Provisional Record



103rd Session, Geneva, May-June 2014

Sixth item on the agenda: A recurrent discussion on the strategic objective of employment

Report of the Committee for the Recurrent Discussion on Employment

- **1.** The Committee for the Recurrent Discussion on Employment set up by the Conference, at its first sitting on 28 May 2014, initially consisted of 188 members (90 Government members, 40 Employer members and 58 Worker members). ¹
- **2.** The Committee elected its Officers as follows:

Chairperson: Mr Marhijn Visser (Government member, Netherlands)

Vice-Chairpersons: Mr Alberto Echavarría Saldarriaga (Employer member,

Colombia) and Ms Helen Kelly (Worker member,

New Zealand)

Reporter: Mr Sipho Ndebele (Government member, South

Africa) at its fifth sitting

3. At its fifth sitting the Committee appointed a Drafting Group to draw up conclusions based on views during the plenary discussions, for consideration by the Committee. The Drafting Group was chaired by the Chairperson of the Committee and was composed of eight

- (a) 29 May: 206 members (106 Government members entitled to vote with 2,379 votes each, 39 Employer members with 6,466 votes each and 61 Worker members with 4,134 votes each);
- (b) 30 May: 206 members (108 Government members entitled to vote with 35 votes each, 28 Employer members with 135 votes each and 70 Worker members with 54 votes each);
- (c) 5 June: 204 members (112 Government members entitled to vote with 45 votes each, 20 Employer members with 252 votes each and 72 Worker members with 70 votes each);
- (d) 6 June: 203 members (111 Government members entitled to vote with 120 votes each, 20 Employer members with 666 votes each and 72 Worker members with 185 votes each).

¹ The modifications were as follows:

Government members, eight Employer members and eight Worker members. The members appointed were:

Government members: Ms Vivian Asempapa (Government member, Ghana),

Ms Athina Diakoumakou (Government member,

Greece), Mr Habib Patrick Djibril (Government member,

Benin), Mr Michael Hobby (Government member, New Zealand), Mr Julio César Mercado (Government member, Argentina), Dr Riyadh Hassan Mohammed Ali (Government member, Iraq), Ms Kristin Lipke Sparding (Government member, United States), Mr Stanislav Stepakov (Government member, Russian Federation)

Employer members: Ms Carolina Castro (Employer member, Argentina),

Ms Tanya Cohen (Employer member, South Africa), Ms Ronnie L. Goldberg (Employer member, United States), Mr Bernard N'Doumi (Employer member, Côte d'Ivoire), Mr Phil O'Reilly (Employer member, New Zealand), Mr Jorge Riesco (Employer member, Chile), Ms Loes Van Embden Andres (Employer member, Netherlands), Ms Iftida Yasar (Employer

member, Indonesia)

Worker members: Ms María del Pilar Blanco (Worker member, Chile),

Mr Etienne Castillo (Worker member, France), Ms Joanna Bernice Coronacion (Worker member, Philippines), Ms Helen Kelly (Worker member, New Zealand), Mr Job Muniaro (Worker member, Namibia), Mr Magnús Norddahl (Worker member, Iceland),

Ms Kelly Ross (Worker member, United States), Mr Jean Marie Zambo Amougou (Worker member, Cameroon)

4. At its seventh sitting, the Committee constituted a subcommittee tasked with preparing recommendations on linguistic amendments that would be put to the Committee for consideration. The members of the subcommittee dealing with the Spanish version were one Government member (Ms Míriam Lau Valdés (Cuba)), one Employer member (Ms Carolina Castro (Argentina)) and one Worker member (Mr Luis Chávez (Chile)). The members of the subcommittee dealing with the French version were one Government member (Mr Emmanuel Fourquet (France)), one Employer member (Mr Guy-François Lamy (Canada)), and one Worker member (Mr Jean-Claude Tricoche (France)).

- **5.** The Committee had before it Report VI, entitled *Employment policies for sustainable recovery and development*, prepared by the International Labour Office (Office) for a general discussion of the sixth item on the agenda: A recurrent discussion on the strategic objective of employment.
- **6.** The Committee held nine sittings.

Introduction

- 7. In his opening statement, the Chairperson highlighted the relevance of the work before the Committee. There was a unique opportunity to demonstrate collective commitment to take up employment challenges, to have an exchange on the approaches that had worked best in different country circumstances and to provide guidance to the Office on its priorities of work in the following period.
- 8. The representative of the Secretary-General (Ms Sandra Polaski, Deputy Director-General for Policy (DDG/P)), recalled that recurrent item discussions of the four key strategic objectives of the Organization (employment, fundamental rights at work, social protection and social dialogue) had been introduced as regular Conference agenda items by the 2008 ILO Declaration on Social Justice for a Fair Globalization. The objective is to give constituents the opportunity to evaluate progress and challenges and provide periodic guidance on practical ways forward under each one of the four strategic objectives. The first recurrent discussion on employment had been held in 2010. This second discussion in 2014 offered the opportunity to review actions taken in the member States and by the Office since 2010 and consider ways forward. Employment was a high priority for the ILO and the reforms carried out under the new Director-General paid strong attention to the Office's ability to support constituents in this area.
- 9. The deputy representative of the Secretary-General (Ms Azita Berar Awad, Director of the Employment Policy Department (EMPLOYMENT)), presented the Office report. She summarized its analysis of the main employment challenges of unemployment, underemployment, informality and other indicators affecting countries in diverse contexts. The impact of the global crisis and economic slowdown has left a significant jobs gap. The policy response to the crisis had shifted from economic stimulus to fiscal consolidation but was converging now on the need to break the vicious cycle of low aggregate demand, low investment, low consumption, low growth and poor employment outcomes, in particular unrelenting youth unemployment and rising long-term unemployment and working poverty. The G20 St Petersburg Leaders' Declaration in 2013 had confirmed the importance of strengthening growth and creating jobs as a top priority through integrated policies. In addition, several structural trends were impacting and reshaping labour markets bringing along new opportunities as well as challenges. These drivers of change included: a new geography of growth with an increasing share of global GDP by developing countries; a new demographic context (population growth, ageing and increasing dependency ratios, the youth bulge, urbanization and migration); the transition to environmentally sustainable development; rising income inequality; persistent gender inequality, and growing skills mismatches.
- 10. She highlighted the Office's work over the period 2010–13, and results achieved in particular in the follow-up to the conclusions of the first recurrent discussion on employment. These results were presented under ten themes highlighted in the conclusions of the first recurrent item discussion with examples given across all means of ILO action: policy-oriented research, policy advice, capacity building, social dialogue and technical cooperation. Global advocacy for employment promotion included efforts to ensure that employment goals, targets and indicators would be included in the post-2015 global development agenda and expanding partnerships at international and regional levels. The internal reform of the ILO, including the centenary initiatives and the eight areas of critical importance (ACIs), provided a platform from which the Office could focus interdisciplinary expertise and broad-based intra-Office cooperation on the dual challenge of promoting a job-rich inclusive growth strategy while responding to the impact of current, and anticipated further, structural changes. The suggested points for discussion were aimed at reaching a shared understanding of current employment challenges and the

main drivers of change and at assessing the main elements of a comprehensive and coherent policy framework for employment.

Opening statements ²

- 11. The Worker Vice-Chairperson recalled that the conclusions adopted at the 2010 ILC recurrent item discussion on employment as well as the Global Jobs Pact had provided a broad framework to address the impact of the financial crisis and speed up recovery stimulating demand, putting employment at the centre of macroeconomic policies, policy coordination, both nationally and internationally, and respect for workers' rights and international labour standards. Yet many governments had turned to austerity policies, leading to rising unemployment and underemployment, youth and long-term unemployment, cuts in public sector wages, pensions and public services, attacks on labour protection and overturning collective agreements, further weakening the bargaining power of workers. These were all outcomes of deliberate policy choices and reflected a lack of political will to address the employment challenges.
- 12. The current high levels of unemployment were due to lack of global aggregate demand, which itself had been caused by a long period of declining wage share due to a delinking of wage growth from productivity growth, cuts in social protection and public services, a rise in precarious work, and many years of regressive taxation, tax evasion and tax avoidance. She noted the success of countries that had adopted pro-employment macroeconomic policies, public investments, and social policies that reduced inequalities and promoted minimum wages, coordinated collective bargaining and social protection.
- 13. A comprehensive policy framework for freely chosen, full and productive employment and decent work, as stated in the Employment Policy Convention, 1964 (No. 122), was required, building on Office research on macroeconomic and industrial policies that stimulated demand, targeted employment creation and assisted developing countries in the process of structural transformation, as well as developing further research on: the impact of growing inequality on employment; the social and economic costs of job insecurity; policies that effectively limit precarious jobs; and the social and economic impacts of long-term unemployment and how to address it. The comprehensive policy framework also needed to include policies that addressed inequality and required policy coherence at both the national and global levels. A peer review mechanism, as called for by the 2008 Social Justice Declaration, should be established in the ILO and globally policy coherence needed to be enhanced.
- 14. The Employer Vice-Chairperson emphasized the importance of measuring the impact of action taken over the last four years, as the imperative was to achieve results. Employers were responsible for creating employment and for this reason the Office document should have placed more emphasis on the role of enterprises in creating employment. He asserted that the conclusions of the current discussion needed to recognize that enterprises were the driver of employment. For employers, the vision of the future was one of optimism.
- **15.** The work of the Committee should be to address what the Office had been asked to do; what the Office had actually done; which activities had worked and which ones had not;

² Unless otherwise specified, all statements made by Government members on behalf of regional groups or intergovernmental organizations are reported as having been made on behalf of all Governments members of the group or organization in question who are Members of the ILO and are attending the Conference.

what gaps remained; and how improvements could be made. The world today was experiencing changes in trade patterns, financial flows, industrial structures, availability of human and financial resources, and growth rates, among others. For this reason, the focus of the Office over the next few years should be on sustainable enterprises, drawing on the 2007 ILC resolution on sustainable enterprises. In concluding, the Employer Vice-Chairperson stated that the ILO needed to be the greatest facilitator of credible policies and approaches to promote employment on the global stage and at the national level.

- 16. The Government member of Greece, speaking on behalf of the European Union (EU) Member States, and Albania, Armenia, Iceland, Republic of Moldova, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Ukraine, said that the report provided a sound basis for the debate. Six years on from the financial and economic crisis, the various national labour markets were in different, and sometimes difficult, situations. Targeted and coordinated policies to address labour market challenges were essential, while social dialogue was key to building consensus and undertaking structural reforms for job-centred recovery and development. The discussion should aim to further define or adjust the ILO's priorities on the basis of the eight ACIs. She emphasized that the conclusions should be action-oriented and realistic in order to help constituents restore confidence in growth and jobs.
- 17. The Government member of Senegal outlined the main employment challenges in his country: low growth rates; strong population growth; high unemployment, particularly of youth between the ages of 15 and 35, and especially of young women; doubling in the unemployment rate of university graduates; increasing underemployment in rural areas; 80 per cent of young people worked in the informal economy; and poor social protection for workers. The working population was increasingly marked by low-skilled workers, mainly young people and women, particularly in the informal and rural sectors.
- 18. The Government member of Iraq stated that the financial and economic crisis had had a severe impact on the development of the economy and on investment. Current challenges included: striving for greater stability which had impacted on investment; combating terrorism and crime, which had flourished during the crisis; and creating employment. He noted that brain drain had led to shortages of skilled workers in medicine and the upper levels of industry. At the same time, immigration and irregular immigration to his country had resulted in an influx of workers accepting very low salaries, leading to growth in the informal economy, greater job insecurity, deteriorating working conditions, and reduced job opportunities for local workers.
- 19. The Government member of New Zealand welcomed the opportunity to review progress, identify what had worked since the first recurrent discussion on employment, and to set out a path for the future. His country was experiencing increasing growth, providing a good basis to meet the labour market challenges. However, New Zealand was challenged with elevated levels of long-term unemployment and youth unemployment, hence there was a need for the Committee to address coherent employment promotion policies, focusing particularly on skills development and the promotion of sustainable enterprises. The Committee should produce short, practical outcomes, with an emphasis on responsiveness to national circumstances.
- **20.** The Government member of Japan noted that her country's workforce had shrunk due to demographic changes and companies had limited their investments and wages. The country faced the challenge of pulling itself out of the vicious cycle of stagnating consumer demand and accelerating economic deflation. However, the current Administration had developed a threefold approach a bold monetary policy to end deflation, a flexible fiscal policy to stimulate the economy, and economic growth strategies

- to encourage private investment which had improved consumption and corporate investment. Job opportunities had grown, unemployment had decreased, the number of employees had increased to pre-crisis levels, and female labour force participation had shown substantial growth.
- 21. The Government member of Trinidad and Tobago noted the importance of the discussion given the uncertain labour market recovery. Though unemployment remained low in her country, the economic environment remained volatile due to global linkages. Climate change also represented a major concern. The goal of decent work was reflected in efforts to strengthen labour administration, encourage micro- and small enterprises, and develop infrastructure. Stressing the importance of the Office's support, Trinidad and Tobago had been able to make progress in formulating a number of policies on micro- and small enterprises, green development, labour migration, youth employment and investment. Convention No. 122 had been ratified. She underscored the need to include employment and decent work in the post-2015 Sustainable Development Goals (SDGs) and for the Office to build up national capacity in labour statistics, including through facilitating South—South cooperation. She reiterated the need for the Committee to propose clear targets and timelines, which should be incorporated in the Office's programme and budget.
- 22. The Government member of Belgium referred to the excellent report prepared by the Office and reiterated the range of employment challenges highlighted in Report VI, placing emphasis on the slowdown in growth and weak recovery in labour markets, increasing youth unemployment and long-term unemployment. He supported responding to the low level of demand through a more balanced approach to investment and consumption, offsetting weak exports. He emphasized the sustainable development dimension to consumption and the link to the post-2015 development agenda. In the context of ILO reforms, Belgium had placed emphasis on the ACI on more and better jobs for inclusive growth and would focus in particular on the issues of demographic change, youth employment, women in the world of work, inequality, long-term unemployment and social dialogue.
- 23. The Government member of Argentina stressed the need for putting employment at the centre of public policy through macroeconomic, labour and social policies focused on growth and social inclusion. Argentina had undertaken a number of initiatives including the "Jóvenes con Más y Mejor Trabajo" programme, which aimed to improve employability and job prospects for youth. Argentina placed considerable importance on formal education and vocational training. The creation of some 400 employment offices in Argentina had improved skills matching and training initiatives. He noted the importance of small and medium-sized enterprises (SMEs) as a creator of jobs. In response to the challenge of informality, Argentina had tackled unregistered work through a number of measures including the enactment of a law to promote formal work.
- **24.** The Government member of Ghana, speaking on behalf of the Africa group, noted that the *World of Work Report 2014* reiterated the employment challenges and confirmed the positive links between decent jobs and economic growth. The focus of the discussion should go beyond employment creation, to improve the quality of employment that would benefit the lives of people, particularly in developing regions such as Africa. The report underlined the high disparity in the quality of jobs in the developing world 1.5 billion people trapped in low productivity occupations and high levels of working poverty. Although working poverty in sub-Saharan Africa was declining, she stressed that the rate remained the highest among other regions, at 14.2 per cent as of 2013. The Africa group called for a proactive, employment-centred, inclusive growth strategy and coherent policy frameworks as outlined in the Office report. In this regard, she noted that the conclusions of the Special Session of the Labour and Social Affairs Commission of the African Union held in April 2014 recommended a similar approach. The Africa group appreciated the

Office report, but would have liked to have seen more precision and details on some of the outcomes of interventions.

- 25. The Government member of Algeria recalled that the debate centred on employment, an essential concern to all countries independent of their level of development. He reminded the Committee of many efforts to address the challenges: the Global Jobs Pact, the 2011 ILC recurrent item discussion on social protection and the 2012 ILC general discussion on youth employment, but that results were far below expectations. He stressed there was no one single solution, as countries faced different challenges, such as unemployment of graduates, increased precariousness, informality, low productivity, skills mismatch and brain drain. He added that developed countries were facing an ageing population, insufficient supply of labour, and competition pressures, all leading to the easy movement of capital in enterprises looking for less expensive locations.
- **26.** The Government member of Turkey underlined the importance of the ILO Declaration on Social Justice for a Fair Globalization in directing coherent social and economic policies to improve the quantity and quality of employment. Greater efforts were needed to improve the quality of existing jobs, income and extent of social protection. In his country, standards of living had increased and quality jobs created due to macroeconomic policy reforms over the last 15 years. Turkey's large youth population represented a key potential for sustainable development and measures were being implemented to enhance their employability. Progress had been made to provide women with greater opportunities in the labour market, although not at a satisfactory pace. As sustainable development and employment policies were important themes in the G20, Turkey would continue to focus on these issues when it assumed the presidency of the G20 for 2015.
- **27.** The Government member of France endorsed the statement made by the Government member of Greece on behalf of the EU. She highlighted various reforms adopted in France to offer better job security, improve transitions to the labour market, and target training to the most vulnerable populations, among youth, women and older workers. She hoped that the constructive exchange within the Committee would strengthen the work on integrating employment, decent work and social protection in the post-2015 development agenda.
- 28. The Government member of Morocco drew attention to a national project on "Promoting productive employment and decent work for youth in Algeria, Morocco, Mauritania and Tunisia" supported by the ILO and financed by the Government of Spain. Under this framework, a national employment strategy had been launched in Morocco with a shift from more narrowly managed active labour market policies (ALMPs) to a more extensive and integrated approach, structured around: employment diagnostics, development of a national employment strategy, and elaboration of a plan for action. In Morocco, the diagnostics had been completed, key constraints identified and four strategic objectives identified: creating productive and decent employment; enhancing human capital; improving mobility in labour markets; and better governance of labour markets both in terms of regulations and instruments for social dialogue.
- **29.** The Government member of Australia asserted that the Committee's conclusions and the plan of action to be adopted would need to set out clear, tangible outcomes with a practical forward-looking focus to guide the work of the Office and constituents in the coming years. The discussion would benefit from a stronger focus on practical measures which had been implemented, the rationale behind them, their effectiveness and their shortcomings, in order to determine policies which had been successful in contributing to economic development and sustainable recovery, as well as to identify national policy implementation options.

