) represented on the Governing Body,*⁴ a Government representative of Colombia said that the ongoing debates and consultations on the post-2015 period were intended to complement and not constrain the outcomes of the intergovernmental process that would start at the United Nations General Assembly in September 2013. The analysis contained in the Office paper coincided with the vision of the countries in her region and with their practices in fighting poverty and inequality and pursuing sustainable, inclusive and equitable economic growth.
19. GRULAC had several suggestions for consideration by the Office. In the light of the outcome document of the Rio +20 Summit, *The future we want*, her group wished to see greater attention to the protection of migrant workers' rights, and it called for a sharper analysis of the issues of small and medium-sized enterprises (SMEs) and the informal economy. With reference to paragraph 10 of the Office paper, GRULAC was of the opinion that the issue of productivity in agriculture did not arise exclusively in developing countries. It recalled that there was no agreement on the methodology to measure decent work. Lastly, it was pleased that the concept note on the post-2015 period prepared by the Office adopted the terminology which had been suggested by GRULAC when referring to the transition towards sustainable development.
20. *Speaking on behalf of the member States of the Association of Southeast Asian Nations (ASEAN) represented on the Governing Body,*⁵ a Government representative of Viet Nam said that the global economic crisis had had a deep negative impact on efforts to secure decent work and productive employment in the ASEAN region. Against that backdrop, the ILO's collaboration within the UN system and with social partners to identify issues and formulate strategies for action with a view to their incorporation in the post-2015 development agenda was indeed welcome. During the November 2012 session of the Governing Body the Office had been asked to assist countries that were lagging behind in meeting MDG targets; ILO regional offices should play a role in ensuring that those countries got back on track. A focus on promoting sustainable livelihoods through decent work would be a critical component of the post-2015 sustainable development agenda, as would investments in human capital, which were the only reliable means of promoting long-term economic security for all. He reaffirmed ASEAN's full support in implementing that agenda.
21. *A Government representative of Zimbabwe* said that young people must have a say in discussions on the post-2015 development goals. The role of decent jobs in a society could not be underestimated, and the fact that Decent Work Country Programmes and many UN Development Assistance Frameworks prioritized that issue underscored that fact. Emerging issues, such as social protection floors, support to SMEs, promoting jobs in the informal and rural economies, and encouraging economic initiatives that actually generated employment, should take priority in the post-2015 era. It was necessary to close gaps in the implementation of MDGs and to assist countries that were lagging behind. Lastly, the

⁴ Argentina, Brazil, Colombia, Costa Rica, Cuba, El Salvador, Mexico, Panama, Trinidad and Tobago, Uruguay, Bolivarian Republic of Venezuela.

⁵ Cambodia, Indonesia, Thailand, Viet Nam.

speaker requested further details on the mechanisms to promote a post-2015 agenda that took into account regional and national circumstances.

