
Committee for the Recurrent Discussion on Employment

Draft report

1. The Committee for the Recurrent Discussion on Employment, set up by the Conference at its first sitting on 2 June 2010, initially consisted of 181 members (81 Government members, 33 Employer members and 67 Worker members).¹
2. The Committee elected its Officers as follows:

Chairperson: Mr Valentin Mocanu (Government member, Romania)

Vice-Chairpersons: Ms Ronnie Goldberg (Employer member, United States) and
Ms Sharan Burrow (Worker member, Australia)

Reporter: Mr Sam Okoampa Archer (Government member, Ghana) at its
eighth sitting

3. At its eighth sitting the Committee appointed a Drafting Group to draw up conclusions based on views expressed during the plenary discussions, for consideration by the

¹ The modifications were as follows:

- (a) 2 June: 181 members (81 Government members entitled to vote with 737 votes each, 33 Employer members with 1,809 votes each and 67 Worker members with 891 votes each);
- (b) 3 June: 215 members (104 Government members entitled to vote with 37 votes each, 37 Employer members with 104 votes each and 74 Worker members with 52 votes each);
- (c) 4 June: 222 members (106 Government members entitled to vote with 380 votes each, 40 Employer members with 1,007 votes each and 76 Worker members with 530 votes each);
- (d) 5 June: 227 members (108 Government members entitled to vote with 790 votes each, 40 Employer members with 2,133 votes each and 79 Worker members with 1,080 votes each);
- (e) 11 June: 150 members (110 Government members entitled to vote with 399 votes each, 21 Employer members with 2,090 votes each and 19 Worker members with 2,310 votes each);

Committee. The Drafting Group was chaired by the Chairperson of the Committee, and was composed of five Employer members, five Worker members, and eight Government members (of whom five were entitled to speak on each issue). The members appointed were: Mr Michael Hobby (Government member, New Zealand), Mr Ramin Behzad (Government member, Islamic Republic of Iran), Mr Matías Barroetaveña (Government member, Argentina), Mr William E. Spriggs (Government member, United States), Mr Ignacio Camos Victoria (Government member, Spain), subsequently replaced by Mr Andreas Johansson (Government member, Spain), Ms Irena Kuntarič Hribar (Government member, Slovenia), Mr Maxwell Parakokwa (Government member, Zimbabwe), Ms Jessica Uche Okpunoh (Government member, Nigeria), subsequently replaced by Ms Omolara Olarenwaju (Government member, Nigeria); Ms Ronnie Goldberg (Employer member, United States), Mr Matthias Thorns (Employer member, Germany), Mr Phil O'Reilly (Employer member, New Zealand), Mr Olusegun Oshinowo (Employer member, Nigeria) and Mr Carlos Aldao Zapiola (Employer member, Argentina); Mr Chris Serroyen (Worker member, Belgium), Mr Magnús Norddahl (Worker member, Iceland), Ms Helen Kelly (Worker member, New Zealand), Mr Dennis George (Worker member, South Africa) and Ms Sharan Burrow (Worker member, Australia).

4. The Committee had before it Report VI, entitled *Employment policies for social justice and a fair globalization*, prepared by the International Labour Office (Office) for a general discussion of the sixth item on the agenda: A discussion on the strategic objective of employment (first in the cycle of recurrent discussions to follow up on the ILO Declaration on Social Justice for a Fair Globalization, 2008).