- **30.** The Government member of the United Arab Emirates stated that, while her country had suffered from the crisis, it had taken measures to protect the economy, which had resulted in a strong ranking by the World Bank and other international financial institutions (IFIs). The Government had clearly delineated its economic priorities, fostered cooperation with social partners to enhance social security, and invested in the economy to preserve jobs and protect workers' rights. Concurrently, private sector initiatives were supporting employment creation and would provide a future for the country's citizens.
- 31. The Government member of the Bolivarian Republic of Venezuela stated that the global economic outlook was not promising, labour markets were in a state of chaos, fewer decent jobs were available and income levels had stagnated. She declared that there was a need to review international approaches and build new, more productive economic models founded on human and environmental consciousness. Her Government had established humanist structural policies and mechanisms to reduce poverty and protect the social and labour rights of all.
- **32.** The Government member of the United States noted that the report identified many challenges that applied to her country: high rates of long-term and youth unemployment, low labour force participation of disadvantaged groups and growing inequality. The Office's efforts to strengthen its knowledge base in these areas had been appreciated and what was needed now was a focused set of conclusions that provided concrete guidance to strengthen work on the strategic objective of employment.
- **33.** The Government member of Canada stated that global economic recovery had been slow, with the effects of the crisis continuing to have a considerable impact on employment across the globe, and significant persistent risks. He noted that, while the Canadian economy had fared relatively well, many employment challenges persisted, and job creation and economic growth remained priorities for the country.
- **34.** The Government member of China stated that his country attached great importance to employment and economic policies that were conducive to job creation. China had the world's largest population and although its working age population was beginning to decline, it would have a very large labour force for a long time to come. There were an estimated record high of 7.27 million college graduates, necessitating serious job-creation efforts. Measures taken by the Government included implementing the employment strategy and coordinating economic processes, particularly to create jobs for youth, including through entrepreneurship and enterprise development, and strengthened vocational training and employment services.
- 35. The Government member of Egypt stated that high unemployment and declining economic growth became major challenges in the wake of the revolution in his country in 2011. Unemployment was particularly high among youth and women. The Government was working with international institutions, including the ILO, to reduce unemployment, boost demand, expand skills development and provision of social protection, promote social dialogue, reduce child labour and support gender equality and women's economic empowerment, helping women to find a balance between work and family responsibilities. Some job growth had taken place in 2013; nonetheless, implementing projects to create new jobs remained a national priority. The Government was seeking to promote policies to develop an entrepreneurial culture among youth, as SMEs were seen as an important source of employment creation. Training, including in soft skills, and labour exchange services were also being provided to support the entry of young people into the labour market.

General discussion

- Point 1. Shared understanding of current employment challenges and the main drivers of change
- (a) What are the main current employment challenges in different parts of the world, and what are the trends and underlying causes of unemployment and underemployment, informality, job security, wages, working poverty?
 - **36.** The Employer Vice-Chairperson remarked that the changing world of work gave rise to multiple challenges: how to make enterprises sustainable in order to create jobs; how to promote diverse forms of work; how to link skills with industry needs through training to avoid skills deficits; how to provide access to employment for women and youth, people with disabilities and other vulnerable groups, without enterprises incurring substantial additional work and costs; how to follow up on government commitments; how to foster research, innovation, science and technology to transform jobs and create added value; how to promote continued training in order to prepare for new opportunities and facilitate transitions out of obsolescent fields; how to create a better balance of policies adapted to different levels of economies to stimulate enterprises, and transform natural resources and wealth in certain countries into economic and employment opportunities; how to create legislative frameworks to foster trust and encourage investment in new and existing enterprises; how to avoid populist policies which secured economic advantages for governments but created risks for enterprises; how to ensure welfare benefits did not act as a disincentive to seeking employment; how to increase competitiveness at the enterprise, sectoral and country levels; and how to increase flexibility to enable enterprises to adapt quickly to changes, avoid job losses and create new jobs. He underscored the fundamental importance of: taking actions to adapt quickly to change and produce results; creating the requisite trust and legal certainty for the private sector to hire workers; and promoting entrepreneurship.
 - 37. The Worker Vice-Chairperson noted that the challenges which had been identified were also the trends which needed to be reversed: increasing global unemployment, long-term unemployment and underemployment, especially among young people; a significant drop in global employment and participation. As noted in the World of Work Report, most of the jobs that had been created were of poor quality, poorly paid; a disproportional share were precarious jobs and there was a growing level of job insecurity, a rise in temporary employment and a high vulnerability of migrant workers. These trends had preceded the crisis and their causes needed to be addressed, most importantly the lack of consistent pro-employment fiscal, monetary and industrial policy. Productivity and real wage growth were below pre-crisis levels and had become decoupled, which along with a decline in the recognition of labour rights and attacks on collective bargaining had resulted in greater income inequalities and a lack of demand. The failure of workers to obtain a fair share of the value added of their work was inhibiting development and decent work; moves out of the informal economy had slowed and were often into precarious forms of wage labour; and unemployment insurance was increasingly under attack. Temporary jobs that were clearly permanent had increased and more and more risks of employment had been shifted to the worker. She pointed out, however, that the report had identified some positive trends in countries that had taken a coherent approach to employment, wage, industrial and social protection policies, whereas countries that had focused on debt and deficit reduction had failed to create jobs. The underlying causes of other challenges, such as working poverty, stagnant or falling wages, weakening labour market institutions, growing informality and

- insecurity, included the lack of adherence to fundamental labour standards, which had led to the exploitation of workers. Collective bargaining and union membership contributed to stable and balanced industrial relations and reduced inequality. An attack on these mechanisms had resulted in a fall in wages and an increase in inequality and insecurity.
- 38. The Workers' group stressed that the ILO needed to develop an agreed framework for policy coherence at both the international and national levels. While recognizing the work the Office was doing in this area, many employment initiatives had not adequately addressed labour rights, employment targets, working conditions or labour administration. The Office should be the leader in this area, through its work at the country level. The lack of prioritization left employment as a derivative of other economic goals. In a context of depressed growth, austerity measures not only undermined restoring employment growth but were actually counter-productive. Expansionary monetary policy had been insufficient to stimulate demand, while investment had decreased in most of the world. The lack of industrial development in emerging and developing economies was constraining aggregate global demand as workers continued to be trapped in low-wage jobs. The best performing countries were those that had spurred domestic demand while maintaining exports. Public investment would have had a significant impact on employment, but had been constrained by a lack of fiscal means, which underscored the importance of giving more attention to reducing tax evasion, eliminating tax havens and avoiding harmful tax competition.
- **39.** In conclusion, the Worker Vice-Chairperson quoted the background report prepared by the Office which she stated was quite appropriate: "The road towards sustainable recovery and development requires proactive employment-centred, inclusive growth strategies and coherent policy frameworks, both at global and national levels in industrialized, emerging and developing economies alike" (Introduction to the background report (Report VI, paragraph 1)).
- **40.** The Government member of Greece, speaking on behalf of the EU Member States, and Albania, Armenia, Georgia, Iceland, Republic of Moldova, Montenegro, Norway, Serbia, the former Yugoslav Republic of Macedonia and Ukraine, noted that the recovery in 2013 was encouraging, but that the crisis had left its legacy in terms of fragile growth and high unemployment. She underscored the economic and social implications of the new demographic context. The focus on youth employment and long-term unemployment was welcomed given the large numbers of unemployed youth and the increase in the number of young people not in employment, education or training (NEET). The loss of skills would lead to an increase in structural unemployment. Female labour force participation was also critical for growth and to meet the demographic challenge. For this reason, gender inequality should be addressed within the context of balanced work and family responsibilities. The transition to green jobs should minimize job losses and exploit new growth opportunities through skills development and other measures. She noted that this policy agenda built on the Oslo Declaration from the Ninth European Regional Meeting.
- **41.** The Government member of Brazil noted that globalization continued to impact countries, while the new demographic context was important in terms of both the challenges arising from an ageing population and burgeoning youth population. The short- and long-term impact of new technologies on the world of work should be further explored. In turn, the challenge of skills mismatch required greater attention by governments to improve skills development. He stated that employment and decent work should be at the centre of any framework.
- **42.** The Government member of Saudi Arabia thanked the Office for the technical support provided in the consolidation of the national tripartite social dialogue framework and indicated her country's interest in sharing experiences and learning from others.

- **43.** The Government member of the Philippines characterized his country's situation as one of sustained high economic growth that had not yet been translated into job-rich development. He noted that unemployment and underemployment in the Philippines could be attributed to skills mismatch and the predominance of small and micro-enterprises in the economy. He recognized the role of the economic fundamentals as a necessary but not sufficient condition for quality and decent work and called for social policies that could help maintain the gains from economic growth while securing inclusion, cohesion and stability.
- **44.** The Government member of the Islamic Republic of Iran highlighted her country's follow-up actions to the 2010 discussions on employment including new employment policies. She referred, in particular, to the Government's efforts in addressing unemployment among graduates and the role of social investments in promoting an entrepreneurial environment through business training and skills upgrading responding to technological change.
- 45. The Government member of the Democratic Republic of the Congo stressed the significant challenge of unemployment among youth and women in her country, which had been further exacerbated by persistent poverty, low incomes, and a large informal economy. She indicated that youth suffered the largest negative impact from unemployment, underemployment and precarious work, with an estimated unemployment rate of 24.6 per cent. She pointed out women's disadvantages in the labour market were due to low qualification and schooling levels, which translated into lower incomes compared to men. She regretted the lack of information on labour migration of Congolese workers, a significant conflict-led issue throughout the country. She further described the socioeconomic context, poverty incidence, and the lack of access to basic infrastructure services, from water and sanitation to electricity. She highlighted the importance of continued investment in the Education for All initiative, which she recognized as an effective measure to improve skills and contribute to eradicating the worst forms of child labour. She expressed her confidence that the discussion would identify innovative good practices for the creation of more decent jobs.
- **46.** The Government member of Tunisia stressed the importance of the transition from the informal to the formal economy as a way of structuring the parameters of the labour market. He called for an economic approach to employment creation that did not neglect the social dimension. In particular, he emphasized the role of investment promotion, microfinance and micro-projects in fostering entrepreneurship and self-employment. He welcomed the discussion of the Committee and expressed its relevance for Tunisia's recently created social contract, established by the Government and social partners in January 2014, which had focused on decent jobs, vocational training and youth.
- 47. The Government member of Indonesia indicated that, although in his country economic growth was around 6 per cent, almost 7.4 million people remained unemployed. Employment was a key priority. National employment policies focusing on job creation, unemployment and poverty eradication had been put in place. Specific measures included training, certification and placement for jobseekers, and special employment services. Other initiatives addressed the protection of vulnerable groups and migrant workers. The implementation of the Board of Workers Social Security had started recently. Together with the Office, Indonesia had worked on a number of projects including on youth employment, Better Work, Sustaining Competitive and Responsible Enterprises (SCORE), and Start and Improve Your Business (SIYB).
- **48.** The Government member of Burkina Faso highlighted that unemployment and underemployment remained concerns because of gaps in putting employment policies into practice; implementation required further technical and financial partnerships. High population growth was another factor in developing countries. Employment should be

integrated in development plans together with structural policies. The Government had made considerable efforts to strengthen education and technical and vocational training. Another key area was the creation of an enabling environment for the private sector to create sustainable jobs.

- **49.** The Government member of Namibia affirmed that in his country youth and women were the most affected by unemployment and underemployment, and this was mainly due to low skills. The Government had recognized the importance of training and skills development and had introduced a tax rebate scheme for employers to encourage investment in human capital. However, skills development would not be sufficient and efforts were also under way to create an enabling environment for domestic and foreign investment to improve economic growth.
- 50. The Government member of the United States said that Report VI provided a useful description of the trends and underlying causes of unemployment and underemployment, informality and working poverty. The response should include three elements: (i) strengthening aggregate demand, economic growth and job creation; (ii) adjusting the labour market to respond to structural change in the economy; and (iii) addressing increasing rates of income inequality and poverty. As stated in the Office report, fiscal consolidation policies had contributed to slowing world economic growth since 2011 and the slow recovery of the labour market was partially the result of structural factors such as skills mismatches, lack of training and lower educational attainment. For example, there was a concern that the US workforce would not meet the demand for high-quality and skilled jobs over the following decade. Sectoral training programmes, on-the-job training, apprenticeships and career guidance services for students needed to be pursued. She also agreed with the report conclusion that increasing inequality could reduce aggregate demand and household consumption. Policy responses should be directed at generating quality employment and reducing informal employment complemented by appropriately designed minimum wages and effective national social protection floors. In line with the above recommendations, the current Administration was promoting an increase of the minimum wage from US\$7.25 to US\$10.10 per hour - a measure that could benefit 16.5 million low-wage workers – and was working on raising the skill levels of low-skilled workers.
- 51. The Government member of Canada explained that, while his country had experienced solid job creation throughout the recovery, the unemployment rate had remained above its pre-recession level and remained persistently higher among youth, persons with disabilities, older workers, indigenous peoples and recent immigrants. Canada had a small population spread out across a vast geography with 13 unique provincial and territorial labour markets. Natural resources, energy, high-tech, and manufacturing industries were spread unevenly across the country leading to high demand for labour in some regions and unemployment in others. Barriers to labour mobility needed to be addressed, and provincial and territorial governments were working to improve labour market information, among others. Technological change and globalization were key factors that could spur innovation and productivity.
- **52.** The Government member of Argentina affirmed that unemployment remained a global challenge. Long-term unemployment was becoming a concern especially in developed countries. Problems in helping young people enter the labour market were accompanied by concerns about the permanence of their employment, skill levels, increasing prevalence of informal employment and consequent low access to social protection. In Argentina unemployment had decreased and, as in many other countries in the region, there had been improvements in levels of equality, but the results were not sufficient. Finally, challenges could not be tackled in an isolated manner but required coherent macroeconomic, social

- and labour policies through social dialogue. He agreed with the Government member of Brazil that the quality of employment should be at the centre of policy discussions.
- 53. The Government member of Thailand shared that in her country the unemployment rate had been under 1 per cent over the past years and the main challenge was labour shortage. More and more people were continuing to tertiary education, leading to shortages of skilled workers for non-academic occupations. Better labour market information was needed to address skills mismatch. The national institute responsible for providing skills training and promoting skills development would benefit from better national data, global trends and opportunities to learn more about how to evaluate the effectiveness of the training provided. Other needs included: an in-depth qualitative study on underemployment and working poverty and better knowledge-sharing on technical skills related to new technologies.
- **54.** The Government member of Spain supported the statement made earlier on behalf of the EU and its Member States and further highlighted that part-time work was not necessarily linked to job insecurity. Indeed, part-time work might be a way to facilitate workers' access into the labour market, or to balance work and family time. This was an increasing phenomenon in Spain, and was seen to have encouraged employment creation.
- **55.** The Worker Vice-Chairperson indicated that there had been consensus on the mix of policies that were needed and the coherence among them. The global economy was an ecosystem of connected and interdependent factors and events: if one part of the system was inconsistent, the other parts would also not function properly.
- **56.** The Employer Vice-Chairperson highlighted the importance of building business confidence. Political stability and peace, sound and stable macroeconomic policies, physical infrastructure, an entrepreneurial culture and the respect for universal human rights were the key triggers for business confidence. An enabling regulatory environment particularly one that secured property rights and allowed fair competition, flexibility and smart regulations would also boost confidence. Labour market policies could help balance demand and supply and flexibility in contracts could help preserve jobs and create new jobs. Finally, policies promoting inclusion, such as tax policies encouraging investment and pro-employment social benefit systems, also built business confidence.
- Point 2. Review of the actions of the Organization and its Members to promote employment, including the follow-up to the 2010 ILC conclusions concerning the recurrent discussion on employment
- (a) What have been the employment and decent work outcomes of various macroeconomic policy choices, based on the 2010 ILC conclusions, taking account of the diverse contexts in which those choices were made?
 - 57. The Worker Vice-Chairperson indicated that the majority of macroeconomic policy choices made by governments since 2010 had included fiscal retrenchment, especially in Europe, promoted by the International Monetary Fund (IMF), the EU and the Organisation for Economic Co-operation and Development (OECD). In emerging economies the consolidation had been more modest, although reduced demand in countries following austerity strategies had started to affect their growth levels. Public debt reduction had been

prioritized over full employment despite evidence of its negative impact on employment and counterproductive impact on debt levels as well. IMF research had shown the negative impacts of fiscal consolidation on growing inequality, a long-lasting fall in the wage income share and an increase in long-term unemployment.

- 58. The impact on youth employment had been particularly forceful and little had been done to stimulate aggregate demand as recommended by the 2012 ILC call for action. Low interest rates had not spurred economic activity. Public investment remained a necessary component of economic recovery and governments should increase or recover fiscal capacity. One challenge was the lack of cooperation in setting tax policies. It was urgent to prevent tax evasion and harmful tax competition in order to stimulate demand and to promote employment. Some of the most successful companies had an effective tax rate of zero per cent. Japan and China were two examples of how employment outcomes had improved thanks to a combination of policies that sustained growth. Uruguay and Brazil had succeeded in improving wages and social protection, which stimulated growth and reduced inequalities. The employment crisis would not be overcome unless the Global Jobs Pact spirit was placed back in the centre of discussions and differentiated but coordinated macroeconomic, tax and wage policies were promoted, as noted in the Office report to the Committee on employment-oriented policy frameworks.
- **59.** The Employer Vice-Chairperson pointed out the lack of consensus on austerity policies; there were several policy options depending on the context and economic cycle. The discussion should focus on: (i) what policies generated work; (ii) what helped people to find and remain in employment; and (iii) what the Office had done in this regard. He expressed the Employers' view on the need for appropriate macroeconomic policies generated in a social dialogue context and reiterated that peace, political stability, social dialogue, an entrepreneurial culture, and a flexible regulatory environment for businesses were the key conditions for investment and job creation.
- **60.** The Government member of Greece, speaking on behalf of the EU Member States, and Albania, Armenia, Georgia, Iceland, Republic of Moldova, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Ukraine, stated that reducing unemployment, ensuring steady and sustainable growth and reinforcing social cohesion continued to be the key priorities for the EU. Employment policies were also needed to balance labour supply and demand. Some of the priorities included: pursuing differentiated, growth-friendly fiscal consolidation; restoring lending to the economy; promoting growth and competitiveness; tackling unemployment and the social consequences of the crisis and modernizing public administration. Monitoring and evaluation of public policy and programmes was essential to ensure returns on these investments and the efficiency of public spending. In this regard, the EU had established since 2010 a process of multilateral surveillance based on benchmarking, peer review and mutual learning which included the social partners. The Office focus on macroeconomic policies and sectoral approaches under the ACI on promoting more and better jobs for inclusive growth was welcome. The Office would need to support its constituents in assessing evolving macroeconomic conditions when requested.
- **61.** The Government member of Kenya stated that in her country employment creation and poverty reduction were at the heart of development plans. Kenya had undertaken a range of initiatives including two generations of Decent Work Country Programmes (DWCPs); the preparation of a national employment policy; a range of policy papers on employment-intensive programmes and micro- and small enterprises; and the establishment of the National Gender and Equality Commission to ensure mainstreaming of gender issues in the development agenda.