22. *A Government representative of Trinidad and Tobago* noted that, while the jobs crisis had reinforced the need for a sustainable development agenda, many Caribbean countries would need to supplement that agenda with pro-poor policies and efforts to tackle the specific challenges of small island nations. The ILO's excellent new reform agenda should bring much-needed new perspectives, a more efficient use of resources and stronger linkages between headquarters and the field. He commended outreach efforts in connection with the post-2015 discussions and encouraged the ILO to keep working to place labour at the heart of those debates and to expand the discussions to include other international organizations. He urged the ILO to convene a global meeting on decent work in the context of the sustainable development agenda in order to ensure that all important issues were discussed on ILO terms. He supported recent ILO initiatives to advance the status of women, because such efforts were also about protecting certain inalienable and universal rights.
23. *A Government representative of Ghana* noted that many countries, especially in Africa, were still off track in achieving the MDGs, and praised the ILO's commitment to assist those countries in line with the conclusions of the 316th Session of the Governing Body. Efforts undertaken by his Government to place employment and decent work at the centre of national development policy included plans for reforming the informal economy and ensuring that the oil industry produced jobs for its citizens. Growth in Ghana had been positive owing to strong export performance, but that had not translated into jobs. Additional priorities might include the promotion of cooperatives, the development of labour market information systems, the training of labour inspectors and enhancing respect for labour standards, the promotion of equal pay for equal work, skills training that was better oriented to labour market demand and environmental sustainability. Lastly, it was to be hoped that the delegations present would generate useful guidelines for informing the post-2015 agenda.
24. *A Government representative of the United Republic of Tanzania* noted that when the MDGs had been adopted in 2005, the focus had been on partnership between developed and developing nations with a view to building a better world. The United Republic of Tanzania, while making progress towards those goals, continued to face challenges in achieving certain targets. The speaker thanked the United Nations Development Programme (UNDP) for providing support for a national dialogue on the post-2015 agenda and the ILO Office in Dar es Salaam for ensuring that the voices of the social partners were heard. That had made it possible to reach national consensus on the need to prioritize decent work in the post-MDG agenda. She urged the ILO and its member States to sustain its efforts to ensure that decent work remained a key consideration after 2015.
25. In her response to the discussion, *Ms Campello* stated that one of the main messages she would take away was that inclusion and environmental sustainability could lead to long-term and democratic growth. It was also clearly vital to work with employers and workers, who had an important role beyond their social responsibilities. Public policies had to be carefully built to strengthen decent work, alleviate poverty and promote democracy. Experience in Brazil in the 1970s showed that growth did not automatically produce inclusion. It was therefore necessary for everyone to work towards inclusive development and growth.
26. *A Government representative of Switzerland* stressed the importance of full employment and decent work for the post-2015 development agenda and thanked the Office for its efforts to include that issue in various international forums. He encouraged member States to engage in discussions at the national and international levels and asked the Office to

keep them informed on developments in order to help them do so. Switzerland supported the EU request that the Office should analyse the report to be submitted by the High-Level Panel of Eminent Persons to the Secretary-General of the UN in May 2013 and should inform constituents of its conclusions regarding the report.

27. *A Government representative of Indonesia* welcomed the role which the ILO had played in the post-2015 discussions, including its collaboration with the United Nations Development Group and its engagement with the diplomatic community, as noted in paragraph 19 of the paper. As the host of the next meeting of the High-Level Panel of Eminent Persons on the post-2015 agenda, Indonesia would be actively engaged in the discussions concerning a global partnership to eradicate poverty and achieve prosperity. Indonesia would continue to support the ILO's work in the context of wider UN and multilateral efforts, and would appreciate further concept notes and briefings in that regard.
28. *A Government representative of France* underscored the fact that the development of the post-2015 agenda should be formulated in a participatory manner and should be universal in scope. France supported the merging of the multilateral process aimed at the revision of the MDGs for the post-2015 period with the intergovernmental process concerning the sustainable development goals launched during the Rio +20 Conference of June 2012 in order to create a single agenda. That agenda should be made relevant to all countries by taking into account the specific needs of developing countries. Goals and targets should be applied to all countries irrespective of their level of development. The ILO had a key role to play in the preparation of the post-2015 agenda, because its expertise was also necessary for defining goals and specific indicators. France supported the Decent Work Agenda, particularly the extension of social protection (the Social Protection Floors Recommendation, 2012 (No. 202)) and more generally the effective application of ILO Conventions.
29. *A Government representative of Italy* supported the plan of action presented by the ILO Director-General to ensure that decent work, including social protection floors, was placed at the centre of the post-2015 development agenda. Italy concurred with the priorities outlined by the Office concerning access to job-related training for youth, the absorption of small enterprises into the formal economy, and tackling discrimination at work. The first article of the Italian Constitution highlighted the relationship between work and human dignity. She stressed the need to reaffirm the value of work and ensure that full employment became the pillar on which collective efforts toward global development were based.
30. *A Government representative of the Republic of Korea* said that the MDGs had created a new paradigm for social development transcending the previous narrow focus on economic prosperity. However, the MDGs had disregarded inequality, human rights and differing national contexts. The post-2015 development agenda should address those limitations. The ILO's strategy for mainstreaming decent work into the post-2015 discussions should be two-pronged. First, decent work should be included as a specific goal in recognition of the fact that job creation was rarely an automatic result of economic growth. Moreover, the decent work concept needed to be simplified so as to secure greater popular enthusiasm for it and an understanding of its importance globally. The use of decent work indicators could be helpful when specifying decent work goals as part of the post-2015 agenda. Second, a framework for setting nationally appropriate development goals was needed, as mentioned in paragraph 26 of the paper. New development goals should also apply to higher-income countries as a means of supporting economic growth, promoting social integration and protecting the environment.
31. *A Government representative of India* said that his Government supported the promotion of full and productive employment and decent work as a cross-cutting theme in the post-