5. The Committee held ... sittings.

Introduction

6. In his opening statement, the Chairperson highlighted the importance of the work before the Committee and the tripartite dialogue process to identify and put into practice the best strategies to meet the employment challenges.
7. The Secretary-General (Mr Juan Somavia, Director-General of the International Labour Organization) in his opening statement noted the importance of the work of the Committee in the context of the landmark ILO Declaration on Social Justice for a Fair Globalization 2008 (Declaration). The Committee's discussions and conclusions in this first recurrent discussion would set a precedent and provide crucial guidance. He noted that the Declaration provided a two-dimensional approach: one on values, which gave guidance on the approach to problems, and the other on change, which gave guidance on how the work was to be done. He stressed the importance of the interrelations between the four strategic objectives of the International Labour Organization (ILO) to bring about the change. The Declaration had already demonstrated its value in the ILO's continuing response to the employment impact of the economic crisis, with the help of the Global Jobs Pact. He underlined the importance that he attached to the Committee's innovative approach on the Organization's governance. He very much believed in the change aspects promoted by the Declaration and hoped that the discussions would be bold and daring.
8. Referring to the work which the ILO had done during the crisis, the Secretary-General noted that the challenge now was for a more institutionalized and systematic approach to these efforts and to organize the Office's work in such a way as to follow countries' policy changes in real time. This would require inputs from constituents. The Office had various accepted instruments such as the Global Jobs Pact and the Declaration on Social Justice for a Fair Globalization, and now needed to advance to the next, micro, stage; to identify what works and why, to enhance the ILO's contextual understanding of member States. This would involve the improvement of statistical capacity. He hoped that the discussions would propose ways to make sure that the linkages between the four strategic pillars of the

ILO Decent Work Agenda were taken into account in policy development to ensure coherence and avoid segmentation. He also noted that the ILO's work had received sufficient recognition and support from other international institutions, from within the UN system and from donors, for him to be confident that the ILO could deliver on its strategic objectives, even on a zero-growth budget.

9. In his opening statement, the representative of the Secretary-General (Mr José Manuel Salazar-Xirinachs, Executive Director, Employment Sector) introduced the content of the Office report and summarized the analysis and reflection that had gone into its preparation. He also highlighted the link between the report and the General Survey concerning employment instruments, explaining that, following a new method of work established by the Declaration on Social Justice for a Fair Globalization, the timing of the survey had been synchronized with the recurrent item discussion. The findings of the General Survey report had been taken into account in Report VI for this Committee.

General discussion

Point 1. What are the most important trends and challenges that member States and social partners face and will face during the next decade in promoting full, decent and productive employment in the context of shaping a fair globalization?

10. The special adviser to the representative of the Secretary-General (Mr Duncan Campbell, Director of Policy Planning, Employment Sector) introduced 11 major trends and challenges in employment, namely: globalization; growth; labour migration; unemployment, vulnerable employment and working poverty; standards of living; precarious employment; global wage trends; inequality; the green economy; demographic change; and structural transformation, and concluded with a suggestion of the possible ways forward for member States, the social partners and the Office to address these challenges.

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- 11.** The Employer Vice-Chairperson reaffirmed the relevance of the ILO, quoting from a statement prepared by the International Organization of Employers (IOE) in 2008 on its vision of the ILO. She emphasized that the objectives stated there, to seek an ILO that could provide practical assistance to constituents while adapting to changing realities, drove the Employers' participation in the drafting of the Declaration on Social Justice for a Fair Globalization and would likewise guide their conduct throughout the discussions on evaluating the work of the ILO with respect to the aspirations set out in its Constitution and keystone declarations. Noting that the first review would set a precedent for future reviews, she listed the key principles guiding the Employers' group. Firstly, the primary objective of the review was to lead to a better understanding of the needs of constituents and to guide the Office's approach to delivering appropriate action on the four strategic objectives. Guided by the Declaration and its annex, the discussion should focus on the questions of what the ILO was asked to do, what was done, what was the impact and what worked or did not work.
- 12.** Secondly, while noting the interrelationship between the four strategic objectives, she stressed the intention of the Employers to keep a focus on the discussion on the objective of employment. Likewise, she reiterated the intention to avoid wide-ranging policy debates associated with the topic of employment creation. She stressed that they would not revisit the Declaration, the Global Jobs Pact or other ILO policy instruments. Thirdly, given the time constraints, not all chapters of the report would be the subject of extensive discussion. Fourthly, the discussions would be informed by the mandate of the ILO and would focus on how to build on the ILO competitive advantage, focusing on the policies that most directly impacted labour markets and on where the ILO could best meet constituents' needs. On a final note, she reminded the Committee that while they may not have the mandate to influence budgetary allocations, they did have the mandate to offer guidance on how scarce resources could be more effectively deployed.