- **62.** The Government member of the Islamic Republic of Iran noted that demographic developments in her country had resulted in a large youth cohort entering the labour market, requiring the Government to adopt a broad range of pro-employment macroeconomic and ALMPs. These included fiscal and monetary stimuli to support SMEs and cooperatives, microfinance initiatives, promotion of entrepreneurship and training, among others. Much remained to be done in order to reduce unemployment. The ILO could play a role in undertaking comparative and analytical studies.
- 63. The Government member of Argentina declared that the main conclusion to be drawn from the experience of his country was that employment and decent work were achieved as a result of the macroeconomic policy pursued and its consistency with the goals of full employment, social protection and reducing inequality. Formal employment had increased and informality declined. The past decade could be divided into three periods: from 2003 to 2008, strong economic growth and the pursuit of active employment policies had boosted the creation of quality jobs; from 2008 to 2011, countercyclical policies had helped to combat the effects of the global financial and economic crisis, while collective bargaining had been retained, the minimum wage had been raised and social protection policies had been implemented. Finally, since 2012 policies had been pursued to tackle more specific problems, such as informal employment.
- **64.** The Government member of Guinea stated that his country had benefited from IMF and World Bank support to cancel US\$2.1 billion of its debt. This had allowed the Government to finance its 2012–16 Poverty Reduction Strategy Paper (PRSP), which targeted key challenges, including a 30 per cent rate of youth unemployment and an informal sector that accounted for 90 per cent of the country's labour force. Guinea had strong potential in the mining sector, but its exploitation had been limited to export of raw materials without adding value. Jobs created tended to be for foreign workers as Guineans lacked the required skills. Recently, the Government had initiated training programmes and measures to facilitate enterprise development. Ultimately, political stability would depend upon widespread access to decent work for everyone.
- **65.** The Government member of the United Arab Emirates highlighted the crucial role played by SMEs in sustainable development and in promoting entrepreneurship and jobs for young people. Her Government had launched more than 30,000 projects to support small enterprises, and had introduced Law No. 102 to promote projects for SMEs, with the aim of increasing their share of national income to 10 per cent.
- 66. The Government member of Switzerland said that the Swiss labour market had been performing well, despite difficult economic circumstances in the region. The Government's approach was fourfold: (i) macroeconomic policy focused on stability, with a sound, sustainable budgetary policy and a stable framework to promote job creation, aggregate demand and economic activity; (ii) investments in high-quality education, training and lifelong learning to enhance employability, respond to market needs, support growth and productivity and adapt to structural changes; (iii) social dialogue to find balanced solutions to the new challenges in each sector of the economy, particularly to maintain vocational training responsiveness to market needs; and (iv) investment in an inclusive social security system to protect workers from external shocks and to facilitate rapid, sustainable re-entry to the labour market and provide adequate income during the period between jobs. He acknowledged that the employment situation globally remained difficult and noted the important role played by the ILO in facilitating the exchange of experiences, both negative and positive.
- **67.** The Government member of Algeria emphasized the importance of financial support from the international community for vulnerable countries. The market economy should be reoriented towards people, combining economic effectiveness and social justice. His

country had put in place a stable macroeconomic framework, which had made a significant contribution to employment creation and to recovery in certain sectors by making the necessary public assets and infrastructure available to enterprises. A regulatory fund for hydrocarbons had enabled continued development programmes and reduced the country's external debt, while a national investment fund had provided continued support for investment and the economy. Algeria had introduced tax incentives to reduce costs, promote sustainable employment, and benefit projects of particular interest to the national economy, especially for green jobs.

- 68. The Government member of the United States said that her Government continued to promote policies on employment creation and growth, with complementary fiscal, monetary and labour market policies. The American Recovery and Reinvestment Act of 2009 had saved or created an estimated 6 million jobs and raised GDP by 2–3 per cent. The US economy had grown for 11 consecutive quarters, 8.5 million jobs had been created in the private sector since 2010 and the budget deficit had been substantially reduced. However, unemployment, particularly long-term and youth unemployment, was a problem and insufficient new jobs were being created. In its 2015 budget proposals, the Administration was seeking to expand the productive capacity of the economy and provide short-run support for aggregate demand. Investments in education, training, infrastructure, research and development and business were needed to increase productivity and long-term growth. She noted that productivity growth was an essential element of increasing wages and raising the living standard of workers.
- 69. The Government member of Brazil said that his country had achieved constant economic growth, except in the immediate aftermath of the 2009 crisis. It had raised 40 million people into the middle class, and 22 million people out of extreme poverty; more than half the population was currently considered to be middle class. Unemployment had fallen to a historical low, aided by macroeconomic and active employment policies. An initiative had been introduced to raise the minimum wage above the rate of inflation, aiming to recoup past losses and to increase purchasing power. Support for the transition from the informal to the formal economy and initiatives for training and capacity building, especially vocational training for young people, were additional areas of focus. Unemployment was currently at 4.6 per cent in Brazil, the lowest level in the post-war era. However, there was a shortage of skilled and semi-skilled labour, and hence a need to train workers for higher level jobs. Macroeconomic policies alone were not sufficient; they should be supported by promoting quality jobs and addressing inequalities in the labour market.
- **70.** The Government member of Japan stated that a bold monetary policy and a flexible fiscal policy had improved labour conditions in Japan. The unemployment rate had declined from 4.1 per cent in November 2012 to 3.6 per cent in February 2014. The total number of employed increased during the period 2010–13, and female labour force participation rates had risen significantly. In addition, the ratio of active job openings to applicants increased from 0.82 in November 2012 to 1.05 in February 2014.
- 71. The Government member of Chad noted recent improvements in job creation in his country, but that unemployment remained a major problem, especially for young people. The National Employment Policy was in the process of adoption and the country had undertaken a range of measures to support employment growth. Through its National Employment Promotion Office (ONAPE), a programme to support self-employment had been introduced, as well as pre-employment support for graduating students to help them enter the labour market, for example through internships. An agricultural credit programme had also been introduced to support rural employment and stem migration to urban areas. The Ministry of Micro-Credit had introduced additional loan programmes to support women and youth in development of livelihoods.

- 72. The Government member of China noted that his country's macroeconomic policy had supported the creation of 10 million new jobs. He stressed three areas in which China was concentrating its interventions in support of employment: (i) trade, fiscal and industrial policy measures were being introduced to support enterprise development, particularly SMEs; (ii) better education and vocational training were supporting youth seeking to enter the labour market and helped match labour supply and demand; and (iii) regulations and law enforcement were enhancing efforts against labour market discrimination. He welcomed the opportunity to further share China's experience in employment promotion with other countries and indicated that more research on matching labour demand and supply was needed.
- **73.** The Government member of Iraq noted that in his country increased investment was encouraged by national industrial and sectoral policies, including through measures to increase foreign direct investment. A law on micro-credit had also been introduced to support the unemployed in developing livelihoods.
- **74.** The Government member of Tunisia stated that the guiding principles in Tunisia's employment policy were that all jobs should be decent, productive and freely chosen, in line with the ILO's Declaration on Fundamental Principles and Rights at Work. In response to the continued employment crisis facing young people in his country, efforts were under way to improve vocational education and training and ensure better matching between training provision and labour market demand.
- **75.** The Government member of Senegal noted that her country had introduced a national employment policy in response to the development of a PRSP and the ILO's Global Jobs Pact. Senegal's economy grew slightly in 2010 but fell in 2011 and 2013, further motivating implementation of employment policies.
- **76.** The Employer Vice-Chairperson remarked that he was pleased that so many Government members, including those from Australia, China, Guinea and Spain, had all mentioned policy measures in support of enterprise development as critical factors in economic recovery efforts.
- (b) What actions have been taken and which policies have been applied that have resulted in increased investment and structural transformation; more sustainable enterprises; leading to decent and productive employment?
 - 77. The Employer Vice-Chairperson underscored that policies to promote investment, structural transformation and sustainable enterprises should be considered as part of a comprehensive approach to promote economic growth, productivity and competitiveness. Action was required to promote sustainable enterprises and the creation of productive employment. Sustainable enterprises were at the centre of economic development. Strategies were needed to: (i) promote a stable legal and economic environment, and good governance; (ii) develop policies adapted to the labour market; and (iii) establish priorities adapted to the specific situation of countries. Multiple policy options were available to promote investment and structural transformation that would enhance productivity, competitiveness and innovation. The Employers' group would continue to request the Office to highlight their efforts, including internal initiatives, in promoting more sustainable enterprises.
 - **78.** The Worker Vice-Chairperson confirmed that structural transformation and industrial development were critical for achieving higher incomes, sustained growth, productive jobs,

economic dynamism and social development. Very few countries had successfully achieved structural transformation. The current production structures in many developing countries remained characterized by low value added, low-wage, low-skill and lowproductivity sectors. Access to capital and technology were major challenges. Investment and trade policies in many developing countries had further reinforced this low value added structure, by liberalizing trade and entering the supply chain at the low end, when what was needed was more emphasis on the importance of industrial policies and the central role of governments in driving structural transformation. Moreover, as noted in the report, a focus on sectoral development was required, incorporating appropriate tariff policy. Systems for fair distribution of the benefits of growth were necessary, such as collective bargaining, minimum wages and social protection. Industrial and trade policies should be based on tripartite discussions, with important roles for social partners. Research including ILO-WTO work had shown that trade opening had not resulted in structural transformation in many countries but instead had led to deindustrialization and the move of labour from productive manufacturing to low value added agriculture activities and into informality. Foreign direct investment focused on linking into global value chains had not delivered structural transformation either. The Office's support for a comprehensive policy approach should identify industrial policies that help achieving structural transformation, including a focus on high-quality activities, targeted sector development in high value added production, investment in green jobs, domestic finance and protection for infant industries, careful tariff policy, vocational education and training, technological research and income distribution systems. The Office should undertake more research and ex ante assessments on the impact of trade liberalization on production, structural transformation, employment and decent work, building on earlier research with the WTO that pointed out the challenges of free trade between countries at strikingly different levels of development. Research was also required to assess the impact of global value chains on structural transformation. In addition, more work could be done by the Office at the country level to assist tripartite constituents in the development of industrial policies.

- 79. The Government member of Greece, speaking on behalf of the EU Member States, and Albania, Armenia, Georgia, Iceland, Republic of Moldova, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Ukraine, indicated that the Europe 2020 and the European Semester constituted an integrated process of policy coordination to promote sustainable and inclusive growth. Given the challenges facing the European labour market, immediate priority must be given to improving the functioning of the labour market in order to increase workforce participation. Sustainable investment would be encouraged through competition-enhancing reforms in product and services markets, increased competition and investment in network industries, and the opening up of the service sector. Human capital development was equally important, especially in tackling youth unemployment. Sectors with a high employment potential remained underdeveloped, including environmental goods and services, health care and personal and household services. Boosting these sectors would require fostering education and skills development. Moreover, a fifth of working-age adults in the EU lacked skills appropriate to the labour market. Investment in the modernization of education and training systems, including lifelong learning and addressing skills mismatches, would be critical. Sustaining existing jobs was also essential. The efficiency of public employment services and the effectiveness of ALMPs should be improved. New lending opportunities had been identified in critical areas such as innovation and skills, SME access to finance, resources efficiency and strategic infrastructure. Moreover, increasing credit enhancement capacities, expanding trade finance schemes for SMEs and strengthening cooperation between national and international development banks were key to restoring credit flows.
- **80.** The Government member of Norway explained that in his country, over the past decades economic policies had focused on four broad dimensions: (i) countercyclical stimulation of aggregate demand by expansive fiscal and monetary policies; (ii) tripartite income and

employment policies, negotiated with social partners, creating confidence; (iii) long-term supply-side policies to encourage training and employment in higher skilled fields; and (iv) fair distribution between generations. In Norway, similarly to Switzerland, this balanced and broad approach had contributed to achieving stable economic development, sound public finances, low unemployment, high employment and equality. Their experience confirmed that "equality is competitive". Although Norway had had a strong economic and fiscal situation partly due to oil production, the focus remained on employment. In conclusion, he recalled that this was the 50th anniversary of Convention No. 122, and indicated that it still offered an important foundation for countries' policy approaches to meet their aspirations for better employment outcomes.

- 81. The Government member of the Russian Federation highlighted that unemployment had risen with the start of the 2009 global economic crisis. As a result, the Government had been forced to adopt a series of measures, which included reducing labour migration and introducing ALMPs in regions with the highest unemployment rates. In total, the Government annually allocated some 2 billion roubles (about US\$70 million) to support job creation and subsidies for training and retraining of people who found themselves without work or were under threat of losing their jobs, particularly in single-industry towns. These measures annually contributed to the preservation of jobs for some 2 million people. Efforts had been undertaken during the Russian presidency of the G20 to maintain international attention on employment.
- **82.** The Government member of Japan shared that in June 2013 the current Administration launched a growth strategy that included countermeasures to the falling birth rate aimed at creating a sustainable labour force and productivity improvements in the labour market. She confirmed that the strategy had encouraged investments in new and growing industry fields, facilitating the transition of workers into those fields. Since then companies had increased profits and employee wages had increased.
- 83. The Government member of the Bolivarian Republic of Venezuela mentioned a number of structural policies that her country had undertaken to reduce poverty and to ensure decent sustainable employment. The plan launched in 2013 aimed at decreasing unemployment by 20 per cent by 2019. Industrial, financial, economic and technical development policies had also been introduced with the aim of reducing unemployment. She stressed the importance of including workers in policy dialogue with government and with the productive sectors of the country. She also added that they had applied measures to increase minimum wages, create a framework for part-time work and expand social security and pension coverage, which had led to a considerable increase of people with pensions from 1999 to 2014. The new ministerial structure included a national labour inspection system of social security and occupational safety and health, covering those working in agriculture and indigenous persons.
- **84.** The Government member of Brazil agreed with the Government member of Norway on the importance of macroeconomic and pro-growth policies for employment promotion. He noted that macroeconomic stability and pro-growth policies were important pre-conditions for decent work but were not ends in themselves. They were enabling conditions and allowed government the policy space for employment promotion. He emphasized that public and private sectors reinforced each other and were not to be seen as competitors: the private sector had an important role in job creation and the Government was responsible for creating an enabling environment for business and opportunities for partnerships. Public—private partnerships had potential for strong multiplier effects, particularly in developing countries. He considered education key to promoting long-term structural transformation and pointed out the ongoing efforts of Brazil in fostering structural transformation.

- 85. The Government member of Ghana, speaking on behalf of the Africa group, acknowledged the actions taken by the Office to support the promotion and adoption of national employment policies and the generation of poverty reduction strategies in African countries. The Office's support had taken into account the diversity of the continent. She also pointed out that, as recognized in the report to the Committee, the adoption of employment policies or strategies had not necessarily led to effective implementation and monitoring and evaluation. Further action was needed in these areas. She acknowledged the role of the private sector and public—private partnerships in generating employment in Africa and she recognized the value of technical cooperation projects implemented with the support of the Office. Decent work and productive employment could only be achieved with a completed transition to formality.
- 86. The Government member of Trinidad and Tobago said that investment, business creation, and economic growth along with skills training, education and employment assistance were essential to the generation of jobs and the alleviation of poverty. Her country had committed to placing workers at the centre of development in their 2010–15 planning. She described many government actions to promote employment through entrepreneurship targeted at the poor. Specific attention had been given to make "doing business" easier through business development services, public procurement opportunities for micro- and small enterprises, improving business registration procedures, and the Micro-Enterprise and Training Grant and the Youth Entrepreneurship Success Programme. A draft green enterprise development policy was also being elaborated. Finally, she mentioned three main lessons learned by the Government of Trinidad and Tobago in the area of employment creation, namely: (i) the importance of effective social protection systems to facilitate delivery of policies; (ii) the benefits of providing entrepreneurship and skills development programmes and of ensuring that job profiles and curricula matched private sector needs; and (iii) the need for policy coherence among government agencies and all organizations that could have an impact on employment.
- **87.** The Worker Vice-Chairperson agreed that political stability, peace and good governance were essential to employment creation and added that they were very closely linked to equality and giving people the opportunity to participate in development. It was helpful to understand which policies were, and were not, conducive to achieving these objectives.
- **88.** The Employer Vice-Chairperson cited a joint ILO-WTO study discussed during the Governing Body that recognized the role of trade and investment in improving living conditions and reducing poverty. He also cited a joint study by the ILO, the WTO, the World Bank and the OECD that stressed the contribution of open markets to growth and employment. He said that public investments were fundamental to ensuring an appropriate business environment that fostered confidence and trust. He stressed the importance of incorporating this in the work of the Office within the ACI on promoting more and better jobs for inclusive growth.
- (c) Which labour market policies have been successful in addressing inequality, decent employment and inclusion of disadvantaged groups?
 - **89.** The Worker Vice-Chairperson said that income inequalities had increased in the last 30 years as a result of wage shares going down and profit shares going up, greater wage dispersion, and less redistribution. The gap had widened further due to the crisis and had hit the poorest households, particularly children and young people. Many countries had failed to use taxation for redistributive purposes, instead favouring regressive tax regimes and tax concessions for companies; at the same time tax avoidance among the wealthy had

been exploding. Corporate power was having it both ways, exploiting workers on the one end and avoiding taxes on the other. Restrictions on freedom of association and collective bargaining in many countries had also precluded reductions in wage inequality. The rise of temporary, part-time and marginal work arrangements and a decoupling between wages and productivity growth had further increased inequalities and lowered aggregate demand. Furthermore, job security had been declining and permanent jobs were being replaced by temporary work, resulting in greater inequality and instability and in high personal and societal costs. IMF research showed that more inequality could be significantly associated with lower growth in the medium term. In order to address those challenges, governments could implement policies to close loopholes in labour laws and set limitations on the use of temporary work or self-employment that replaced permanent jobs. Other important policies to address inequalities and the quality of employment were progressive fiscal policies, minimum wage policies, promotion of coordinated and sectoral collective bargaining, and policies to build strong trade unions and promote women's participation in the labour force. Countries like Uruguay had shown that implementing such policies had positive results both for economic growth and reduced inequality. She encouraged the ILO to focus its research on: the impacts of inequality on employment and economic growth; the costs for society and business of job insecurity; the extent of the replacement of permanent employment with temporary employment; as well as the development of a policy framework assisting member States to address inequalities and increase aggregate demand, including tax policies, collective bargaining promotion, minimum wage policies, and policies which limited and regulated atypical work arrangements.