2015 agenda but perceived the need for a greater focus on women and young people. Countries should give equal importance to the economic, social and environmental pillars of sustainable development. The fact remained, however, that not all countries were at the same stage of development. There was also a need to adopt collective measures to help the least developed countries overcome structural challenges. On the role of emerging economies in international development cooperation, South–South cooperation could supplement, but not replace, North–South cooperation in the post-2015 agenda. His Government was also against the use of labour issues as protectionist measures, especially in trade agreements. As to the inclusion of decent work in the post-2015 agenda, he noted with concern the lack of consensus on indicators and methodology. His suggestions for the post-2015 agenda included structural flexibility at the national level; sufficient flexibility in assessment norms; simple and comprehensible targets; and sufficient flexibility to ensure that strategies were both country-led and country-owned.

32. *A Government representative of the United States* commended the ILO on its active role in the parallel processes under way within the UN system, in the discussions about the post-2015 framework and in considering potential sustainable development goals. Her Government had found the concept note on jobs and livelihoods to be a useful contribution and would welcome further concept notes from the Office. It also agreed that the six elements identified in the document could sharpen the focus on jobs and livelihoods in the post-2015 agenda. In that connection, the agenda should also focus more on fundamental principles and rights at work. The ILO's long experience in social protection and skills training could be brought to bear in developing implementation strategies. If decent work were adopted as a post-2015 development goal, there would be a need for clear, focused and feasible targets and indicators that could work in a variety of contexts.
33. *A Government representative of Egypt* said that his Government fully supported the inclusion of decent work and fully productive employment in the post-2015 agenda. In particular, he emphasized the need for all development goals to be country-owned; for the three pillars of sustainable development to be afforded equal importance; and for international goals to account for the differences between the economies of different countries, as well as social and cultural aspects.
34. *A Government representative of China* recalled that, despite the progress achieved at the global level, some MDGs had not yet been reached. For that reason, the MDGs should feature in the post-2015 agenda. His Government endorsed the six elements for sharpening the focus on jobs and livelihoods and underlined the importance of productive employment, social protection floors and green jobs. Lastly, he stressed that development goals should be measurable and tailored to the situation of individual countries. He trusted that the Office would provide constituents with the necessary support to achieve those goals.
35. *A Government representative of Kenya* commended the ILO for its efforts to promote inclusion and social dialogue within the multilateral system. Inclusive partnerships would prove essential for moving forward with the global development agenda beyond 2015. There was a need for specific indicators for employment and decent work that would track progress and inform the action to be taken by stakeholders. He agreed with the points raised in paragraph 7 of the document, underscoring the importance of green jobs. The only way to address inequality and differences in wages was to implement social protection safety nets. Labour migration initiatives should also be discussed in relation to the post-2015 agenda. His Government agreed with the next steps set out in paragraphs 24–28 of the document and stressed the need for an integrated and holistic approach to achieving them. Lastly, he called for the strengthening of institutions, especially in the areas of labour administration, labour inspection, employment services and national statistics, as only strong institutions would be able to achieve outcomes.