13. With regard to the discussion on trends and challenges, she highlighted the key employment challenges confronting employers for which effective responses from the ILO could have the highest value-added. These included: the issue of sustainable enterprises through increasing the understanding of the role of the private sector with regard to enabling growth and employment; the issue of entrepreneurship through the creation of a policy and legal environment for encouraging business creation; the issue of demographic change through a better understanding of the interactions and implications of different issues, and she expressed the hope that the cancelled 2009 ILC discussion on the ageing workforce would be rescheduled; the issue of labour market institutions and regulations, specifically in the context of strengthening institutions while also promoting labour market flexibility; the issue of skills and employability; and the issue of the access to reliable labour market data and information and the improvement of national capacities in this area. In conclusion, she said that Employers looked to the ILO for a response to such challenges through a partnership approach with constituents.

14. The Worker Vice-Chairperson recalled the enormous impacts of the financial crisis on global and national economies, on job and income security, and on businesses that occurred since the adoption of the Declaration on Social Justice for a Fair Globalization. However, the Declaration still provided a guiding framework for acting on both the constitutional mandate and the aspirations of the ILO. She observed that the purpose of the Committee's work, as outlined in the Declaration, was to better understand the diverse realities, needs and challenges of member States with respect to each strategic objective; to respond more effectively to them while using all means of action available; to adjust priorities and programmes accordingly; and to assess the results of related ILO activities with a view towards informing programme, budget and other governance decisions. She stressed that the promotion of the interaction and the integration of the four strategic objectives was also an important objective of the discussion.

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- 15.** At the time of the adoption of the Declaration on Social Justice for a Fair Globalization, the Workers' group was already concerned about growing income inequalities and decent work deficits within and between countries, about the consequences of financial market deregulation and unbalanced trade liberalization, and a lack of policy coherence among the international institutions guiding globalization. These concerns led to the unanimous reaffirmation of the mandate provided to the ILO in the Declaration of Philadelphia.
- 16.** While policies and programmes implemented by many member States during the global financial crisis were sufficient to avert another Great Depression, they had not translated to jobs recovery everywhere and there remained a risk of cyclical unemployment becoming structural and long lasting in many countries. The Workers' group supported the financial stimulus measures, but shared concerns now about the mounting fiscal deficits and the implications on government debt and future social expenditures and the timing of the exit strategies. Referring to the recent emergence of the sovereign debt crisis in Europe and the rush to implement austerity measures, she said that this could once again lead to a recession. She referred to the example of Spain and the reforms supported by the International Monetary Fund (IMF) in its Article IV review, which she likened to some of the worst structural adjustment programmes implemented during the 1980s and 1990s at the height of the Washington Consensus. She asked whether the lessons learnt then had been forgotten and whether, and to what extent, the Office was consulted by the IMF in preparing its report.
- 17.** She stated that if macroeconomic policies were to be geared towards supporting full and decent employment, financial markets would have to be reined in. This would require not only the policies laid out in the Declaration on Social Justice for a Fair Globalization and the Global Jobs Pact to be implemented, but also a collective will to change the financial rules. As a way forward she suggested that the Office should intensify its work in supporting macroeconomic policy and trade, industrial policies and investment policies that maximized decent and productive employment. International labour standards played a

key role in developing a coherent policy response. The work of the Committee should focus on how the Office could strengthen its macroeconomic policy expertise, build a critical mass of experts to respond to crisis situations, promote and implement international labour standards, develop a new Recommendation to build policy coherence at both national and international levels and to maximize the employment outcomes of economic policies, and step up work to formalize the informal economy through an integrated approach.