- 90. The Employer Vice-Chairperson emphasized the need for the ACI on productivity and working conditions in SMEs to cover all members of society, not just disadvantaged groups. Labour policies must include the promotion of diverse forms of work, and should be focused on the needs of the labour market. The minimum wage policy must balance the impact on workers with the effects on the sustainability of enterprises and job creation. Employment policies and vocational training programmes needed to be linked to the needs of the private sector. The inclusion of success stories and best practices in this regard would have been welcomed in the background report. He strongly emphasized that tackling income inequality must first and foremost lead to sustainable economic growth. That required both demand- and supply-side policies, policies for promoting an enabling environment for sustainable enterprises, and additional measures to facilitate equal access to education, the justice system, infrastructure and health care. Furthermore, tackling income inequality needed to go beyond treating the symptoms to address the root causes, such as unequal access to education, informality and low productivity.
- 91. The Government member of Greece, speaking on behalf of the EU Member States, and Albania, Armenia, Iceland, Republic of Moldova, Montenegro, Serbia and the former Yugoslav Republic of Macedonia, remarked that the reform efforts to improve the resilience and flexibility of the European labour market were on an unprecedented scale. The range of measures implemented would take some time to become effective. Adequate financing of ALMPs was needed, as well as improvements in targeting and efficiency. Initiatives to help youth who were looking for jobs to find them, as well as help those who were not in employment, education or training, included: Youth Guarantee schemes, apprenticeship programmes, and promotion of entrepreneurship and self-employment. She called for efforts to improve public employment services in developing effective, tailor-made interventions and to strengthen partnerships with other actors, notably employers. Against the backdrop of ageing populations, efforts should be made to improve participation rates of older workers. Finally, improving the matching of skills with labour market needs, lifelong learning and vocational education programmes were critical factors in addressing employment concerns.

- **92.** The Government member of Indonesia remarked that employment remained a challenge in many countries including her own. Provision of training, skills certification and job placement of the unemployed needed to be strengthened. Indonesia was developing an online labour market information system to assist the placement of the unemployed. She called on the ILO to deepen its technical cooperation efforts and to facilitate sharing good practices with other countries.
- 93. The Government member of Sweden shared his country's experience in developing "youth job introductory schemes", through tripartite agreements. The objective was to facilitate work experience and training through sector-specific initiatives whereby employers were offered a subsidy to hire registered unemployed youth. Contracts for eligible young persons included 75 per cent work with the employer and 25 per cent participation in training and guidance programmes. Wages were paid in accordance with sector-specific agreements. This scheme was expected to benefit 30,000 young people annually.
- **94.** The Government member of Turkey noted that unemployment had fallen from 14.9 per cent in 2009 to 9.7 per cent in 2013 in his country and 3 million people had benefited from unemployment insurance since 2000. While informality remained high in Turkey, considerable success had been achieved in reducing the level of informal employment. He concluded by stating that Turkey's Tenth Development Plan emphasized increasing gender equality and the labour force participation rate of women and that the National Employment Strategy and Action Plans document had been approved and published in the Official Journal of May 2014.
- 95. Associating with the statement made by the Government member of Greece on behalf of the EU Member States, the Government member of Bulgaria stressed that labour market policies supported economic and social recovery after a crisis. She indicated that, in Bulgaria, the national policy for employment aimed at reducing unemployment by providing jobs in the real economy, with priority given to disadvantaged groups. Financial incentives were provided to employers to hire the unemployed who were at risk of poverty and exclusion. Access to market-relevant training had been provided to the unemployed with low levels of education. At the beginning of 2014, Bulgaria had started a National Plan for Implementation of the European Youth Guarantee 2014–20, whereby youth under the age of 25 would receive an offer of employment, continuing education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. Looking towards 2020, the long-term employment strategy for people with disabilities was being implemented to promote their right to an independent career and improve their quality of life. In addition, the long-term unemployed were targeted through subsidies and job training. In the context of an ageing population, enhancing the active working life of people aged over 50 was an important public policy objective.
- **96.** The Government member of Algeria noted that support for job creation was an essential component of Algeria's national development policy. In that connection, his country had put in place ALMPs which promoted investment in sectors with high potential for employment creation; young people's entry into the labour market; training; job creation in enterprises; easier access to bank loans; and improvement and modernization of labour market governance. To implement the plan, focus was given to productive, employment-generating investment, encouraging entrepreneurship for young people, recruitment of young people in enterprises, and training to improve their employability and ease their adaptation to the workplace.
- **97.** The Government member of Senegal outlined three activities undertaken to improve employment outcomes: legal and institutional reform to promote universal health insurance coverage; strengthening safety and health in the workplace through such efforts as the ongoing formulation of a national policy on safety and health; and the development of a

Pact on Social Stability and Economic Emergence to improve social cohesion and promote productivity, competitiveness, investment and the creation of decent employment. Institutional structures had been strengthened, including the National Committee on Social Dialogue, which was to be upgraded to a High Council on Social Dialogue, tasked to guarantee implementation of these measures. In addition, his country had implemented a subsidy scheme targeting the poorest households to strengthen their employability and their insertion in the labour market. This scheme aimed to assist 14,000 young people by the end of the project.

- 98. The Government member of the United States agreed that generating quality employment, reducing informal employment, implementing targeted and effective public programmes for vulnerable groups, appropriately designed minimum wages and effective national social protection floors could reduce inequality and foster inclusion. She noted that education and skills generally led to higher wages and lower unemployment rates; quality employment was the best way to combat poverty. In the United States, efforts had been made to promote the labour market inclusion of disadvantaged groups, such as young offenders and high school drop-outs through targeted training, which provided industry-recognized skills. Initiatives had also been made to increase employment opportunities for persons with disabilities. Noting the disconnect between productivity and wages in the country, she informed the Committee that the Administration was attempting to raise minimum wages. Linking social protection to employment through ALMPs was key to inclusive growth. In this context, the Government supported the ILO's ongoing work to assist member States in creating and maintaining social protection floors in line with the Social Protection Floors Recommendation, 2012 (No. 202).
- 99. The Government member of Australia highlighted two innovative employment programmes implemented in his country. First, the national jobs placement programme, Job Services Australia, comprising over 100 for-profit and not-for-profit providers delivering employment services, had assisted over 2 million disadvantaged jobseekers over the last 15 years. Second, the concept of "mutual obligations", a long-time feature of the welfare system in Australia, placed certain responsibilities for the recipients in keeping with government commitment that youth not become dependent on welfare. He proposed that the two approaches be considered in the discussions of the Committee. Australia's policy also included apprenticeship grants and other measures to move more young people into skilled trades, promote inter-province mobility and reduce skills mismatch. He referred to today's skills mismatch as tomorrow's loss of productivity.
- 100. The Government member of Canada reflected on the skills mismatch, stressing the need to connect Canadians to available jobs through access to labour market information and reforms to the Employment Insurance programme to better match the unemployed with local job opportunities. He noted that Canada was working on better aligning its skills training system with investments in advanced research and innovative capacity, in order to make the skills training system more demand driven. Interventions continued to increase apprenticeships and internships for youth; improve assistance to integrate migrants into the labour market; target investments and workplace accommodation incentives for persons with disabilities; upgrade skills for the indigenous population; and support communities with a heavy presence of traditional industries to ensure that the most vulnerable were not left behind by economic change.
- 101. The Government member of Norway stressed that successful labour market policies required a good combination of universal and targeted approaches; tailoring programmes with close mentoring and coaching to vulnerable groups; and a fair social security floor for all. In regard to youth employment, he advised that a combination of polices was essential including: employment-oriented macroeconomic policy; ALMPs; youth guarantees; transition programmes; mutual obligation programmes; special mental health and work

- programmes; and job inclusion programmes for persons with disabilities and marginalized immigrant youth.
- 102. The Government member of Brazil outlined two successful initiatives: the minimum wage policy, based on an agreed formula that took into account productivity growth and inflation, and the conditional cash transfer–family stipend programme for low-income families, which provided subsidies of approximately 25 per cent of the minimum wage under the condition that children attend school. He emphasized that these strategies had proven to reduce poverty and inequality in Brazil.
- **103.** The Government member of Japan shared that her country's growth strategy supported disadvantaged groups among youth, women and the elderly by: reforming higher education systems; supporting smooth transition into the labour market; and encouraging participation in the labour market.
- **104.** The Government member of Iraq explained that labour market policies, particularly for disadvantaged groups, focused on measures to promote and encourage employment through micro-credit with no interest for poor women and widows and targeted training programmes. The Government was conducting a market study to determine which measures increased productivity and created employment.
- 105. The Government member of Trinidad and Tobago stressed the importance of protecting rights at work and ensuring that international labour standards were upheld. She gave examples of Trinidad and Tobago's rights-based approaches to promote decent work, such as: the increase in the minimum wage; the increase in the period of paid maternity leave; and the training of labour inspectors to effectively monitor and enforce minimum wages. The Labour Advocate Training Programme, launched in 2012, aimed to empower community advocates to become activists for decent work. Furthermore, special attention was being given to the rights of domestic workers; promoting workplace policies through their tripartite flagship HIV/AIDS advocacy centre; and recognizing collective bargaining.
- 106. The Government member of Zimbabwe highlighted the adoption of the country's first National Employment Policy Framework (2010), which facilitated the establishment of a tripartite employment forum to coordinate the implementation of employment measures. He said that the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim-Asset) included the creation of 2.2 million new jobs by 2018. He described the ongoing collaboration of the Government of Zimbabwe, the ILO, social partners, and other stakeholders, including the Danish-led African Commission, in the implementation of technical cooperation projects for youth, rural employment and economic empowerment. The skills programme under the abovementioned collaboration had been adopted formally by the Government as a national framework for the economic empowerment of youth, which included efforts to address the employment challenges of urban and rural youth through informal apprenticeship systems.
- 107. The Government member of Comoros noted the impact of underemployment in the country, which particularly affected workers in rural areas, and the disconnect between the education and training systems and the needs of the labour market. Accordingly, the main goals of the national employment policy were: (i) skills development and employability; (ii) sectoral promotion of employment creation, particularly in rural areas and in relation to public employment; (iii) promotion of employment opportunities for youth and women; and (iv) strengthening the quality of governance in relation to employment policies. She requested the ILO's support for the implementation of the national employment policy.
- **108.** The Government member of Saudi Arabia noted the increase in female labour force participation, increasing from 55,000 in 2009 to 400,000 in mid-2014. Increasing

employment was not enough, and she outlined measures on job quality including: a wage protection system to monitor compliance with wage laws; extended wage subsidies; launching an unemployment insurance programme; and creating a tripartite commission to determine the first national minimum wage policy. She noted that ALMPs particularly targeted youth, women and persons with disabilities. The inclusion of workers with disabilities ranked high among government priorities, including providing incentives to enterprises for the recruitment of workers with special needs.

- 109. The Government member of Argentina indicated that the creation and promotion of decent jobs had helped reduce inequality in the country. Macroeconomic and sectoral policies along with labour market policies facilitated the increase of registered employment, a positive trend in real earnings, and improved support to vulnerable groups in the labour market. He highlighted the achievements of the National Council for Employment, Productivity and Minimum Wage, which allowed the setting of the minimum living wage through tripartite negotiation, as well as the promotion of collective bargaining and labour inspection policies. The Government had introduced strategies to reduce unregistered employment, incentivize formalization, combat child labour and expand the social protection system.
- 110. The Employer Vice-Chairperson stated that employment and labour market policies needed to provide all workers with job opportunities, not just vulnerable groups. From the employers' perspective, it was most important to enhance employability so that everyone could participate in the labour market. Sustainable employment required the provision of education, training, apprenticeships and lifelong learning. Adequate social protection also required sustainable enterprises. Enterprises also had social responsibilities, which they had embraced since adopting the conclusions on the promotion of sustainable enterprises in 2007. These pillars were all central to labour market policies across all sectors, and would allow enterprises to increase their job offers.
- 111. The Worker Vice-Chairperson declared that addressing growing inequalities and creating decent employment required a mutually reinforcing approach that included labour rights, collective bargaining and freedom of association in addition to the job creation initiatives discussed by governments. Labour market policies were part of a holistic package that would generate a virtuous circle of stimulus leading to jobs and resulting in economic growth. She underlined that youth should not be perceived as an employment problem, which would result in their victimization; rather, the real problem was poorly performing economies that were failing to generate adequate jobs for young people. Finally, in response to the intervention of the Government member of Australia, she believed that changes in social protection in Australia would have negative effects on the long-term employment prospects of young people.
- (d) What actions have been taken and what policy coordination mechanisms have been put in place at the national and international levels to improve employment outcomes?

How could we further promote the inclusion of employment goals in the post-2015 sustainable development agenda?

112. The Employer Vice-Chairperson suggested that a holistic approach required forging closer links among macroeconomic, fiscal, industry, trade, investment, environment and employment policy. He stressed that policy coordination, within the ILO's core mandate on labour and employment, was not intended to downplay the comparative advantages of

- individual countries and that countries should not be expected to apply a universal policy approach. Each country should be free to create the best policy mix to respond efficiently to its own challenges.
- 113. He reaffirmed that policy coordination decisions should involve social partners, especially since such decisions affected enterprises. The Employers supported the ILO's engagement in the debate on the post-2015 SDGs, together with tripartite partners, and working with the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACT/EMP), as growth and job creation through the creation of an enabling environment, development of entrepreneurship and sustainable enterprises was central to poverty eradication and development. The set of post-2015 SDGs must: be amenable to transparent tracking, linking actions to achieve targets; balance economic, social and environmental dimensions; be focused, simple, flexible, multidimensional and universal; and be owned by all. Given the centrality of enterprises in promoting employment, he added that the SDGs should also reflect business priorities by: creating the right regulatory environment for business to thrive; developing entrepreneurship and fostering sustainable businesses; facilitating foreign investment and trade; providing communications and infrastructure; recognizing education, skills and training as key to future sustainable development; and enabling partnerships to deliver growth.
- 114. The Worker Vice-Chairperson indicated that if full and productive employment and decent work were core national objectives, then governments had the responsibility to evaluate the impact of all their policies on employment and decent work outcomes. Inter-ministerial coordination was key to policy success, in line with Convention No. 122, as most policies that impact on employment were outside the realm of labour ministries, and she welcomed the growing number of countries that had successfully developed employment policies through coordinated efforts and tripartite dialogue. More progress needed to be made, however. She regretted the lack of policy coordination by the G20 during the recent economic crisis that resulted in actions such as fiscal retrenchment which had ultimately reduced growth opportunities.
- 115. In addition to macroeconomic policy coordination, she stressed the importance of coordination on wages, working conditions and fiscal policies, particularly with regard to taxes, which were all important to stimulate aggregate demand. She cited the ILO's Global Employment Trends of 2014, highlighting the potential positive impact of better policy coordination, and called on the ILO to assist countries in this regard through: the development of a mechanism for countries to promote coherence in policy development, implementation, monitoring and evaluation; the establishment of an employment policy peer review mechanism at the ILO to facilitate assessments and sharing of experiences; and the promotion of policy coherence at the international level in the G20 and with respect to the IMF article IV reports, which should benefit from an ILO assessment of employment outcomes. The Office should undertake further research on the benefits of policy coordination for employment growth. It was of paramount importance to ensure that full and productive employment and decent work were incorporated in the post-2015 development agenda as a stand-alone goal and both the Office and the constituents should promote that.
- 116. The Government member of Ghana, speaking on behalf of the Africa group, called for better policy implementation, an effort that should begin with the identification of gaps in delivery and evaluation, while bearing in mind national and regional specificities. She described two initiatives undertaken in Africa to strengthen policy action, namely the Ouagadougou 2004 Declaration on Employment and Poverty Alleviation in Africa, including its ongoing progress review, and the New Partnership for Africa's Development (NEPAD) which had served as a platform to carry out development activities throughout the continent. On the basis of these experiences and lessons learned, she re-emphasized the

need for more and better monitoring and evaluation of policies. In reference to the post-2015 sustainable development agenda, she acknowledged and celebrated the visibility the ILO had given to employment. She reminded the Office of the request voiced during the 317th Session of the Governing Body to assess the reasons why certain countries and regions had not been able to achieve the Millennium Development Goals (MDGs) and asked the Office to meet this request. She reminded the Office of its commitment to the Extraordinary Summit on the implementation of the 2004 Ouagadougou Declaration and Plan of Action on Employment and Poverty Alleviation to be held in September 2014.