36. In his response to the debate *Mr Nayyar* said that the world had changed significantly since the year 2000, when the MDGs had been set. The financial crisis persisted and rates of growth had slowed down in both industrialized and developing countries. Climate change also posed a threat, and it was necessary to adopt a different approach to the design of the post-2015 agenda. It was widely acknowledged that both absolute and relative deprivation were on the rise, and that social protection had been eroded. It was clear that those were no longer problems of developing countries alone. Moreover, economic inequalities between countries, within countries and among people were growing. It was therefore imperative that those changes be reflected in the post-2015 agenda.
37. In addition, the ageing of industrial societies, the significant rise in the share of developing countries in the world economy, and the need to reformulate policies, redesign strategies and rethink development should all be taken into account when discussing the post-2015 agenda.
38. The post-2015 agenda should be characterized by equal opportunities, the transformation of economic growth into the well-being of the people and a move from global norms to national priorities. Furthermore, there was a need to move beyond outcomes and to preserve policy space for latecomers. As to the international agenda, rules should be made fairer and asymmetries should be reduced, if not eliminated. The post-2015 development framework should focus on addressing poverty, inequality and exclusion in both industrialized and developing countries.
39. *The Worker Vice-Chairperson* said that the example of Brazil showed that making decent work central to development was possible and that it could yield positive results. Calling on the Office to take note of the points raised during the discussion, he stressed the importance of adopting a rights-based approach to the post-2015 development framework.
40. *The Director-General* said that the debate had proved useful in showing the Office the way forward. The intervention of the President of the European Parliament and the Minister of Social Development and Hunger Alleviation of Brazil had added much value to the discussion, and the example of Brazil in particular had demonstrated what could be achieved when key issues were effectively addressed. Similarly, the comments made by *Mr Nayyar* had reminded the Office of what the focus of the post-2015 agenda should be.
41. While the Office's activities aimed at assisting countries in achieving the current MDGs were amply documented, he recognized that the Governing Body wanted the Office to step up and better focus its efforts. Furthermore, when setting the post-2015 agenda, it would be important to draw upon the lessons learned from the MDGs thus far. He noted with satisfaction that the current discussion had demonstrated an even firmer commitment to implementing the decision taken in November 2012 to develop and implement a strategy for the adoption of full and productive employment and decent work as an explicit goal for the global development agenda. Highlighting some of the elements to be integrated into the objectives, targets and indicators of the post-2015 agenda, he recalled the Employers' comment on the need for them to be few in number, simple and comprehensible.
42. The Director-General stressed that measurable targets and indicators would be essential for moving forward with the post-2015 agenda. Indeed, the question of how decent work could be measured required much discussion, but there was no reason for that to create political controversy. There were many existing indicators that could be used and that were subject only to the availability of data.
43. He agreed that the Office would have to work hard to ensure that employment and decent work issues were not artificially separated from other issues. Decent work was not the exclusive responsibility of the ILO, and there were other targets that could be of interest to

it. He noted three institutional factors underpinning the post-2015 process: (1) its complexity; (2) the crowded field of players pushing different goals; and (3) its competitiveness. He agreed with the call to ensure that human rights firmly embedded in the post-2015 agenda were taken on board in the pursuit of an employment objective. He also recognized the importance of including the private sector in the discussions along with governments, international organizations and other public actors.

44. The next major landmark in the post-2015 process would be the publication of the report of the High-Level Panel at the end of May, and the Director-General promised to provide information to constituents, perhaps including concept notes, on what it meant for the common agenda. The Governing Body in October 2013 would also be an occasion to inform constituents about the outcome of the General Assembly in New York in September and reflect on how to proceed.

Second item on the agenda

Tackling the global economic and employment crisis (GB.317/WP/SDG/2)