- 18.** The Government member of the Netherlands, speaking on behalf of the industrialized market economy countries (IMEC) Government members of the Committee,² noted the importance of the Committee discussions to strengthen the capacity of the ILO to assist member States in implementing the Decent Work Agenda and as a precedent on how the Declaration on Social Justice for a Fair Globalization was put into practice. There was a need to discuss both the substance leading to realistic priorities for employment as well as the process of whether the intent of the Declaration and its follow-up were being fulfilled. The needs of constituents should remain central to the work of the Committee, bearing in mind that these were strongly affected by the ongoing global crisis. Recalling the objective of the recurrent reviews to understand the needs and realities within the strategic objective of employment and to assess related ILO activities with a view to informing programme and budgetary decisions, she said that discussions should also focus on successful and unsuccessful practices by constituents and lessons learned. Within the context of the “UN Delivering as One”, the ILO needed to strengthen efforts to make ILO core values an integral aspect of work by the international organizations at country level. Reminding the Committee that the Declaration and its follow-up clearly underlined the need for responses to ensure a coordinated use of all means of action, she stressed the need for the conclusions

² Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Italy, Japan, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

of the Committee to take into account the results of the General Survey concerning employment instruments from the Committee on the Application of Standards. She insisted on the need for the Committee to reach clear and useful conclusions that would provide concrete overall guidance to the Office and the Governing Body with a view to informing programme, budgetary and other governance decisions which should indicate how the ILO intended to respond to the needs of its constituents.

19. The Government member of Australia, speaking on behalf of the Asia–Pacific (ASPAG) group Government members of the Committee,³ said that while employment was a key dimension in the discussions it was necessary to bear in mind that this was the first practical application of the recurrent discussions set out in the Declaration on Social Justice for a Fair Globalization and its Follow-up and would set a precedent for future discussions. Thus it was important that both matters of substance and process be addressed. The discussions would have the most value if they could identify clear and realistic priorities for action by member States and the ILO focused on meeting those needs, on the capacity of the ILO and on the analysis of global and local trends. The challenge was to produce an achievable and targeted way forward.

20. The Government member of the Bolivarian Republic of Venezuela, speaking on behalf of the Group of Latin America and Caribbean Countries (GRULAC) Government members of the Committee,⁴ underlined the importance of the work of the Committee in guiding the work of the Office. The Office report and the proposed discussion points formed a good basis to inform the discussions of the Committee. Two aspects considered to be of particular importance were, firstly, within the framework of the Declaration on Social Justice for a Fair Globalization, the identification of the means of action of the ILO to

³ Australia, Bangladesh, China, Fiji, India, Indonesia, Islamic Republic of Iran, Iraq, Japan, Kuwait, Malaysia, Republic of Maldives, New Zealand, Oman, Pakistan, Papua New Guinea, Philippines, Qatar, Saudi Arabia, Singapore, Sri Lanka, Thailand.

⁴ Argentina, Barbados, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Honduras, Mexico, Nicaragua, Panama, Peru, Suriname, Uruguay, Bolivarian Republic of Venezuela.

respond to the needs and priorities of its tripartite constituents, and, secondly, the identification of the plan of action of the ILO in the context of the strategic objective on employment with a special emphasis on the role of technical assistance and advice.

- 21.** The Government member of Spain, speaking on behalf of the Governments of Member States of the European Union (EU) attending the Conference,⁵ the Candidate Countries,⁶ Countries of the Stabilization and Association Process, and potential candidate countries,⁷ and Armenia and the Republic of Moldova, underlined support for the four strategic objectives and the importance of their integrated and holistic approach. Reiterating the views expressed by the IMEC group, he hoped that the discussions would enable the Organization to better understand the needs of member States regarding employment, as well as to respond more effectively to them. The EU supported the ILO's efforts to identify policy priorities and to analyse their coherence, articulation and implementation, as well as to learn lessons from the evaluations. The discussions would be marked by the need to make sure that the exit from the crisis became an opportunity for a new growth model. Skills and employability and youth employment were two global challenges that deserved particular attention. He noted support for the ILO's programme for promoting the development of sustainable enterprises. He also stressed the link between employment and social protection and called for an integrated approach to jobs and growth. In this context the European Council had adopted the Europe 2020 Strategy based on coordinated policies promoting sustainable growth and competitiveness. Like various other speakers, he noted that the crisis and its effects would remain a priority for the EU in shaping its policies. In conclusion, he stressed that the EU gave high priority to the promotion of full and