- 117. The Government member of Greece, speaking on behalf of the EU Member States, and Albania, Armenia, Bosnia and Herzegovina, Iceland, Republic of Moldova, Montenegro, Serbia and the former Yugoslav Republic of Macedonia, stressed the importance of global and regional policy cooperation for the promotion of full, productive and freely chosen employment. The latest G20 declarations provided further encouragement in that regard and she welcomed the Office's involvement and continued cooperation with the G20 and with other international organizations. She expressed commitment towards multilateral work and the implementation of better governance measures to strengthen the social dimension of the European Monetary Union. Recognizing the unique role of the ILO in the post-2015 discussions, she welcomed the Office's proposals on goals, targets and indicators. She noted the commitment of the EU and its Member States to advocate for full and productive employment and decent work for all, higher levels of youth employment, social protection floors, and inclusive and sustainable economic growth, as evidenced during the last Open Working Group on Sustainable Development Goals. She concluded by stressing the importance of the contribution of employers and workers to the post-2015 development framework and discussions.
- 118. The Government member of Japan recognized the efforts of the ILO to incorporate employment and social protection issues in the post-2015 development agenda, as well as to align its Strategic Policy Framework with that of the United Nations. She asserted that the ILO should strive to establish a clear indicator of employment for incorporation in the SDGs.
- 119. The Government member of Senegal stated that her country had taken measures on three fronts to create decent work. First, creating an economic framework conducive to job creation included the Plan Sénégal Emergent, which contained sectoral strategies for growth, and the Programme de Réforme de l'Environnement des Affaires. Second, sectoral policies in the field of skills and employment included reform of the training system, the elaboration of a national employment policy in 2014 and the Youth Employment Action Plan 2014–18. Third, the establishment of an overall framework for employment and the labour market included improving labour market governance and legislation, the establishment of a fiscal and investment regime that favoured employment creation, the establishment of new social security and labour codes, and the setting in place of a simplified tax regime for small enterprises to help tackle informality and expand social protection.
- 120. The Government member of the Philippines stated that institutionalizing social dialogue in policy-making processes at the national and international levels was of paramount importance to coordination, coherence and success. He stated that the Philippine Labour and Employment Plan 2011–16 had been formulated through dialogue with a wide array of stakeholders, including the social partners and civil society, and had placed employment, with a particular focus on youth, at the centre of the national development agenda. The plan addressed a range of employment and labour market issues including skills mismatches, productive transformation, ALMPs, social protection reforms, wage setting, protection for migrant workers and a holistic programme for the reintegration of returnee migrant workers, among others. The post-2015 SDGs required stronger and more inclusive

- public—private partnerships, which could include institutional capacity building and information sharing on the demand and supply of labour. The ILO had a facilitating role to play in ensuring the inclusiveness and sustainability of economic growth and development.
- 121. The Government member of the United States emphasized that the economic focus in her country was on job creation, workforce development and boosting income security for workers and their families. At the international level, the G20 labour and finance ministers had committed their continuing efforts to ensuring that macroeconomic policies were conducive to increasing quality employment. She welcomed the ILO's efforts to strengthen its research and data collection efforts in the field of macroeconomic policies and labour markets; expressed support for its research, capacity building and policy advisory services; and encouraged continued engagement with the World Bank, the IMF and other relevant international institutions. The Office's inputs to the post-2015 SDG process were appreciated.
- 122. The Government member of Iraq stated that the Ministry of Labour was organizing the labour market through various initiatives such as tracking migrant workers, addressing social protection coverage, and expanding training provision and apprenticeships. Policies and standards needed to apply to all companies operating in Iraq. At the international level, his country participated fully in the activities of the Arab Labour Organization, and received support from the ILO in implementing policies and programmes. Finally, in the context of the post-2015 SDG framework, the Ministry of Planning was working with the Ministry of Labour to establish a single policy for jobs.
- 123. The Government member of Argentina noted that his country had established an interministerial forum to evaluate the growth potential of specific sectors and to identify ways to improve competitiveness. Action plans had been developed to address barriers to economic and employment development, such as improving access to vocational education and training and encouraging the uptake of new technologies. In 2011, Argentina had developed a strategic plan on lifelong learning, innovation and employment. Through its participation in the G20, Argentina had called for increasing opportunities for decent work globally.
- **124.** The Government member of the Democratic Republic of the Congo remarked that, despite recent growth of GDP, poverty remained a problem for the vast majority of the people in her country. Increased partnerships to support employment were needed as well as additional financial resources. The country had contributed to the post-2015 agenda by convening the social partners to reflect on priorities for employment creation.
- 125. The Government member of South Africa remarked that the Global Jobs Pact provided an inclusive and consultative process to ensure coherence between economic and employment policies. There was a need to scale up interventions in the employment arena, to be discussed at the forthcoming Extraordinary Summit on Employment and Poverty Eradication in September 2014 in Burkina Faso. His Government supported expanded ALMPs and targeted policy responses and support to youth employment, for example through apprenticeship programmes. He encouraged the ILO to examine ways to encourage domestic resource mobilization in countries in Africa. Social protection measures were key to reducing vulnerabilities, and social dialogue in support of job creation was essential.
- **126.** The Government member of the Russian Federation noted that his country sought ways to increase the labour force participation rate of older workers, noting that the labour force would shrink by about 6.5 per cent by 2030. The Russian Federation sought to increase the number of highly qualified workers and expand the number of jobs in the service and

health sectors, as well as in high technology. Measures were being undertaken to improve vocational education and training and the geographical mobility of workers.

- 127. The Government member of Zambia remarked that her country had established the National Industrialization and Job Creation Strategy to address high unemployment. The Sixth National Development Plan and the national budget were aligned to channel resources to four priority sectors identified as having the highest employment growth potential: construction and infrastructure development, tourism, agriculture and manufacturing. A major challenge remained the monitoring and evaluation of the impact of measures taken and she urged the Office and the Committee to pay special attention to this issue.
- 128. The Government member of Tunisia noted that coordination of policies was vital to improve employment outcomes. His country had established various bodies to address this concern, including a national forum on employment and a tripartite pact that focused on job creation. He thanked the Office for its support in establishing a national social contract and subsequent assistance in the form of technical advisory services to the tripartite constituency.
- **129.** The Government member of Indonesia outlined her country's five-pillar approach to ensuring job creation: labour market information; entrepreneurship; promotion of labour force skills and capacities; a labour-intensive infrastructure investment programme; and an emergency job creation programme.
- 130. The Worker Vice-Chairperson, in response to the Employers' statement that countries should wholly decide on their own policies, countered that the ILO was mandated to promote good practices and provide sound advice in order for the goals of its Constitution to be achieved. She called for a comprehensive policy framework for employment, which could be used to respond to the specific circumstances and employment challenges in each country.
- 131. The Employer Vice-Chairperson contended that it was not the work of the ILO to specify certain policies, but to facilitate the coordination of the wide variety of policies and means of action. Governments should have the freedom to apply the most appropriate instruments, in cooperation with employers' and workers' organizations. The Employers would have welcomed information in the report of the Office on the implementation of the 2007 ILO resolution on sustainable enterprises and on research which could be used to guide policy at the national and international levels. The Employers were not convinced of the Workers' proposal for a new global policy coordination mechanism, as the ILO was already active at the international level, and the important policy work happened at the national level. The peer review of employment policies proposed by the Workers had been attempted at the Governing Body but had not been deemed useful and hence had not been continued; a clear idea of how a peer review could be done differently was needed.

(e) What action has been taken by the Office to support constituents in the above areas and with what results?

132. The Worker Vice-Chairperson recognized that the Office had implemented a broad range of actions; demand for ILO services had increased as its support was valued and valuable. She thanked the Office for the greater focus on employment-centred macroeconomic policies and its research and country-level technical cooperation, and proposed that the macroeconomic policy framework developed could form the basis of a broader policy framework for the promotion of full and productive employment and decent work. The ILO's advocacy on stimulating global demand was important and welcomed. However, too

few countries were implementing employment-centred policies and the Office should increase its efforts in technical assistance and advocacy, including in cooperation with other international organizations. It should also improve coordination and be involved in IMF Article IV country visits to provide parallel policy advice. The Office should build on its research on trade and industrial policies to provide policy guidance and country-level work, and should include industrial policies in the macroeconomic policy framework. It should develop a practical tool on industrial policies and their implementation. Work on employment-intensive investment and employment guarantee schemes had been successful and should be continued. More resources, research and guidance were needed on employment quality, inequality, and the effects of long-term unemployment, which were areas that had been hugely under-resourced, and a policy package should be developed to assist constituents to address those challenges. The Office's efforts to foster entrepreneurship and improve working conditions in SMEs would benefit from greater trade union involvement at the country level and better incorporation of workers' rights in all programmes, and should be better integrated with the rest of the Office's activities. The Office should increase its activities related to MNEs, cooperatives and the social economy, which was a long-standing and important area of work. The ILO had done good work on skills development, and should focus in particular on vocational education and training. The commitment to put social partners at the heart of skills development was commendable. It was crucial to integrate international labour standards into all areas of the Office's work. In general, the Office needed to better coordinate its own actions and create synergies among programmes and projects. Comprehensive frameworks needed to be better implemented, with inputs from different departments, as that was the only way to facilitate substantial progress in the area of employment.

- 133. The Employer Vice-Chairperson acknowledged the action taken by the ILO to support sustainable enterprises, but called for more to be done to support and promote an enabling environment for sustainable enterprises, as this was crucial to employment creation. There had been no evidence that the development of the ACIs had been guided by the conclusions of the ILC resolution on sustainable enterprises. He urged the ILO to make issues surrounding enterprise growth and the wider enabling environment the central focus of its work, in order to maximize its impact on productive employment promotion. Impact assessment was crucial to provide insight into what was and was not working and why and on how to make improvements. Although the Office had stated that it was too early to judge the impact of enterprise-level initiatives, a framework with timelines for doing so would be useful. Work with the World Bank's "Doing Business" team and tapping their data and knowledge could provide valuable information for the Office's work on promoting an enabling environment for sustainable enterprises.
- 134. In an evolving world of work, it was important for constituents to anticipate future changes in order to be more proactive instead of reactive in addressing opportunities and challenges. The Employers would therefore like to see the ILO build up knowledge in this area. The symposium organized by ACT/EMP in November 2013 had produced a rich and helpful discussion of benefit to all constituents. The ILO's publications should be balanced and well researched, and clearly set out the costs and benefits of policy proposals. More concept notes on topics crucial to economic growth, employment creation and decent work would be welcomed. The ILO should conduct a rigorous review of international labour standards and their relevance to the changing world of work, to have standards that are "ratifiable" and deliver on the Organization's objectives.
- 135. The Government member of Greece, speaking on behalf of the EU Member States, and Albania, Armenia, Bosnia and Herzegovina, Georgia, Iceland, Montenegro, Republic of Moldova, Serbia and the former Yugoslav Republic of Macedonia, underscored the critical role of the ILO in providing expertise and encouraged the Office to continue mapping employment challenges and using its tripartite structure to deal with complex issues. She

welcomed the findings of the 2012 independent evaluation of the ILO's strategy for integrating inclusive employment policies, which highlighted the increased visibility of the Office in this area. She stressed support and praise for the work of the Office on macroeconomic frameworks, its influence in international forums, including the G20, and its efforts to enhance its trade, investment and industrial policy expertise. Strengthening its employment impact assessment methodologies would help the Office provide strategic guidance to Members, for example on infrastructure investments, or on linking an enabling environment for enterprises with enterprise performance. The development of the "Enabling Environment for Sustainable Enterprises" methodology, activities on the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policies (MNE Declaration) and other training schemes by the Office were, therefore, welcomed. Given the importance of combating youth unemployment as an objective, as noted in the 320th Session of the Governing Body, the efforts of the Office to develop its expertise and support in this area were supported. The Office's work on skills development and training was welcome and she stressed their interest in its activities to avoid skills mismatch, develop the public-private knowledge-sharing platform, support national skills policies, promote tools on skills anticipation and develop quality apprenticeship schemes.

- 136. The Government member of Switzerland praised the Office's work on trade and employment since the recurrent discussion on employment in 2010. He asserted that the research done by the Office had advanced discussions on this topic, and encouraged the Office to undertake further research and strengthen collaboration with other international organizations. In addition, the importance of the Office's technical cooperation projects, namely SCORE and Better Work, were highlighted. These initiatives had shown the positive relationship between decent work and productivity, while also demonstrating how enterprises' integration in global supply chains required respect for fundamental principles and rights at work. Welcoming the extension of the SCORE project, he recommended that the Office strengthen its work in the area of public—private partnerships.
- 137. The Government member of Japan recalled the 2012 ILC resolution on the youth employment crisis, noting that Japan had established a technical cooperation project to build a database on policies to promote youth employment in the Asia and Pacific region. Through collaboration with the Office, countries were encouraged to share good practices and assist other member States tackle their employment challenges.
- 138. The Government member of the United States called on the Office to expand its research and knowledge base and scale up its support to member States in linking national employment policies to working conditions, labour administration, wage policy, freedom of association, collective bargaining and occupational safety and health. The Office's support to member States to improve employability and productivity through skills development was acknowledged. In this context, the stronger focus on apprenticeships was also recognized, which should continue to receive attention. She emphasized that the Office should continue to prioritize empirical research, especially on trade, employment, sectoral transformation and skills development, while expanding its public outreach to increase visibility among policy-makers.
- 139. The Government member of the Democratic Republic of the Congo outlined the support provided by the Office, including the formulation of a national employment and training policy (from 2007), a national plan of action for youth employment (2008), a national plan of action to combat child labour (2011), and a national vocational training policy (2014), along with assisting discussions on the post-2015 agenda by the social partners. In addition, the Office had supported a technical cooperation project that had focused on job creation for youth in the Katanga region, building on growth in the mining industry. The Ministry of Labour had reviewed its functions in order to improve the delivery of its

services and had developed a sectoral policy consistent with the country's strategy for growth and employment for poverty reduction.

- 140. The Government member of Australia, in its current presidency of the G20, expressed appreciation for the ILO's continued active participation in the G20, and particularly for the expert analysis and policy advice provided to the G20's Task Force on Employment, which had helped determine effective employment policies. He noted that G20 countries had committed to lift collective GDP growth by more than the 2 per cent above the trajectory implied by current policies over the coming five years, especially to contribute to stronger global job growth. He added that G20 countries were developing national growth and employment plans, in an effort to prevent unemployment from becoming structural, to create better jobs and to boost labour force participation, especially among women. In conclusion, he encouraged the ILO to continue to engage with all relevant multilateral forums to promote employment and policy coordination.
- **141.** The Government member of Sri Lanka shared that a national employment policy was approved by the Cabinet of Ministers and a tripartite national action plan on macroeconomic policy, vocational training and education, labour market institutions, entrepreneurship, and active and passive labour market policies, had been submitted for approval. He expressed his appreciation for the support extended by the ILO in developing this policy.
- **142.** The Worker Vice-Chairperson, responding to the Employer Vice-Chairperson's comment on a universal policy approach, recalled that the ILO had made great efforts to influence the international debate on policy coherence. She stressed that efforts should be made to strengthen, not to weaken, this position, and that a peer review process could further help countries learn from each other's experiences.
- Point 3. Implications of the evolving external and internal contexts for the work of the Organization on employment
- (a) What should be main elements of a comprehensive framework to create decent employment that would be relevant and effective for the next period?
 - 143. The Employer Vice-Chairperson called for a holistic and integrated approach to employment strategies. Both demand and supply-side policies needed to be pursued in order to set in motion a virtuous cycle of investment and output growth that could in turn promote employment. The framework needed to adapt to the structural changes in the global economy and the world of work. As envisaged in the 2008 ILO Declaration on Social Justice for a Fair Globalization, actions needed to be evidence-based, grounded in reality, and reflected in the ILO's programme and budget. The promotion of sustainable enterprises should be at the core of such a comprehensive framework, since without a conducive environment for enterprises and entrepreneurship, there could be no sustainable employment creation. It was imperative to focus on country-level actions, bearing in mind their individual specificities, for example as called for in the conclusions of the 2013 ILO European Regional Meeting in Oslo.
 - **144.** The Worker Vice-Chairperson reaffirmed commitment to the existing range of valuable ILO frameworks, including the Global Employment Agenda, the Global Jobs Pact, Convention No. 122, the conclusions from the 2010 recurrent discussion on employment,

the 2012 call for action on youth employment and, more fundamentally, the Social Justice Declaration and the international labour standards. Pre-existing imbalances and the root causes of sluggish growth needed to be addressed in a coordinated way both at the country and global levels through a comprehensive framework that had the creation of full, productive and freely chosen employment and decent work as its overall objective. This framework required employment-centred macroeconomic policies in addition to proemployment policies related to investment, trade, and industrial development, as well as policies to address inequality, improve job quality, enhance wages and promote collective bargaining. The Office needed to undertake research and develop tools on: industrial policies that would contribute to structural transformation; the impact of global value chains and foreign direct investment on structural transformation and employment creation; research and technical assistance to address inequalities, job insecurity and nonstandard forms of work through a range of policies such as tax policies; promotion of Convention No. 122 and its Recommendations and all standards relevant in the promotion of decent work; ways that vocational education and training could promote transformation to higher value-added economic activities; and ways to promote respect for labour rights for young workers in order to ensure that they were not discriminated against and did not end up in insecure jobs with low wages. Finally, support for policy coordination was needed at three levels: at the country level, the Office should support the development of mechanisms for inter-ministerial coordination based on tripartite consultation and social dialogue; within the Organization, a peer review mechanism for employment policies should be implemented in the Governing Body; and in international and regional forums and in its interactions with other international agencies, the Office should stress the need for and benefits from international coordination on employment policy.