45. *A representative of the Director-General (Deputy Director-General for Policy)* noted that growth had continued to weaken since the discussion on the global economy at the November 2012 session of the Governing Body. The employment outlook was a serious concern in many European countries. In most developing countries, the challenge was to create jobs fast enough to stay ahead of a growing workforce. While the economic circumstances of each country varied, all countries faced major employment-creation challenges.
46. She recalled the substantial differences in situations across the developing regions. In Africa, there had been relatively strong and steady growth, although speakers from several African countries in the morning sitting had noted that growth had been largely jobless in their countries. In the light of weakening export demand and domestic priorities, a number of developing countries, particularly in Asia and Latin America, were placing more emphasis on maintaining domestic demand, including through extensions of social protection and increases in minimum and other wages. In South Asia, there was an emphasis on the need for infrastructure to lay the foundation for faster and sustainable growth. The Arab States continued to feel the reverberations of the political changes, and employment growth remained a problem. She also recounted the action taken by the Office since the call by the Governing Body Officers in November to intensify efforts to promote policy coherence between all relevant international and regional organizations in order to promote growth, decent and productive employment and social inclusion.
47. *The Employer spokesperson* noted the positive news within an overall negative picture presented in the paper. There had been a reduction in poverty worldwide, a decline in inequalities in income among different countries and an increase in real wages, especially in Asia and Latin America. From a global perspective, market systems had been able to overcome the gravest shocks and growth in developing countries had even accelerated. The Employers felt that the paper's macroeconomic analysis was lacking: there was too much emphasis on the income-to-GDP ratio and not enough consideration of factors such as productivity, inflation, debt and infrastructure investment or even education. Citing recent studies, the spokesperson stressed that the lack of appropriate skills was dampening growth in a number of countries. The Employers believed that more time was needed for austerity policies to create a sustainable recovery and that relying wholly on consumption to raise

output was inappropriate. Private sector investment, enterprise creation and entrepreneurship had to be understood as the engines of economic growth. The Employers agreed with the paper on the need to address youth unemployment and believed that education and training were essential means to do that.

48. *The Worker Vice-Chairperson* stressed that austerity policies had worsened the crisis, especially in Europe, where budget consolidation had skewed growth and led many countries into a debt trap. For that reason, the Workers had repeatedly called for an income-led growth strategy. The increasing gap between productivity and wages had been reflected by the steady decline of the wage share in national income and an increase in inequality for most countries. He regretted that various government and non-governmental institutions had been recommending labour market reforms that involved weakening social dialogue and social protection. Workers had been calling for measures to strengthen minimum wage fixing, progressive taxation policies, extension of social protection to protect workers in the informal economy, and employment guarantee schemes.
49. Referring to the proposed workplans of the Office outlined in paragraph 53 of the paper, the Workers were surprised by the lack of reference to labour standards. ILO action must be rights-based. There also needed to be more coordinated action to address the impact of austerity policies. Furthermore, the Office should provide top-quality policy advice to foster growth and job creation and focus more on assisting developing countries on the process of structural transformation from low productive sectors to high productive sectors. Lastly, the Workers wanted to see the Office actively promote social dialogue as a key instrument to ensure inclusive growth.
50. Speaking as one of the four country representatives, along with Brazil, China and the United Republic of Tanzania, requested to provide examples of innovative policies to confront the crisis, *a Government representative of Australia* noted that the Australian Government had taken policy measures that were consistent with the Global Jobs Pact, including investment in infrastructure, innovation, education, skills and training, along with deregulation, tax and workplace relation reforms. The Government had provided substantial funding for new infrastructure projects in schools, which had produced short-term effects on effective demand and job creation, as well as long-term dividends from human capital investment. Through the Compact with Young Australians and Youth Connections programmes, training was being provided for young people, including at-risk and disadvantaged youth. Those measures were complemented by others to bring together employers and jobseekers and to provide training in priority employment areas. Additional measures included the Fair Work Act, which was designed to improve workforce participation by giving workers the right to explore flexible work arrangements with their employers. Lastly, he mentioned his Government's investment in an independent Centre for Workplace Leadership, which would encourage higher performing, innovative workplaces and stronger leadership capability to boost productivity.
51. *A Government representative of Brazil* provided the second country example. He outlined the Brazilian Government's recent measures to boost domestic demand through cutting labour, capital and materials costs, which had been accomplished without reducing labour rights. The Government had provided assistance to small and micro-enterprises, which had led to their greater formalization and growth. Ninety-five per cent of new jobs in the previous three years had been generated by small and micro-enterprises, and their formalization had provided social benefits to more workers. The Brazilian Government had also been reforming its tax system, which was being made simpler and more efficient for small businesses. Those measures came under the theme of sustainable enterprises and had been incorporated in the National Plan for Employment and Decent Work launched by the Government in May 2010.