⁵ Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

⁶ Croatia, The former Yugoslav Republic of Macedonia, Turkey.

⁷ Albania, Bosnia and Herzegovina, Montenegro, Serbia.

productive employment as well as to the ILO's agenda, with a view to supporting the wider economic policy framework.

- 22.** The Government member of Canada endorsed the statement made on behalf of IMEC and recalled that many of the themes on employment had been the subject of previous ILC discussions which had highlighted the importance of effective macroeconomic policy frameworks to support sustainable enterprises, skills development and lifelong learning, targeted labour market interventions, and the role of social dialogue in shaping policy and programme responses. She recognized the key role of the ILO in jobs-focused economic recovery through its research, promotional, capacity building and training activities and strengthened international partnerships. She highlighted the need to share good practices.
- 23.** The Government member of New Zealand endorsed the statements made by the ASPAG and IMEC groups and noted that the Committee discussions provided the first opportunity to take stock, to review progress, and to set objectives and an action plan for future assessment and review and also needed to be placed in the longer term strategic objective of realizing decent work.
- 24.** The Government member of Belgium endorsed the statement made on behalf of the EU. He noted that within the context of the discussions three points were of particular importance: the political consequences of the crisis and the need for political will to define a framework for the creation of employment; the role of employment policies and the need for better coordination with economic and financial policies, and thus the conclusions of the Committee on the Application of Standards were essential; and the value-added of the ILO as a tripartite organization and the importance of international cooperation.
- 25.** The Government member of Argentina endorsed the statement made on behalf of GRULAC. He highlighted the role of the State in the context of crisis response and shared the experience of Argentina which had placed employment at the centre of public policies, had focused on implementing elements of the social protection floor and on active labour

market policies. He also highlighted the joint work with the social partners in the improvement of labour inspection.

26. The Government member of Australia endorsed the ASPAG and IMEC statements and stressed the need for the Committee outcome to identify a practical way forward on employment which would set priorities for action which were justified and important for member States and the ILO and realistic mechanisms for these priorities to be achieved within a reasonable time frame and available resources. He stressed the need for those priorities to be “field focused” and long-term responses on policies on skills, trade and employment. He also noted the need to demonstrate effective implementation of the Global Jobs Pact in countries where it had been rolled out.

27. The Employer Vice-Chairperson reaffirmed the relevance of the Global Jobs Pact. She supported the need to define priorities as indicated by the Government member of Australia. She identified a number of priority areas which included skills and employability, data and knowledge sharing, the Global Jobs Pact and sustainable enterprises.

28. The Worker Vice-Chairperson referred to the statements made by the Government members of Argentina and Belgium, which pointed to the importance of strategic policies that put employment at the heart of economic policy. She reaffirmed the importance of ILO advice on setting strategic priorities on employment and social protection and stressed the need to look at the needs of developing countries.

Point 2. Macroeconomic policy frameworks to promote full, decent and productive employment

29. The representative of the Secretary-General focused his presentation on the employment content of growth; the influence of macroeconomic policy on employment; the relationship between growth, employment and income; and the role of macroeconomic policy to

support a conducive environment for sustainable enterprises. Jobless growth had been at the centre of policy debates in many countries and there was added concern now of a jobless recovery. The key challenge was how to improve the links between growth and employment, in both quantitative and qualitative terms, ensuring job-rich growth with inclusive labour markets. The Office had been advocating strongly in this respect and was paying greater attention to developing specific methodologies and tools to support constituents in increasing the employment content of growth, including through industrial and sectoral policies.