- 145. The Government member of Greece, speaking on behalf of the EU Member States, and Albania, Armenia, Bosnia and Herzegovina, Georgia, Iceland, Republic of Moldova, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Ukraine, highlighted the need to address both immediate and longer term employment challenges. The ILO was encouraged to continue conducting employment policy reviews upon request, taking account of the recommendations of the evaluation carried out in this area in 2012. A voluntary peer review mechanism was supported, provided that it did not entail high costs for participating countries and did not duplicate work on the monitoring of standards. Knowledge gaps needed to be addressed, and the Office's initiative to enhance its research and policy tools in relation to structural and long-term unemployment, self-employment, technology, employment and skills linkages, inequality, and what worked for youth employment, was welcomed. The ILO was called on to continue to prioritize the issue of jobs for youth. Particular attention needed to be paid to the implementation of the resolutions of the 102nd Session of the ILC concerning sustainable development, and on employment and social protection in the new demographic context. In parallel, the Office needed to continue its work in the capacity building of social partners, promoting the ratification and implementation of international labour standards, and promoting policy coherence at the international level, particularly in the context of the United Nations Highlevel Panel on the Post-2015 Development Agenda, the G20, and in cooperation with the IMF, the OECD and the World Bank. Further cooperation with the EU was encouraged.
- 146. The Government member of Canada emphasized the need to facilitate school-to-work transition for youth. Young graduates often lacked real world work experience and this was exacerbated by skills mismatches. Particular attention should be paid to vulnerable groups. As populations aged and skills shortages became apparent in certain sectors, focus should also be placed on activating older workers for employment. In addition, he emphasized the need to focus on a macroeconomic policy framework oriented towards employment, industrial and social protection policies as, in the Canadian experience, that supported transitions and attachment to the labour market, and made individuals more resistant to economic shifts and shocks. The ILO Declaration on Social Justice for a Fair

- Globalization and the four strategic objectives of the ILO could best contribute to the Decent Work Agenda if implemented in a holistic manner.
- 147. The Government member of the United States appreciated the explanations provided in the report on how the ACIs were intended to promote the strategic objective of employment. She noted that there were gaps in the knowledge-base and policy tools, particularly in the areas of: structural and long-term employment; self-employment; technology; employment and skills linkages and inequality. Constituents would benefit from a greater understanding of long-term unemployment and inequality and the Office should scale up its efforts to better understand and provide policy guidance on these topics. She generally welcomed the proposal for strengthened, voluntary country-level employment policy reviews and requested the Office to submit proposals to the Governing Body. She also suggested that the ILO could help member States link working conditions, labour administration, wage policy, freedom of association, and collective bargaining into broader national employment policies.
- 148. The Government member of the Republic of Korea remarked that the process of economic growth in his country could provide insights on industrial structural reforms and trade policies. Key lessons had been learned for emerging economies on driving growth through human resources development and improved skill levels; on the importance of supportive human resources policies, such as maternity protection; and how to assist enterprises by developing education and vocational training. He called on the ILO to conduct research on systems of nurturing talent in different industries and to expand its technical cooperation and work on generating statistical information.
- **149.** The Government member of Tunisia stressed that a comprehensive and tripartite framework was crucial to support employment creation. The establishment of a tripartite social contract in his country had created fertile ground for the development of sound employment policies. Economic growth and strong regulatory systems were the foundations for a comprehensive framework to succeed. Employment should be at the heart of economic policies.
- 150. The Government member of Trinidad and Tobago noted that a sustainable development path could not be achieved if it did not address creating decent employment. One of the key roles of the ILO was to ensure policy coherence at the international level so that all international organizations embraced employment objectives in their operations. In her country, three bodies had been established recently to ensure national policy coherence: the Social Dialogue Task Force, the Competitiveness Council and the Economic Development Board. It was also crucial to have adequate knowledge information systems that supported sound policy-making. Greater focus needed to be given to green and sustainable development, as well as to improving vocational training based on social dialogue.
- **151.** The Government member of Indonesia said that a comprehensive framework to create decent employment should include the promotion and improvement of workers' productivity and competences; the development of a labour market information system, and employment services such as job canvassing, counselling and matching. He also highlighted the need to strengthen labour inspection, in particular through improving the capacity of labour inspectors and by increasing tripartite consultation.
- **152.** The Government member of Burkina Faso expressed his appreciation for the ILO's technical cooperation to his country in drafting the national employment policy. After policies had been developed, it was essential to implement them in a coherent and effective manner, integrating them into national development plans. Therefore, the ILO should focus more on: supporting the implementation of employment policies; building capacity of public employment services; monitoring the impact of policies and macroeconomic

frameworks to promote employment; and helping countries put in place social protection mechanisms, with particular attention to workers in the informal economy and agriculture.

- 153. The Government member of the Bolivarian Republic of Venezuela suggested that the Office should work with constituents on the basis of existing frameworks and provide increased assistance for the development, implementation and monitoring of employment-creation policies in countries which required support. The Office should continue cooperating with other specialized agencies, within its mandate, and increase its research on sustainable development.
- **154.** The Government member of Japan said that, in addition to a bold monetary policy and a flexible fiscal policy to combat deflation, investment in new and growing industry fields and promotion of a smooth transition into the labour market had expanded employment opportunities and improved workers' wages. In her country, implementing such measures would ensure that anyone who wanted to work could make the best use of their abilities in the labour market.
- 155. The Government member of China pointed to four areas of focus: research on industrial policies in order to create quality jobs; improving vocational training to build workers' capacities and promote stable employment; enhancing social dialogue and consultation so that employers and workers could share the fruits of development, including improved wages; and improving social protection, the work environment and social security systems as well as safeguarding workers' rights.

(b) What lessons have we learned about the interrelationship of the four strategic objectives of the ILO with regard to employment promotion?

- **156.** The representative of the Secretary-General made a presentation to the Committee on the ILO's four interrelated and mutually reinforcing strategic objectives as emphasized in the 2008 ILO Declaration on Social Justice for a Fair Globalization. To facilitate the discussions of the Committee, she focused on the logic of the relationships between employment and the other strategic objectives, drawing on examples of practical work by the Office undertaken since the first recurrent discussion in 2010. A key example of the commitment to deliver more integrated analysis, policy advice and capacity-building services to constituents was the selection of eight ACIs as priorities for the Office during 2014 and 2015, where work would draw on expertise across technical specializations in order to present constituents with more comprehensive and coherent approaches to the multidimensional policy challenges they faced. First, the linkages between employment and social dialogue were a foundation of the Office's work in terms of processes and in terms of substantive content. A major focus of the Office's work in this regard was on capacity building for employers, trade unions and national labour administrations to enable them to engage more effectively in national employment policy formulation. Second, the linkage between employment and fundamental principles and rights at work was based on the recognition that respect for these rights was an essential link between economic growth and sustainable enterprises, on the one hand, and inclusive growth, social progress and widely shared prosperity, on the other. And finally, employment policies and strategies to extend social protection, the fourth strategic objective, needed to be coherent and mutually reinforcing in order to achieve the desired employment and social goals.
- 157. The Worker Vice-Chairperson stressed that the interrelationship between the four strategic objectives was crucial, though this was too often absent from national policy-making and the Office's technical cooperation activities. She emphasized that countries which had adopted comprehensive and mutually reinforcing policies had been more successful in tackling employment and inequality. That had also been the aim of the Global Jobs Pact.

However, the employment perspective was too often addressed in isolation without considering other perspectives or synergies. There was, therefore, an underutilization of the mutually reinforcing role of the strategic objectives. For example, the Office report for the discussion could have given more emphasis to the results of comprehensive policies incorporating all four strategic objectives. On youth unemployment, activities often addressed only one dimension such as skills or entrepreneurship, which were not effective in isolation. The Office's country-level work should therefore be formulated around a comprehensive policy package. Emphasis on unrelated country outcomes further segmented the activities of the Office, while DWCPs targeted narrowly defined objectives, missing opportunities for coordinating work. Better mechanisms should be established to promote synergies in the Office, including more systematic engagement with ACTRAV and ACT/EMP and the social partners. Building capacity of constituents was crucial to improve policy-making, while international labour standards should be the basis of all interventions by the Office at the national, regional and international levels.

- **158.** The Employer Vice-Chairperson stressed that the 2007 resolution on sustainable enterprises reflected the interrelationship of the four strategic objectives. He underscored the call made by the Social Justice Declaration to leverage synergies between the strategic objectives to promote employment. A better understanding of the impact of the Office's work on this dimension would be useful. Employment should be mainstreamed, which required the promotion of an enabling environment for sustainable enterprises with an emphasis on relevant skills development. Employers were seeking a stronger recognition of the centrality of sustainable enterprises and the value of the 17 pillars of the 2007 resolution on sustainable enterprises. While recognizing the essential role of social protection, measures should be sustainable and adapted to national circumstances. Constructive social dialogue was also recognized as a critical pillar for sustainable enterprises. Employers had consistently emphasized the importance of the 1998 Declaration on Fundamental Principles and Rights at Work and the core Conventions. It was noted that the effectiveness of labour law and institutions could be best understood in combining the protection functions with the promotion of employment. Job creation itself was a precursor to achieve the benefits from such measures as labour inspection, minimum wages and protection from discrimination. Moreover, efforts were also required to promote SMEs and entrepreneurship education, while also recognizing the employment role of large enterprises.
- Albania, Iceland, Montenegro, Serbia and the former Yugoslav Republic of Macedonia, acknowledged the inseparable, interrelated and mutually supportive nature of the four strategic objectives and stressed that it needed to be taken into account in defining future priorities on employment. Social protection, growth and employment were mutually reinforcing, while freely chosen employment could not be achieved without respect for fundamental principles and rights at work. Moreover, a fair distribution of the benefits of productivity gains and growth could not be assured in the absence of social dialogue. Therefore, there was support for the Office's efforts to enhance policy coherence, especially to ensure that international labour standards guided governments and social partners, and to promote the use of social dialogue. Given that a number of ACIs were linked to the objective of employment, the Office should increase its internal collaboration and use of multidisciplinary expertise among departments and between departments and field units.
- **160.** The Government member of Japan stressed that the four strategic objectives of the ILO complemented each other and that social protection and social dialogue were necessary to promote employment. The vision stated in the ILO Declaration on Social Justice for a Fair Globalization had set the stage for the recurrent discussion and for taking an integrated approach across the four strategic objectives to promote decent work and employment.

- **161.** The Government member of Ghana thanked the representative of the Secretary-General for the ILO technical assistance to her country. She confirmed that the four strategic objectives were inseparable, interrelated and mutually supportive. She highlighted the importance of: creating jobs which enabled the social inclusion of young people and vulnerable groups; ensuring that Conventions were properly implemented; and investing in people, and promoting tripartism through social dialogue.
- **162.** The Worker Vice-Chairperson pointed out that the Employer Vice-Chairperson had been proposing putting sustainable enterprises at the centre of the debate; while understanding the importance of sustainable enterprises in the creation of decent jobs, the focus of the discussion should be on a broader framework, maintaining the mutually reinforcing strength of the four strategic objectives.
- **163.** The Employer Vice-Chairperson suggested a framework for drafting the conclusions of the recurrent discussion. The 17 pillars included in the 2007 sustainable enterprises framework would respond to the question on what generated employment and which policies supported employment. Skills and flexible forms of employment would respond to the question on employment insertion. And a clear statement on proposed actions for governments, social partners and the Office, as in the conclusions of the first recurrent discussion in 2010, would respond to the question on ILO outcomes and the gaps that should be addressed. He reiterated that the reforms needed for countries to enable sustainable economic growth and employment generation would depend on the context. He remarked that there had been consensus on: the centrality of enterprises in employment creation and growth; the need for macro and micro-economic policies in supporting competitiveness and productivity; the importance of skills development to prepare workers for the workplaces of today and tomorrow; the enabling role played by innovation, trade and investment; the key role of employment flexibility in responding to new realities of work; the need for employment-enabling regulations, including considerations for minimum wages linked to productivity, and the fundamental importance of affordable national social protection systems. In the changing environment in the world of work, skills and lifelong learning were needed, and part-time and temporary forms of work could be a rich potential source of employment growth. The purpose of the debate had been to identify a concise set of conclusions which would update and advance the 2010 conclusions, setting out the future work and measures for success for the ILO. The impact of evidence-based ILO advice and activities at the country level should be the key measure of effectiveness in the future.
- **164.** The Worker Vice-Chairperson highlighted that the discussion had focused on a comprehensive policy framework, and that the conclusions should only be based on the contributions made under each discussion point.

Discussion of the draft conclusions

165. The Chairperson thanked the Drafting Group for its work in preparing the draft conclusions, noting that 104 proposed amendments were submitted for consideration. Sixty of the amendments were of a linguistic nature and had been referred to the subcommittee constituted for the purpose of preparing recommendations to the linguistic amendments for consideration of the Committee.

Paragraph 1

166. The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and

Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to add the word "economic" to qualify the term "recovery". The Employer Vice-Chairperson remarked that the recovery was not only economic but had social dimensions, rejecting the amendment. The Worker Vice-Chairperson and the Government member of New Zealand concurred.

- **167.** The amendment was not adopted.
- **168.** The Government member of Gabon submitted an amendment to insert "Consequently" before "global aggregate demand", which was not seconded and therefore fell.
- **169.** The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to delete the words "particularly in the developing countries". The Worker Vice-Chairperson, the Employer Vice-Chairperson, and the Government member of Ghana indicated neutrality on the proposed text.
- 170. The Employer Vice-Chairperson proposed a subamendment to replace the words "particularly in the developing countries" with the words "in many countries". The subamendment was supported by the Government members of Argentina and Iraq. The subamendment was rejected by the Worker Vice-Chairperson on the basis that it would limit the inclusiveness intended in the text. The subamendment was subsequently withdrawn by the Employer Vice-Chairperson.
- **171.** The Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.
- **172.** The amendment was adopted.
- 173. The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to replace "." with "," after the word "poor", to connect it to the next phrase that the majority of the world's poor are in the informal economy. The amendment was supported by the Worker Vice-Chairperson, the Employer Vice-Chairperson, and the Government member of Ghana on behalf of the Africa group.
- **174.** The amendment was adopted.
- **175.** The Government member of Gabon submitted an amendment to replace "and has become more insecure and many young people are disconnected from the labour market" by "and could lead to long-term unemployment", which was not seconded and therefore fell.
- **176.** The Government member of Gabon submitted an amendment to move the last two sentences and insert them before "Global aggregate demand" in line 3, which was not seconded and therefore fell.
- **177.** Paragraph 1 was adopted as amended.

Paragraph 4

178. The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and

- Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to replace "advanced, emerging" with "developed" in order to have two categories of countries, along with developing countries, instead of three.
- **179.** The Employer Vice-Chairperson argued that "advanced, emerging and developed" was accepted language and rejected the amendment. The Worker Vice-Chairperson agreed with the Employer Vice-Chairperson.
- **180.** The Government member of Brazil explained that "developed" and "developing" were precise legal terms, while "advanced" and "emerging" were imprecise and were not well defined in economic and legal usage. The Employer Vice-Chairperson inquired into the Office reasoning for using that language, and argued that it was familiar to the public. The deputy representative of the Secretary-General indicated that the three categories were used by the ILO in its work; that there was no specific definition; and the point had been to include all countries.
- **181.** The Government member of Argentina said that the proposed amendment added value to the text. The Employer Vice-Chairperson said that, as it did not change the meaning, his group could support the amendment in the interest of consensus. The Worker Vice-Chairperson agreed.
- **182.** The amendment was adopted.
- **183.** Paragraph 4 was adopted as amended.

Paragraph 5

- **184.** The Employer Vice-Chairperson introduced an amendment to replace "(RIR)" with "recurrent discussion on employment", for clarity, noting this was simply editorial.
- **185.** The amendment was adopted.
- **186.** Paragraph 5 was adopted as amended.

Heading II

- **187.** The Government member of Benin submitted an amendment, which was seconded by the Government member of Tunisia, to replace the text of heading II with "Strategic guidance" and insert below it as part A: "Guiding principles for employment-centred sustainable recovery and development", and then to renumber subsequent headings accordingly. In his view, all those parts of the document came under "strategic guidance".
- **188.** The Worker Vice-Chairperson said that there had been much discussion on the structure by the Drafting Group, which had ultimately decided on the structure as presented; hence she did not support the amendment. The Employer Vice-Chairperson agreed with the Worker Vice-Chairperson.
- **189.** The amendment was not adopted.
- **190.** Hence, related amendments to other headings in the draft conclusions were also rejected.
- **191.** Heading II was adopted.

Paragraph 6

Clause (g)

- **192.** The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to insert "implementation" after "formulation" to maintain the key roles of social dialogue on formulation, implementation, and monitoring of employment policies.
- **193.** The Employer Vice-Chairperson did not support the amendment, as it would create confusion on the role of social dialogue. The Worker Vice-Chairperson agreed.
- **194.** The Government members of the Democratic Republic of the Congo, Ghana and Trinidad and Tobago supported the proposed amendment, as social dialogue was equally important in the implementation stage.
- **195.** The Government member of New Zealand rejected the amendment, as policy implementation was a matter for governments. The Government member of Saudi Arabia agreed and thus did not support the amendment.
- **196.** The Government member of Greece, speaking on behalf of the EU Member States, did not support the amendment, as social dialogue was addressed in paragraph 9 and so it was not necessary to elaborate further in this clause.
- **197.** The Employer Vice-Chairperson conceded that, as clause (g) referred to "key" roles of social dialogue, not the "exclusive" role, the amendment was acceptable. The Worker Vice-Chairperson concurred.
- **198.** The amendment was adopted.
- 199. Paragraph 6 was adopted as amended.

- **200.** The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, introduced an amendment. He proposed to replace the words "tripartite consultations" with "social dialogue" as the appropriate broader basis for promoting employment policy framework.
- **201.** The Employer Vice-Chairperson rejected the amendment, noting that the clause was the result of intense debate in the Drafting Group. He noted that many issues of a comprehensive employment policy framework were not traditionally part of social dialogue, thus "tripartite consultations" was the best phrase for this clause.
- **202.** The Worker Vice-Chairperson rejected the amendment as it involved a significant change in the meaning of the clause and was well captured in other sections of the conclusions.
- **203.** The Government member of Brazil raised the concern that other key players in employment policy formulation would be ignored if it was restricted to tripartite consultation. The Government member of the Plurinational State of Bolivia agreed and supported the amendment, explaining that broader participation would complement rather than substitute for tripartism.

- **204.** The Government member of Egypt rejected the amendment.
- **205.** The Worker Vice-Chairperson noted that the concept of social dialogue was well captured elsewhere and that it was important to retain tripartism in this context.
- **206.** The amendment was not adopted.

Sub-clause (e)(i)

- **207.** The Government member of Tunisia introduced an amendment, seconded by the Government member of Algeria, to add the words "and productivity" after "minimum wages", indicating that wage policies were only effective and appropriate if they took productivity into account.
- **208.** The Worker Vice-Chairperson strongly opposed the amendment and said that the Office had clear guidance on minimum wage policies.
- **209.** The Employer Vice-Chairperson, although agreeing with the concept of connecting wages and productivity, rejected the amendment, noting that the concept of productivity should be taken into account at the enterprise level.
- **210.** The Government member of Turkey supported the amendment.
- **211.** The amendment was not adopted.