52. A *Government representative of China* said that his Government regarded the expansion of domestic demand through both wage increases aligned with labour productivity and steps towards universal social security coverage as a priority. His country's experience supported the points raised in the Office paper about the impact of more even income distribution on the sustainability of economic growth. Surplus labour in rural areas, rapid urbanization, the low quality of the labour force and skills mismatches were obstacles to employment generation in China. His country was willing to engage in efforts aimed at closer international coordination under the ILO framework, for instance by reducing protectionism, sharing employment promotion experiences and strengthening international cooperation, including South–South cooperation. In realizing decent work, developing countries engaged in social dialogue in a variety of ways. China looked forward to the ILO playing a bigger role in that regard.
53. A *Government representative of the United Republic of Tanzania* called for all countries to continue taking concerted measures to address youth unemployment and expressed her gratitude for the support her country received from the ILO. The United Republic of Tanzania had embarked on a National Youth Employment Creation Programme which included mapping youth groups; providing them with financial support; analysing skills gaps; enhancing micro-credit, business development services, entrepreneurship and self-employment; and strengthening labour market information systems. Her delegation looked forward to comparative research by the Office and support to national policy dialogue on those matters. Effective application of the Global Jobs Pact and the ILO Declaration on Social Justice for a Fair Globalization remained pertinent and practical means to tackle the global employment crisis. She urged the Office to maintain a priority focus on Africa and looked forward to action under the areas of critical importance as reflected in the Programme and Budget proposals for 2014–15.
54. *Speaking on behalf of the member States of the European Union represented on the Governing Body*, a representative of the European Union to the United Nations recalled that the upcoming European Regional Meeting in Oslo in April 2013 would provide the opportunity for in-depth discussion of the European dimension of the current economic and employment situation. He encouraged the ILO to continue its contributions to the G20 and the UN Economic and Social Council (ECOSOC) on the basis of its expertise, as well as to increase cooperation with the International Monetary Fund (IMF), the World Bank and the Organisation for Economic Co-operation and Development (OECD) to achieve policy coherence. He welcomed the Office's strong involvement in the preparation of the forthcoming G20 meeting of labour and finance ministers in July 2013. He recalled the EU initiatives for improved economic governance through the involvement of the social partners and the series of initiatives to address the youth unemployment challenge, in particular the youth guarantee scheme. Lastly, he expressed his support for the plans of the Office as described in paragraph 53 of the paper.
55. A *Government representative of Romania* highlighted her country's gradual economic recovery and the slight reduction in unemployment, noting that the severe austerity measures introduced by the previous Government had been phased out. Through social dialogue and transparent negotiations, the new Government had conceived a well-balanced budget for 2013, emphasizing development, modernization and decentralization. While maintaining a cautious financial stance, the Government had increased salaries and indexed pensions. Tripartite social dialogue would continue in order to review labour legislation and its conformity with European practice and labour market requirements. Measures had been taken to address youth unemployment through a comprehensive national plan. Her Government was looking forward to opportunities to work together with the ILO and the European Commission in order to ensure that national policies were aligned with ILO international labour standards and European legislation.