- 30.** The Worker Vice-Chairperson noted that neo-liberal policies had not only failed the majority of workers, but they had also generated a financial crisis whose effects might take years to overcome. Full, decent and productive employment could no longer be a hoped for by-product of economic growth but had to become the primary focus of economic policy. According to the finding of Report VI, the relative success in avoiding an outright depression through significant government spending underscored the pertinence of anti-cyclical macroeconomic policies. She endorsed the conclusion in the Director-General's Report that strong, sustainable and balanced global growth with strong job creation was the only sensible way ahead and noted that, while the information presented in Chapter 2 of Report VI was valuable, it was not enough. She referred to the importance of linking gradual fiscal consolidation strategies to the agenda for policy dialogue and action on an employment-oriented framework as suggested in the Director-General's Report. She also noted the priority areas listed in the Report which were vital for this agenda, pointing out that not only were they relevant for national government work and the Office's focus but also for multilateral coordination since the G20 and the United Nations had called for rebalancing of the global economy.
- 31.** The Workers' group urged the ILO to promote policies that placed employment at the heart of trade and investment and also to work with the Organisation for Economic Co-operation and Development (OECD) on an up to date analysis of trade and investment

flows and their impact on jobs. The ILO also needed to increase its capability to undertake macroeconomic research, provide credible advice on these matters, and become a robust international policy advocate for an employment-centred macroeconomic perspective. On taxation, there could be no doubt that it played a key role on income distribution and the Office had a role to play, in partnership with other multilateral organizations, to encourage an international coordinated approach to deal with tax havens. Macroeconomic stability was important but exaggerated emphasis on inflation stifled growth and a more balanced approach was needed. In this regard, the Declaration on Social Justice for a Fair Globalization, the Global Employment Agenda and the Global Jobs Pact were important guides.

32. There was also an important finding in the General Survey concerning employment instruments, indicating that, despite commitments on paper to full, productive and freely chosen employment as stated in the Employment Policy Convention, 1964 (No. 122), it was unclear whether macroeconomic policies had been mobilized to deliver it. Data in Report VI on technical cooperation showed employment policy receiving only 5.4 per cent of technical cooperation resources. She regretted that the report did not provide detailed information on resource allocation and urged the Committee to consider the issue of resource allocation when it reached its conclusions. A shift in priorities required a shift in resources. There was a need for a team that could provide a comprehensive employment-centred macroeconomic approach towards recovery and decent work. The other challenge was in the area of policy advice at the national level. Current practice was that even when advice was given there was no follow-up and, therefore, stronger engagement at the national level was necessary.

33. The Employer Vice-Chairperson referred to the macroeconomic policy debate as a highly complex and often contentious political process. She noted that both the Philadelphia Declaration and the Declaration on Social Justice for a Fair Globalization tasked the ILO to monitor and consider all economic matters affecting employment, presumably including

macroeconomic policy, hence the need for the discussion today regarding what the ILO's role should be. She expressed the hope that the ILO would not attempt to compete with other international agencies but rather come to the table as a partner, concentrating and devoting resources to areas where it was best placed to offer specialized services. She emphasized that it was on the labour market rather than broader macroeconomic matters that the ILO should concentrate its efforts, pointing to the table of constituents' priorities on page 13 of Report VI. Turning to the topic of the economic content of growth, she restated the premise that "no one size fits all" and expressed scepticism regarding the ideas that growth must be accompanied by a prescribed level of employment. But if growth was to be accompanied by an increase in employment then it must be based on investment in value-added activities. Employers and investors were the ones that most directly determined job creation, and the ILO had scope for influencing the process by helping to encourage investment decisions.