Sub-clause (e)(ii)

- **212.** The Government member of Tunisia introduced an amendment, seconded by the Government member of Turkey, to add the words "and consultation on any action related to employment or vocational training" after the words "collective bargaining".
- **213.** The Worker Vice-Chairperson expressed her appreciation for the sentiment but rejected the amendment, noting that the issue was covered in the section on training and skills. The Employer Vice-Chairperson agreed.
- **214.** The amendment was not adopted.

New sub-clause

- 215. The Government member of Greece, speaking on behalf of the EU Member States, proposed inserting a new sub-clause after paragraph 7(e)(ii)) on "active labour market policies" as an element of labour market policies and institutions. The amendment was strongly supported by the Employer Vice-Chairperson and the Worker Vice-Chairperson, along with the Government member of Egypt.
- **216.** The amendment was adopted.

Sub-clause (e)(iv)

217. The Worker Vice-Chairperson submitted an amendment to insert "disadvantaged and" before "vulnerable groups", to capture the differences between being disadvantaged and vulnerable. The amendment was supported by the Employer Vice-Chairperson along with the Government member of Greece, speaking on behalf of the EU Member States.

- 218. The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, proposed a subamendment to change "vulnerable groups" to "groups in a vulnerable situation". The Worker and Employer Vice-Chairpersons did not support the subamendment and it was not adopted.
- **219.** The Government members of the Democratic Republic of the Congo and Egypt supported the original amendment.
- **220.** The amendment was adopted.

Clause (h)

- **221.** The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, proposed an amendment to insert "environmental" after "economic" as an additional important element of policy coherence.
- 222. The Employer Vice-Chairperson, noting the significant discussion on this point, indicated his interest in the Government members' reaction to the proposed amendment. The Government members of the Democratic Republic of the Congo, Greece, speaking on behalf of the EU Member States, and Morocco, Saudi Arabia, South Sudan and Zambia, indicated their support. The Government member of Australia highlighted that environmental sustainability and green jobs were already captured by clause 7(l) and, therefore, cautioned against adding too many different policies to the original paragraph.
- **223.** The Employer Vice-Chairperson stated that the addition of "environmental" was not harmful to the intent of the clause and so he supported the amendment. The Worker Vice-Chairperson supported the amendment.
- **224.** The amendment was adopted.
- **225.** Paragraph 7 was adopted as amended.
- **226.** The Government member of Cuba, on behalf of the subcommittee on linguistic amendments (Spanish version), reported back to the Committee that all the proposed corrections to the Spanish version could be accepted because the French and English language versions of the draft conclusions remained unchanged.
- 227. The Employer member from Canada and the Worker member from France, on behalf of the subcommittee on linguistic amendments (French version), indicated that the majority of amendments to the French version were accepted because they did not affect the Spanish and English language versions. There were a few amendments originally referred to the subcommittee as linguistic corrections that were being referred back to the Committee for consideration as these could potentially affect the other language versions. The Worker member from France added that it would be useful to change the working practice and avoid drafting the conclusions in only one of the working languages of the ILO. This would reduce the number of amendments proposed to improve the translated texts.

Paragraph 14

228. The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and

- Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to replace the words "upon request" with "at the request of constituents".
- **229.** The Employer and the Worker Vice-Chairpersons did not support the amendment, because the text referred to assistance to member States.
- **230.** The amendment was not adopted.
- **231.** The Government member of Zambia, seconded by the Government member of Ghana, presented an amendment to replace "outlined" with the words "specified in part III", referring to the previous section of the conclusions, in order to make the text more consistent and specific.
- **232.** The Worker Vice-Chairperson did not support the amendment because the framework was not exclusively described in part III, mentioning for example the principles outlined in part II.
- **233.** The Employer Vice-Chairperson did not support the amendment.
- **234.** The Government member of the Democratic Republic of the Congo supported the amendment.
- **235.** The amendment was not adopted.
- **236.** The Employer Vice-Chairperson proposed an amendment to add "In the following areas (A-J), the Office should:" at the end of the paragraph. Further, he proposed to replace the hyphen between "A" and "J" with the word "to", subamending the proposed addition as: "In the following areas (A to J), the Office should:". This implied that all the clauses, sub-clauses and bullet points included under areas A to J would be grouped under the same paragraph and that the relevant changes in numbering would be introduced in the text.
- **237.** The Worker Vice-Chairperson supported the amendment as subamended, as it made the text more cohesive.
- **238.** The Government members of Iraq and Zambia also endorsed the amendment as subamended.
- **239.** The amendment was adopted as subamended.
- **240.** Hence, all related amendments concerning the restructuring of areas A to J and deleting phrases "The Office should" or "The Office needs to", contained in subsequent paragraphs H 16, I 17, J 19–22, were also adopted.
- **241.** Paragraph 14 was adopted as amended.

Area A. Development and assistance with national policy work and action

Paragraph 15

Clause (b)

- **242.** The Government member of Zambia, seconded by the Government member of Namibia, presented an amendment to replace "policy development on employment" with "employment policies".
- **243.** The Worker Vice-Chairperson did not support the amendment, explaining that the objective of the text was to be specific about policy development, and that other aspects were specified in the related clauses.
- **244.** The Employer Vice-Chairperson agreed with the Worker Vice-Chairperson in not supporting the amendment. The wording of the clause was deliberate to specify looking at the impact of policy development on employment.
- **245.** The amendment was not adopted.

Clause (e)

- **246.** The Government member of Zambia proposed an amendment to insert "and relevant institutions" after "constituents", in order to give a voice to more actors.
- **247.** The amendment was not seconded and fell.

Clause (h)

- **248.** The Government member of Zambia proposed an amendment to delete clause (h).
- **249.** The amendment was not seconded and fell.

Area B. Pro-employment macroeconomic policy

Clause (c)

- **250.** The Government member of Zambia, seconded by the Government member of Namibia, introduced an amendment to delete "and build capacities of ILO constituents" from the clause which referred to facilitating dialogue at the national, regional and international levels as there were no constituents at the international level. She proposed instead that a separate new clause: "Build capacities of ILO constituents" be added as a separate new clause because capacity building of constituents was an important concept on its own.
- **251.** The Employer Vice-Chairperson did not support the amendment: the idea was to state what the ILO should be doing at the international, regional and national levels and dialogue at all levels was a key issue for employers and workers.
- **252.** The Worker Vice-Chairperson agreed with the Employer Vice-Chairperson and did not support the amendment.

- **253.** The Government member of the Democratic Republic of the Congo agreed with the Employer and Worker Vice-Chairpersons; she also proposed a subamendment to place "build capacities of ILO constituents" before "facilitate dialogue at the national, regional and international levels".
- **254.** The Employer and the Worker Vice-Chairpersons did not support the subamendment.
- **255.** The Government member of Saudi Arabia questioned whether the intervention by the Government member of Zambia concerned the lack of ILO constituents at the international level.
- **256.** The Employer Vice-Chairperson said that, while technically there were no ILO constituents at the international level, national constituents held discussions at the regional and global levels and cooperated internationally.
- **257.** The Worker Vice-Chairperson supported the original text.
- **258.** The amendment was not adopted.

Area C. Sustainable enterprises

Clause (a)

- **259.** The Government member of Zambia introduced an amendment, seconded by the Government member of Greece, on behalf of the EU Member States, to replace "Emphasize the" by "Promote effective" implementation of the 2007 conclusions, in order to improve clarity.
- **260.** The Employer Vice-Chairperson did not support the amendment; this was a key point for his group and the word "emphasize" carried the appropriate strength in meaning.
- **261.** The Worker Vice-Chairperson also did not support the amendment.
- **262.** The amendment was not adopted.

Clause (c)

- **263.** The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to delete "and the OECD Guidelines for Multinational Enterprises", because many ILO Members were not part of the OECD and hence the reference was not appropriate in a document with global relevance.
- **264.** The Employer Vice-Chairperson did not support the amendment, as the ILO consistently referred to institutions of which not all constituents were members. The paragraph began with a reference to "the OECD and other relevant international organizations"; and the OECD Guidelines were widely applicable because of the global nature of multinational enterprises.
- **265.** The Worker Vice-Chairperson did not support the amendment; the OECD Guidelines made reference to international labour standards and it was logical to include them.

- **266.** The Government member of Brazil indicated that the clause referred to cooperation and promotional activities and it was not for the Office to promote a document from another organization.
- **267.** The Government member of New Zealand did not support the amendment, as the ILO had worked closely with the OECD on the Guidelines, which related to multinational enterprises and had wide applicability.
- **268.** The Employer Vice-Chairperson clarified that the text read that the ILO should "strengthen cooperation with the OECD and other relevant international organizations concerning the promotion" of the Guidelines, not that the ILO should itself promote the OECD Guidelines.
- **269.** The Worker Vice-Chairperson concurred with the Employer Vice-Chairperson's interpretation and requested the Office to reflect this distinction in the report of the discussion.
- **270.** The Government member of Greece, speaking also on behalf of the EU Member States, did not support the amendment.
- **271.** The amendment was not adopted.

Area D. Skills policy and employability

Clause (a)

- 272. The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to replace "collective bargaining" with "it", in order to maintain the reference to social dialogue more broadly.
- **273.** The Worker Vice-Chairperson did not support the amendment: it was important to retain collective bargaining in this clause because of its important role in building effective technical vocational education and training systems.
- **274.** The Employer Vice-Chairperson did not support the amendment because it was useful to retain the reference to the role that collective bargaining could play.
- **275.** The Government member of Brazil stated that collective bargaining was not the only element that could build effective technical vocational education and training systems and that social dialogue was broad and included actors not involved in collective bargaining.
- **276.** The Government member of Tunisia said that the reference to collective bargaining should be kept.
- **277.** The amendment was not adopted.

Clause (f)

278. The Government member of Zambia, seconded by the Government member of Greece, on behalf of the EU Member States, proposed an amendment to replace "Carry out research

and" with "Research and provide" at the beginning of the clause, in order to improve the structure of the sentence.

- **279.** The Employer and the Worker Vice-Chairpersons supported the amendment.
- **280.** The amendment was adopted.

Area G. Youth employment

Clause (a)

- **281.** The Government member of Zambia, seconded by the Government members of Brazil and Tunisia, proposed an amendment to remove the words "Develop knowledge and policy tools and widely disseminate them." from this clause and insert them as a new stand-alone clause in order to give them further attention.
- **282.** The Worker and the Employer Vice-Chairpersons did not support the amendment.
- **283.** The Government member of the Islamic Republic of Iran proposed a subamendment to replace "knowledge" with "knowledge base".
- **284.** The Employer and the Worker Vice-Chairpersons did not support the subamendment.
- **285.** The amendment and the subamendment were not accepted due to lack of support.
- **286.** Paragraph 15 was adopted as amended.

Area H. Voluntary peer review of employment policy

- 287. The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to replace the title of part H, "Voluntary peer review of employment policy" with "Peer review on employment policy", and to replace the text: "The Office should develop proposals for a voluntary peer review of employment policy with the objective of promoting knowledge-sharing and mutual learning on 'what works' among Members of the Organization' with: "The Office should develop proposals, to be assessed by the Governing Body, on the viability of voluntary exchange of best practices among peers on employment policies which foster mutual learning among Members of the Organization". He clarified that "among peers" was a subamendment to the previously submitted wording "peer review".
- **288.** The Worker Vice-Chairperson did not support the amendment and subamendment, indicating that peer reviews of employment policies were good for knowledge-sharing and that they were clearly stated as being voluntary.
- **289.** The Employer Vice-Chairperson did not support the amendment and subamendment. The request had been for the Office to develop proposals, which would, as a matter of course, be discussed in the Governing Body. The paragraph was the result of substantial dialogue within the Drafting Group. He also proposed a linguistic amendment to replace "what works", which was a colloquialism, with "good practices".

- **290.** The Worker Vice-Chairperson noted that it was procedurally not appropriate to examine the amendment proposed by the Employer Vice-Chairperson in this context.
- **291.** The Employer Vice-Chairperson acknowledged the comment and withdrew the amendment.
- **292.** The Government member of Ghana, speaking on behalf of the Africa group, did not support the amendment and subamendment proposed by the Government member of Argentina, stating that peer reviews were always voluntary.
- **293.** The Government member of Cuba requested a clarification on the statement by the Employers' group, asking if they had supported the amendment and subamendment introduced by the Government member of Argentina.
- **294.** The Employer Vice-Chairperson stated that his group did not support the amendment and subamendment.
- **295.** The amendment and subamendment were not adopted.

Area I. Knowledge building on new and emerging issues

- **296.** The Government member of Greece, speaking on behalf of the EU Member States and Norway, proposed an amendment to insert a new bullet point reading "Self-employment" after the sixth bullet point under this clause, in order to request the Office to do more research in this area in relation to the increase of false self-employment, its fiscal, social and economic implications, as well as the development of appropriate social security systems to reduce the proportion of self-employed people living in poverty.
- **297.** The Employer Vice-Chairperson did not support the amendment explaining that it was important to maintain the list of priorities and pointing out that self-employment was covered under other research areas, in particular labour market segmentation and the impact of diverse contract forms on the quantity and quality of employment.
- **298.** The Worker Vice-Chairperson did not support the amendment, agreeing with the Employer Vice-Chairperson that self-employment was covered under other points, including job insecurity.
- **299.** The Government member of New Zealand also did not support the amendment for similar reasons.
- **300.** The Government members of Brazil, Egypt, Iraq and Tunisia expressed strong support for the amendment.
- **301.** The Government member of Greece, speaking on behalf of the EU Member States, proposed a subamendment to insert "including new forms of self-employment", in the seventh bullet point, to the effect of looking at the impact of new forms of self-employment along with diverse contract forms on the quantity and quality of employment.

- **302.** The Employer Vice-Chairperson acknowledged the responses by Governments and stressed that the issue of self-employment had many facets which were captured under the other proposed areas for research. He did not support the subamendment.
- **303.** The Worker Vice-Chairperson reiterated that self-employment was covered under other research areas and thus she did not support having a separate point on self-employment.
- **304.** The Government member of Greece, speaking on behalf of the EU Member States, withdrew the subamendment and maintained the proposed amendment.
- **305.** The Government members of Australia, Bolivia and the United States supported the amendment.
- **306.** The Employer and Worker Vice-Chairpersons agreed to support the amendment in the spirit of consensus and social dialogue.
- **307.** The amendment was adopted.
- **308.** Paragraph 17 was adopted as amended.

Area J. Enhanced integrated action and develop partnerships

- **309.** The Government member of Argentina, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Brazil, Cuba, Mexico, Peru, Trinidad and Tobago and the Bolivarian Republic of Venezuela, introduced an amendment to add "UNCTAD and ECLAC" after "OECD" to the list of organizations that were already mentioned.
- **310.** The Worker Vice-Chairperson agreed with the purpose of the amendment but, concerned that it applied to other regional organizations, proposed a subamendment to insert "UNCTAD and other regional economic organizations such as ECLAC".
- **311.** The Employer Vice-Chairperson endorsed the subamendment.
- **312.** The Government member of Brazil agreed with the subamendment and stated that other regional commissions, relevant to different member States, could be listed.
- **313.** The Government member of Tunisia also suggested that other regional groups should be included and proposed a further subamendment to insert "UNCTAD and other regional economic commissions".
- **314.** The Worker Vice-Chairperson indicated that the OECD and UNCTAD would not be considered as economic regional commissions and suggested to use the earlier subamendment that she had introduced, referring to other regional economic organizations.
- **315.** The Employer Vice-Chairperson pointed out the importance of retaining the word "relevant" in the subamendment referring to "economic regional organizations".

- **316.** The Government member of Argentina asked for clarification and the Chairperson read out the subamendment, which ended with "OECD, UNCTAD and relevant regional economic organizations, such as ECLAC".
- **317.** The Government members of Argentina, Greece, speaking on behalf of the EU Member States, and Iraq, supported the subamendment as read out.
- **318.** The amendment was adopted as subamended.
- **319.** Paragraph 21 was adopted as amended.

Other linguistic amendments

320. The Government member of France, speaking on behalf of the subcommittee on linguistic amendments, informed that further agreement had been reached on remaining amendments to the French version and only one amendment remained for consideration by the Committee.

Paragraph 16

- **321.** The Government member of Turkey introduced an amendment that was jointly submitted with the Government member of Tunisia to replace "ce qui marche" with "des bonnes pratiques" in the French version of paragraph 16, in order to replace a colloquialism and use a clearer wording. He further noted that this change would apply to the other language versions of the document.
- **322.** The Worker and Employer Vice-Chairpersons supported the amendment, noting that in the English version "what works" would be replaced with "good practices".
- **323.** The amendment was adopted.
- **324.** Paragraph 16 was adopted as amended.

Review of the amended draft conclusions

- 325. The Worker Vice-Chairperson advised the Committee that an error appeared in paragraph 1, last sentence of the amended draft conclusions. The Employer Vice-Chairperson concurred. No amendment had been agreed and the text from the draft conclusions was retained: "Transition from school to work is taking longer and has become more insecure and many young people are disconnected from the labour market", as agreed. Corresponding changes to the French and Spanish would be addressed. The Chairperson indicated that the Secretariat had taken note of this error and that it will be corrected.
- **326.** The Government member of Cuba, speaking also on behalf of the Government members of the Plurinational State of Bolivia, Mexico, Peru and Trinidad and Tobago, expressed reservations to area H, "Voluntary peer review of employment policy", clause (a). A peer review mechanism should not lead to an additional control mechanism, and a review of how different peer-review methods had facilitated exchange of experience would be helpful. She expressed the respect of this group of Government members for the working methods of the Committee; nevertheless, she reiterated their concern on the principle of adopting a peer-review mechanism whose modalities had not yet been defined. The

Government member of Argentina endorsed the statement of the Government member of Cuba.

- **327.** The Government member of Turkey raised a question about a linguistic inconsistency in the first paragraph of the draft Conclusions, where "involuntary" had been translated into "contraints" in the French language version. He expressed concern about the different meanings of the two words.
- **328.** The Deputy Representative of the Secretary-General thanked the Government member of Turkey for his careful reading and explained that the text in question reflected the agreement of the tripartite linguistic Subcommittee.