56. *Speaking on behalf of the member States of the Africa group represented on the Governing Body*, a Government representative of Egypt emphasized that the crisis had had a major impact on investment and employment in the region, referring to several major reports on that topic by the United Nations Conference on Trade and Development (UNCTAD), the UN and the African Development Bank. He underlined the worrisome decline in the share of exports and industrial production in Africa. Over 60 per cent of African workers were still in the agricultural sector, and there were 200 million Africans living below the international poverty line of US\$2. As emphasized at the African Union Summit on the theme of youth empowerment in July 2011, the challenge of poverty eradication and the creation of decent jobs was even more critical in the context of high population growth rates. Fluctuations in international commodity prices added further uncertainty to economic prospects for the region.
57. The Africa group believed that dealing with the effects of the global economic and financial crisis was among the most critical challenges, together with climate change, food security and persisting conflicts in some African States. Attention should be paid to supporting the countries in the region in moving up along global supply chains. Protecting migrant workers was another issue that required attention in the global development agenda.
58. *A Government representative of Zimbabwe* stressed that while economic growth in sub-Saharan Africa had averaged around 5 per cent, its impact on employment had been disappointing. She called for greater efforts to promote global economic recovery through a coordinated effort within the decent work framework. The ILO should continue to instil the decent work concept within the UN system, as a main means of action towards poverty reduction, and strengthen its cooperation with regional and multilateral organizations. Decent work should be mainstreamed in existing frameworks for regional cooperation, as had been done in the 2004 African Union Ouagadougou Declaration on Employment and Poverty Alleviation in Africa. Her country supported the ILO plans described in paragraph 53 of the Office paper and called for greater policy coherence among ministers of labour, social partners and ministers responsible for economic planning and finance, with the involvement of the ILO, UN agencies, Bretton Woods institutions and other multilateral structures.
59. *A Government representative of Trinidad and Tobago* recalled that the crisis had engendered unprecedented changes among countries. One example was the contribution and weight of the economic growth of emerging and developing countries over the previous years. The ILO needed to consider the implication of those changes for its own work. One needed to look beyond traditional models of technical cooperation and recognize that there could be not only South–South and Triangular Cooperation, but also South–North cooperation. Policies from the South could become new models for development. He welcomed the Office’s focus on labour migration, noting that the labour community must promote understanding of the nexus between migration and development and craft policies that facilitate structured labour migration.
60. *A Government representative of Colombia* recalled that the crisis had not affected his country or other countries in Latin America to the same degree as elsewhere. Unemployment, while still high, had been falling. He noted the measures his country had taken to reduce structural unemployment, tackle youth unemployment, extend social protection and reform the pension system. In the area of the formalization of the informal economy, his Government believed that sectoral approaches were useful.
61. *A Government representative of Argentina* reiterated the importance of the Global Jobs Pact for countries to address the crisis. Argentina had introduced a set of policies to increase formalization of jobs, reinforce social protection, provide employment

programmes for vulnerable groups, particularly youth, improve public employment services, support small enterprises and promote social dialogue. Her country supported the activities outlined in paragraph 53 of the paper.

62. *A Government representative of Sudan* emphasized that the global crisis had greatly affected his country, resulting in high unemployment. He highlighted government measures to tackle youth unemployment and support small enterprises. He called on the ILO and the international community to help Sudan achieve the 2015 goals. His country was seeking to boost the economy by encouraging foreign investment and entrepreneurship. He called for making it easier for developing countries to become members of the World Trade Organization. His country supported the activities proposed in paragraph 53 of the paper.
63. *A Worker member from Colombia* expressed the Workers' appreciation for the Governing Body's recognition of both the existence of the crisis and the importance of social dialogue as a means to overcome it. Coming from Latin America, he was concerned about structural problems such as unemployment and informal employment. Instruments like the Global Jobs Pact, the Decent Work Agenda and the fight for the elimination of child labour created expectations that were subsequently frustrated. He drew attention to the need for structural solutions, failing which societies of beggars and poor people would be created.
64. *A Government representative of Kenya* recalled the major challenge of high unemployment for youth, which stood at 72 per cent of those below 30 years of age. Kenya had in fact been partially cushioned by the informal economy at the outset of the crisis. Since then his Government had implemented measures to put the country on a better footing, including the new Kenyan Constitution in 2010, which called for fair incomes and wages, a new employment policy in 2012, a small and medium-sized enterprises bill, an education act and an integrated social protection system. In the case of the latter, South-South cooperation with Brazil had been helpful.
65. *A Worker member from China* commended the Office on the organization of tripartite meetings with the IMF. Given the differing priorities of the ILO and the IMF and World Bank, a clear roadmap was needed to ensure that a job-rich and inclusive growth orientation was mainstreamed in recovery policies.
66. *A Government representative of the Russian Federation* updated the Governing Body on the focus of the G20 under her country's presidency. She cited three priorities: (1) investment to foster growth and employment; (2) confidence and transparency; and (3) effective regulation. She highlighted the joint statement of ministers of finance and labour that would be produced during the July 2013 meeting.
67. *A Worker member from France* recalled that European countries were in a downward spiral of slowing growth, rising unemployment and austerity, which entailed great social and political risks. He regretted that labour costs had become an adjustment variable for the globalized world's market economies since the 1980s. The ILO must raise its voice and make it clear that social protection and rights were not the enemy of growth.
68. *A Government representative of the United States* recalled the continued unemployment problems in his country. Corporate profits had soared while wages stagnated. He outlined the policy areas currently being pursued to address unemployment: (1) the Federal Reserve's commitment to accommodative monetary policy until unemployment fell below 6.5 per cent, unless inflation reappeared; (2) tax reform to promote growth; (3) entitlement reform to better focus on working poor and families; (4) a federal minimum wage increase; and (5) skills training activated by local demand. He thought the ILO and other organizations should consider asking countries to present their employment strategies and