34. Specific to the topic of the relationships between growth, employment and income, she emphasized the key role of the ILO in promoting active labour market policies and employability as well as in helping countries to develop their social protection systems. She urged the Office to support constituents in addressing the factors that determined enterprise sustainability. Specifically, she called for support in improving the quality, efficiency and impact of business regulations; in fostering the creation of business-enabling environments; in promoting entrepreneurship beyond the target populations of women and youth; and in reshaping the priorities and services of the Enterprise Department so that it was better equipped to translate into action the 2007 Conclusions concerning the promotion of sustainable enterprises.

35. In view of the implications of the above for the conclusions of the Committee, she reiterated the importance of economic growth for job growth and of avoiding disincentives to employment and investment. She emphasized the strength of the ILO in the areas of labour market policies, employability and skills policies. She restated the importance of

sustainable enterprises to delivering on the strategic objective on employment. She urged a strong commitment by the Office to improving understanding of the impact of ILO activities on investment and employment. Specific to the topic of sustainable enterprises, she proposed that a status report be submitted to the Governing Body on the staffing, capacities, projects and work roles of the Enterprise Department as well as an evaluation of the Office's work on sustainable enterprises with the aim of giving better effect to the 2007 Conclusions on sustainable enterprises.

- 36.** The Government member of Spain, speaking on behalf of the Governments of Member States of the EU attending the Conference,⁸ the Candidate Countries,⁹ Countries of the Stabilization and Association Process, and potential candidate countries,¹⁰ and Armenia and the Republic of Moldova, emphasized the severe labour market adjustments going on in countries today as a result of the economic crisis. He underscored the role that macroeconomic policies had to play in response to the crisis and reiterated that the impact of the crisis had been mitigated by effective fiscal and macroeconomic policies. While the Decent Work Agenda and Global Jobs Pact addressed the issue of the jobs content of growth, now more than ever it was essential to renew the commitment to placing job creation at the heart of economic and social policies. He emphasized the important role of the social partners in the design and implementation of policy reforms. Furthermore, the ILO had a key role to play in generating knowledge on linkages between macroeconomic policy and employment as well as in facilitating exchange of practices between countries. In the EU context, he remarked how the crisis had highlighted the interdependence of economies and underscored that the ILO had a key role to play in generating knowledge and facilitating these exchanges. Finally, he referred to the Europe 2020 Strategy which

⁸ See footnote 5.

⁹ See footnote 6.

¹⁰ See footnote 7.

was focused on achieving smart, sustainable and inclusive growth through the establishment of quantified goals.

37. The Government member of Brazil endorsed the statement made on 2 June on behalf of the GRULAC countries by the representative of the Government of the Bolivarian Republic of Venezuela. She shared the belief of the Government that macroeconomic policy should be all-encompassing, touching on a broad range of areas including finance, entrepreneurship, wages and employment. She then offered examples of how consciously addressing employment and social policies within the macroeconomic framework had produced positive results in Brazil in the face of the economic crisis. She commented on an excerpt in Report VI that placed Brazil among a list of countries with increased inequality; the reality, she stated, was that inequality was a challenge that had been taken up particularly during the current Administration. She underscored that policy efforts aimed to improve the lives of those in the lower income brackets with income transfers (such as the *Bolsa Familia*). The creation of formal sector jobs had had a real impact in decreasing inequality as measured by the Gini index.

38. The Government member of France, endorsing the comments made by the Government member of Spain on behalf of the EU, stated that the French Government remained attentive to the impact of the crisis on employment and was striving to achieve job growth. She noted that past experience had shown that structural and budgetary policies had not been perfect and some groups had been particularly hard hit by the crisis. Public opinion made room to manoeuvre quite tight, thus realistic timetables and appropriate fiscal policies were necessary. The labour market needed to be closely monitored, for instance in terms of unemployment rates. In countries such as France, with a relatively high minimum wage, short-term consolidation of finances was needed, as were quick and effective reforms in health and retirement benefits. This would contribute to the long-term sustainability of social protection systems. In the short term, certain measures would end, such as tax exemption for small and medium-sized enterprises, while others, such as

reskilling programmes, would continue. She underscored that strategies needed to be framed through the G20, and that the ILO contribution was especially valuable. In closing, the speaker noted that her country would chair the G20 in 2011.