Adoption of the draft resolution

329. The draft resolution was introduced by the Chairperson and was adopted by acclamation.

Closing remarks

- **330.** The Employer Vice-Chairperson expressed satisfaction with the work of the Committee, and affirmed that the Employers attached great importance to the draft conclusions. They would advance the work of the Office in deploying a series of instruments focused on employment policy, spanning macro and micro-economic dimensions. The concept of sustainable enterprises had been recognized as an important measure for future work. The activities outlined in the conclusions and the ACIs would guide the work of the Office in the future.
- **331.** The Worker Vice-Chairperson congratulated the Committee on the draft conclusions, which reflected policy, action, tripartism and social dialogue and would build the basis for the Office's work. Employment and quality of work was an area of great importance for working people and she appreciated the adoption of the comprehensive framework for decent work.
- **332.** The Government member of Trinidad and Tobago noted that a spirit of consensus, solidarity and collaboration had been present at every stage of the Committee, which had demonstrated the conviction that unemployment was a global problem that required a global response based, among other things, on universally accepted and supported rights and principles and sustainable enterprises.
- **333.** The Government member of Ghana, speaking on behalf of the Africa group, noted that the conclusions were important to the Africa group and timely as it prepared for the Ouagadougou +10 Summit, which focused on poverty eradication and employment creation especially for youth.
- **334.** The Government member of the United States expressed her appreciation for the outcome of the work of the Committee; the draft conclusions provided solid guidance for future work. She noted that this year's recurrent discussion represented progress relative to previous recurrent discussions. Nonetheless, she emphasized that more needed to be done to ensure that the recurrent discussions fulfil their stated purpose, namely, to help better understand the realities and needs of constituents and assess ILO action to address those needs, with a view to informing priority setting and future programme, budget and governance decisions.

- 335. The Government member of Greece, speaking on behalf of the EU Member States, believed that the outcome of the discussion would provide a useful way forward in dealing with the global jobs crisis and with the long-term structural changes which were reshaping the world of work. She emphasized the importance of coherence between the strategic objective of employment and the eight ACIs and encouraged the Office to increase its intra-Office cooperation and make full use of its interdisciplinary expertise.
- **336.** The representative of the Secretary-General, speaking also on behalf of the Secretary-General of the Conference, described the work of the Committee as social dialogue at its best and thanked the members for setting a positive pathway on how to efficiently conduct recurrent discussions on the ILO's strategic objectives, in particular when they recur a second time. She thanked the Committee for the ambitious, substantive and strategic conclusions and indicated the commitment of the Office to implement the work outlined in the conclusions of the Committee in the spirit in which they had been discussed and agreed upon.
- 337. The deputy representative of the Secretary-General thanked the Chairperson, the Vice-Chairpersons and members of the Committee for the tangible recognition and appreciation of the Office work. She thanked the Governments for providing numerous examples of the positive impact of ILO's action and support in the area of employment promotion. Such examples showed that the Office had gone some way in understanding their needs and supporting its constituents under the strategic objective of employment and acting upon its commitment under the 2008 ILO Declaration on Social Justice for a Fair Globalization. She expressed her gratitude to the Committee for achieving strong consensus and providing the Office with strategic guidance for the work ahead.
- 338. The Chairperson said it had been an honour for him and his country, the Kingdom of the Netherlands, to chair the Committee. He recalled his opening statement and indicated that the ambitious and challenging job of the Committee had been completed and achieved beyond expectation. The conclusions signalled commitment and gave the ILO strategic guidance for the future. He thanked the Vice-Chairpersons for facilitating the consensus and the Governments for their cooperative spirit and hard work. He thanked the Government member of South Africa for his role as Reporter and the Office, the translators and the interpreters for all their hard work. He declared the final sitting of the Committee closed.

Geneva, 8 June 2014.

(Signed) M. Visser Chairperson

A. Echavarría Saldarriaga Employer Vice-Chairperson

H. Kelly Worker Vice-Chairperson

> S. Ndebele Reporter

Resolution concerning the second recurrent discussion on employment

The General Conference of the International Labour Organization, meeting at its 103rd Session, 2014,

Having undertaken a second recurrent discussion on the strategic objective of employment in accordance with the ILO Declaration on Social Justice for a Fair Globalization,

Having reviewed the progress made and results achieved in the implementation of the conclusions of the first recurrent item discussion,

- 1. Adopts the following conclusions; and
- 2. Invites the Governing Body of the International Labour Office to give due consideration to the conclusions and to guide the International Labour Office in giving effect to them; and
 - 3. Requests the Director-General to:
- (a) communicate the conclusions to relevant global and regional international organizations for their attention;
- (b) prepare a plan of action to give effect to the conclusions, for consideration of the Governing Body;
- (c) take into account the conclusions when preparing future programme and budget proposals and facilitating extra-budgetary activities; and
- (d) keep the Governing Body informed of implementation.

Conclusions concerning the second recurrent discussion on employment

I. Context and challenges of the global jobs crisis

- 1. The world is currently experiencing an uneven recovery leaving a severe jobs crisis in many countries. Around 200 million people are unemployed at the global level with nearly 40 per cent of them young women and men. Global aggregate demand remains a concern. Long-term unemployment, involuntary part-time and temporary employment and job insecurity have increased. Wage growth has been sluggish and labour shares of national income have declined in many countries. There continues to be an uncertain environment for investment and enterprises. Underemployment continues to be a major challenge. Although much progress has been made in reducing extreme working poverty, that progress has slowed and a third of the world's workers remain poor, the majority of them in the informal economy. Gender inequality in the labour market persists. Transition from school to work is taking longer and has become more insecure and many young people are disconnected from the labour market.
- 2. In addition to cyclical deficits, long-term structural changes are reshaping the world of work. These include inter alia, globalization and the new geography of growth, technological change, the challenge of environmentally sustainable development, rising inequality, the disconnect between economic growth and decent and productive employment creation and a growing skills mismatch. In the new demographic context, societies in several countries are ageing rapidly, while many others are faced with significant challenges in attempting to reap the potential benefits of a youth bulge. Labour migration, already significant, is expected to increase further.
- **3.** Around 600 million new jobs need to be created over the next ten years to absorb those currently unemployed and the expected 400 million additional entrants to labour markets.
- **4.** Considering this context, the ILO and its constituents look forward with resolve to meeting the challenge of sustainable recovery and development through proactive, employment-centred, inclusive growth strategies and balanced, coherent policy frameworks, well articulated, both at the global and national levels. Investing for quality employment is crucial to revive growth and promote more inclusive societies in developed and developing economies alike. It is crucial to create a policy environment that promotes business confidence and the creation of decent jobs.
- 5. The second recurrent discussion on the strategic objective of employment carried out at the 2014 International Labour Conference, in the follow-up to the 2008 ILO Declaration on Social Justice for a Fair Globalization, reviewed progress in the implementation of the 2010 conclusions concerning the first recurrent discussion on employment and noted the results achieved by the Organization. It reaffirmed the importance and continued relevance of the 2010 conclusions of the first recurrent discussion on employment and other ILO employment policy frameworks, including the Global Employment Agenda (2003), and the Global Jobs Pact (2009). It noted the importance and continued relevance of the Social Protection Floors Recommendation, 2012 (No. 202), the conclusions concerning the promotion of sustainable enterprises (2007), skills for improved productivity, employment growth and development (2008), the youth employment crisis: a call for action (2012), employment and social protection in the new demographic context (2013), and achieving decent work, green jobs and sustainable development (2013). It also provided the following strategic guidance.

II. Guiding principles for employment-centred sustainable recovery and development

- **6.** Full, productive, freely chosen and decent employment is a necessary and achievable goal. In pursuing this goal, the following principles should guide action, taking into account the diversity of country situations and the wide range of employment challenges:
 - (a) The principles contained in the body of relevant ILO standards, in particular, the Employment Policy Convention, 1964 (No. 122), and Recommendation, 1964 (No. 122), the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169), and the other governance standards as well as the fundamental principles and rights at work.
 - (b) The need to take full advantage of the inseparable, interrelated and mutually supportive nature of the four strategic objectives of the Organization: employment, fundamental principles and rights at work, social protection and social dialogue.
 - (c) Promoting both the quality and quantity of employment through the combination of coherent macroeconomic, labour market and social policies.
 - (d) Complementarity and coherence between public policies and services and the private sector, in the promotion of decent employment.
 - (e) An appropriate balance of demand- and supply-side policies and measures, particularly in the present context of sluggish demand.
 - (f) Realizing gender equality and enabling diversity.
 - (g) The key role of social dialogue and tripartism in the formulation, implementation and monitoring of employment policies.
 - (h) The key role of the private sector in job creation while also acknowledging the important role of public sector employment.
 - (i) The combination of universal approaches with targeted interventions to redress labour market disadvantages of specific population groups, in particular young people, and to address the issues of employment insecurity and inequality.

III. Comprehensive employment policy framework to promote full, decent, productive and freely chosen employment

- **7.** Each member State should promote a comprehensive employment policy framework based on tripartite consultations, that may include the following elements:
 - (a) Pro-employment macroeconomic policies that support aggregate demand, productive investment and structural transformation, promote sustainable enterprises, support business confidence, and address growing inequalities.
 - (b) Trade, industrial, tax, infrastructure and sectoral policies that promote employment, enhance productivity and facilitate structural transformation processes.
 - (c) Enterprise policies, in particular an enabling environment for sustainable enterprises as set out in the 2007 International Labour Conference conclusions, including support

- to micro-, small and medium-sized enterprises as one of the engines of job creation, and promotion of entrepreneurship.
- (d) Education policies that underpin lifelong learning and skills development policies that respond to the evolving needs of the labour market and to new technologies, and broaden options for employment, including systems for skills recognition.
- (e) Labour market policies and institutions, such as:
 - (i) appropriately designed wage policies, including minimum wages;
 - (ii) collective bargaining;
 - (iii) active labour market policies;
 - (iv) strong employment services that facilitate job placement, career development and address skills mismatch;
 - (v) targeted measures to increase labour market participation of women and underrepresented groups, and to promote decent work and protection of disadvantaged and vulnerable groups;
 - (vi) measures for example, conditional cash transfers, public employment programmes and guarantees to help low-income households to escape poverty and access freely chosen employment; and
 - (vii) unemployment benefits.
- (f) Policies that address long-term unemployment.
- (g) Labour migration policies that take into account labour market needs and ensure migrants have access to decent work.
- (h) Tripartite processes to promote policy coherence across economic, environmental, employment and social policies.
- (i) Effective inter-institutional coordination mechanisms.
- (j) Comprehensive activation strategies to facilitate young people's school-to-work transition, for example youth guarantee schemes to access training and ongoing productive employment. The 2012 call for action provides the guiding framework for multipronged action.
- (k) Policies to encourage the transition to formality.
- (l) Policies to tackle the challenge of environmental sustainability, and ensure a just transition for all, as set out in the International Labour Conference 2013 conclusions on achieving decent work, green jobs and sustainable development.
- (m) Policies to tackle the employment and social protection implications of the new demographic context as set out in the International Labour Conference 2013 conclusions on employment and social protection in the new demographic context.
- (n) Relevant and up-to-date labour market information systems.

(o) Effective monitoring and evaluation systems of employment policies and programmes.

IV. Tripartism and social dialogue

- **8.** Social dialogue, including collective bargaining, and tripartism can play a key role in facilitating consensus on employment policies and response to structural changes impacting the labour market.
- **9.** Strong, constructive engagement of social partners is key in the design, implementation and monitoring of effective employment policies.
- **10.** Inclusive and broad-based social dialogue on employment policy should engage all relevant ministries and institutions to ensure policy coherence.

V. Enhanced policy coherence and global advocacy

- **11.** A high degree of coherence, collaboration and policy coordination is needed at the global, regional and national levels to sustain economic and labour market recovery and promote employment-centred sustainable development and social inclusion.
- **12.** Members should promote the inclusion of an explicit goal on full and productive employment and decent work in the post-2015 global development agenda currently under development.
- **13.** Members should further strengthen regional partnerships and action to promote full, productive and decent employment, including South–South cooperation for exchanging experiences and sharing lessons.

VI. ILO action

14. The ILO should assist member States, upon request, in the promotion and implementation of their comprehensive employment policy framework as outlined above. Building on results achieved, the ILO should continue, expand and strengthen its follow-up on the 2010 conclusions of the recurrent discussion on employment. The ILO's activities in all cases should be targeted, measurable and rigorously evaluated. In the following areas (A to J), the Office should:

A. Development and assistance with national policy work and action

- (a) Expand the scope of integrated country-level employment diagnostics to include other policy areas such as wage policies, working conditions, sustainable enterprises, social protection, freedom of association and collective bargaining.
- (b) Support the development of effective monitoring and evaluation systems to assess the impact of policy development on employment.

- (c) Conduct evidence-based analysis of individual policies and the interactions across policy elements with respect to their results in terms of quantity and quality of employment and overall sustainable growth and development.
- (d) Further develop and promote the use of the policy database to provide information and analysis on employment policies.
- (e) Strengthen the capacity of constituents to participate in the design and implementation of integrated policies for employment and development.
- (f) Build and strengthen the capacity of governments to develop a comprehensive national employment policy and to coordinate across government institutions.
- (g) Support the strengthening of employment services and labour administration.
- (h) Build the capacities of tripartite employment commissions and social economic councils with respect to employment policies.

B. Pro-employment macroeconomic policy

- (a) Further develop guidance and policy tools on pro-employment macroeconomic policies as set out in paragraph 7(a).
- (b) Strengthen ILO analytical work and frame of analysis. This could include:
 - (i) industrial and sectoral policies that foster productive structural transformation;
 - (ii) how macroeconomic policies can best support the expansion of sustainable enterprises;
 - (iii) employment-productivity linkages at macro, sectoral and micro levels; and
 - (iv) resource mobilization to support pro-employment policies.
- (c) Facilitate dialogue at the national, regional and international levels and build capacities of ILO constituents.

C. Sustainable enterprises

- (a) Emphasize the implementation of the 2007 conclusions on sustainable enterprises in the work of the Office.
- (b) Integrate the promotion of an enabling environment for sustainable enterprises within the ILO's priority areas as well as in the relevant activities of the ILO.
- (c) Strengthen cooperation with the OECD and other relevant international organizations concerning the promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the OECD Guidelines for Multinational Enterprises.
- (d) Conduct research and develop tools on productivity–employment–wage linkages at the enterprise level.

D. Skills policies and employability

- (a) Promote social dialogue, recognizing the role collective bargaining can play, in building effective technical vocational education and training systems.
- (b) Assist countries in the formulation of skills strategies in relation to sectoral strategies and needs, including small and medium-sized enterprises (SMEs).
- (c) Deepen research on skills mismatches and policy implications.
- (d) Build the knowledge base on and develop tools for anticipating future skills needs.
- (e) Build the knowledge base and provide advice on effective systems for lifelong learning and quality apprenticeship systems.
- (f) Research and provide policy advice on systems and effective interventions in relation to improving the skills and broadening the employment options of youth, women, older workers, and vulnerable and disadvantaged groups.

E. Industrial, sectoral, trade and investment policies and transition to sustainable development

- (a) Expand the knowledge base and provide analysis of best practices on industrial policy and sectoral strategies that contribute to quality job creation, productivity increases, economic diversification and higher value production and its link to higher wages; build the capacity of member countries on these challenges.
- (b) Strengthen the capacities of constituents to evaluate the impact of industrial and sectoral policies and that of trade and investment on employment and structural transformation. Facilitate tripartite dialogue, as appropriate.
- (c) Further develop employment impact assessment methodologies of sectoral investments, trade policies and infrastructure development and build capacities of governments and social partners in the use of these tools.
- (d) Build the evidence base and undertake capacity building for effective and productive use of employment-intensive public investment in infrastructure and of targeted employment programmes. These could include employment guarantee schemes to support poor, disadvantaged and vulnerable people to move into freely chosen employment.

F. Standards-related actions

- (a) Further promote ratification and effective implementation of the Employment Policy Convention, 1964 (No. 122), and Recommendation, 1964 (No. 122), the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169), and other relevant international labour standards.
- (b) Strengthen capacities of constituents on international labour standards and employment through training, research and policy dissemination.

G. Youth employment

- (a) Expand initiatives to better understand what works for youth employment, including through the evaluation of impact and effectiveness of policy packages and field testing of innovative approaches. Develop knowledge and policy tools and widely disseminate them.
- (b) Continue to support member States in the implementation of the policy measures contained in the 2012 call for action on the youth employment crisis.

H. Voluntary peer review of employment policy

(a) Develop proposals for a voluntary peer review of employment policy with the objective of promoting knowledge-sharing and mutual learning on good practices among Members of the Organization.

I. Knowledge building on new and emerging issues

- (a) Undertake policy-oriented research on new and emerging issues that are shaping the world of work and ways in which labour markets and enterprises can adapt, such as:
 - Structural/long-term unemployment and policies to address the challenge.
 - Demographic transition as guided by the 2013 International Labour Conference conclusions on employment and social protection implications of the new demographic context.
 - Technological change and implications for employment, working conditions and skills.
 - Labour market segmentation.
 - Inequality and its implications for economic growth and employment.
 - Land-use policies and practices and their impact on productivity and employment in rural areas.
 - Self-employment.
 - The impact of diverse contract forms on the quantity and quality of employment.
 - Work to better define and understand the concept of job insecurity and its social and economic implications.
- (b) Disseminate widely knowledge developed through effective public outreach programmes, capacity-building initiatives for ILO constituents and global advocacy.

J. Enhance integrated action and develop partnerships

(a) In line with the reform implemented by the Director-General, strengthen its internal coordination mechanisms to ensure more integrated and interdisciplinary support at country and global levels. Providing a good platform for a more integrated approach

- and cross-departmental coordination in supporting the implementation of the comprehensive policy framework outlined above is necessary.
- (b) Continue its efforts to ensure the inclusion of full and productive employment and decent work as an explicit goal in the post-2015 global development agenda and provide intensive support to the process, including through the identification of appropriate targets and indicators.
- (c) Strengthen its cooperation and promote the implementation of the comprehensive employment policy framework as outlined in these conclusions, in its engagement with the G20 process, including the G20 Task Force on Employment, and with global and regional partners, such as the World Bank, regional development banks, the WTO, the IMF, the OECD, UNCTAD and relevant regional economic organizations such as ECLAC.
- (d) Further develop its resource mobilization strategy to expand its technical cooperation activities in support of employment policies.

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