not just labour policies. He also believed that the relationship between the ministries of labour and those responsible for other economic and finance policies should be further developed and commended the ILO on its work with the international financial institutions in that regard. The United States endorsed paragraph 53 of the paper outlining the proposed work of the Office.

69. *A Worker member from South Africa* cautioned that the Organization must move with speed against the continued crisis or the credibility of the ILO would be at stake. Very few governments had reported on the Global Jobs Pact, and it would be good to know if countries had taken it into account. He recalled that economic growth without addressing unemployment, poverty and inequality was not real economic growth.
70. *A Government representative of Japan* noted with appreciation the ILO's work and its enhanced role in international forums. It was essential for countries to realize that employment policy must be at the heart of all policies. In particular, financial and employment policies must go together. Accordingly, his Government viewed with satisfaction the upcoming joint G20 meeting of finance and labour ministers in July in the Russian Federation. He requested that the ILO monitor the economic and social situation of countries and provide information on how they could realize policy coherence.
71. *A Government representative of France* expressed appreciation of the joint work the Office had undertaken with the IMF and the World Bank as a positive step forward for creating an international agenda focused on employment and social dialogue. He highlighted the significance of the upcoming joint G20 meeting of finance and labour ministers for international policy coherence. The ILO had an important role in the development of analytical capacity and dissemination of good practices in the areas of employment and social protection. The ILO was the instrument best suited to promoting social dialogue.
72. *A Government representative of India* underscored the great challenges his country faced, with 10 million people entering the labour market each year. Nonetheless, India had been able to avoid the worst of the recession with initiatives such as the National Rural Employment Guarantee Scheme and the launch of the skills development programme. It was currently increasing social protection with the introduction of a national health insurance scheme for the most vulnerable segments of the population and the direct delivery of funds to beneficiaries through a major cloud computing system.
73. *A representative of the Council of Europe* described how the Council used its instruments, such as the European Social Charter, the collective complaints procedure and the European Code of Social Security, to preserve the vitality of the European social model. He provided information on recent cases brought through the complaints mechanism concerning violations of social and labour rights enshrined in the European Social Charter.
74. *The Employer spokesperson* characterized the discussion as very rich and noted that employment growth should be encouraged, particularly in developing countries. The private sector had always contributed to the creation of wealth and would continue to do so.
75. *A representative of the Director-General (Deputy Director-General for Policy)* drew a few conclusions from the debate that should inform the Office's thinking. Firstly, differences in countries' views over financial, fiscal and monetary policies had made policy coordination among international organizations difficult. The discussion had also revealed differences in views with regard to labour policies. Through its upgrading of research and empirical data, the Office aimed to develop evidence-based policy options. Secondly, there were examples of success in dealing with the crisis which were instructive for the ILO's efforts to provide country analysis. Thirdly, the calls to share policy information among countries had been

heard, and the ILO had launched two relevant projects in that regard aimed at addressing employment challenges in low- and middle-income developing countries and in countries with very high unemployment rates in Europe. Lastly, the importance of social dialogue and securing rights at work were cross-cutting commitments at the heart of the ILO's work.

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