39. The Government member of China noted that his country supported the Director-General's Report and recognized that macroeconomic policy impacted employment. Hence, there was a need to focus on forging sound interaction between growth and employment. He noted that employment was a key priority for his Government. China was focusing on job growth in four ways: (i) employment was central to all government programmes; (ii) labour-intensive interventions were being promoted; (iii) incentives were being given to encourage small and medium-sized enterprises; and (iv) social protection systems were being improved. The speaker underscored the support of the Chinese Government for the Global Jobs Pact and the Declaration on Social Justice for a Fair Globalization. In conclusion, he underlined that job growth should be an indicator of recovery, that the employment situation remained serious, and that public investment and social protection systems were highly important.

40. The Government member of the United States noted that for most of the world's population, earnings from work were the main – and often sole – source of income and savings. He underscored that job opportunities were necessary for distributing broadly the gains of economic growth as well as for generating the savings to fuel investment for further growth and development. An adequate supply of jobs narrowed income disparities, enabled the sharing of economic growth and helped build a strong middle class. His country had been hard hit by the crisis, losing over 8 million jobs over the past two years, and faced the challenge of high unemployment. The United States recognized the importance of employment as a means to achieve economic growth, and at the Pittsburgh Summit G20, leaders agreed on recovery plans that supported decent work. Subsequently, the G20 labour and employment ministers had recognized poverty alleviation as a further goal. The speaker expressed his appreciation for the Office's support in assessing the crisis

response. Although sharing best practices was very beneficial, what had proven effective in some countries was not always appropriate in others. Finally, he acknowledged the Director-General's remarks of the previous day underlining the need to get at the "where, why and how", and agreed that answering these questions through rigorous research facilitated effective policy responses.

- 41.** The Government member of Australia supported the work by the Office on macroeconomic policy but noted that clarity was needed on the establishment of priorities for this work: first, there should be a focus on collaboration with other agencies that traditionally had core responsibilities in this field; second, a detailed proposal was needed on what a new macroeconomic paradigm supporting decent work for all would entail. The way forward proposed by Report VI, with its emphasis on research, could be considered unrealistic because it was unclear how this would lead to policy reform, particularly since only one third of countries had reliable labour statistics. He suggested that further reflection on this issue was needed before a research agenda could be formulated.
- 42.** The Government member of the Bolivarian Republic of Venezuela stated that the global economic crisis was a crisis of the capitalist system. She remarked on a number of measures which the Bolivarian Republic of Venezuela had implemented to alleviate hardship including reverting the privatization of state assets, reducing the precariousness of employment, increasing pensions, and developing social projects in areas such as culture and health. The negative impacts of the crisis could also be mitigated by respecting the rights of individuals and promoting gender equality.
- 43.** The Government member of India encouraged the Office to continue the excellent work it had done in the preparation of Report VI and for the G20 deliberations. He underscored the importance of integrating employment concerns into policy-making at various levels and of strengthening the macroeconomic policy framework. In this context, developing an employment policy at national level was of the utmost importance. Given the large share of

individuals employed in agriculture, special focus was given to rural development, including enactment of the National Rural Employment Guarantee Act that provided guaranteed employment to the unskilled living in rural areas. He noted that, despite rapid growth, employment creation did not keep pace with the growth of the labour force. The preponderance of the unorganized sector as a major source of job creation was an important challenge. He remarked that it was especially important that growth should take on a sectoral approach, focusing on where the employment intensity of growth could be highest.

44. The Government member of Nigeria, speaking on behalf of the Africa group Government members of the Committee,¹¹ remarked that globalization was still not generating sufficient employment in the continent. She stated that ministries of labour generally did not have the role that was needed to influence the employment dimension of macroeconomic policies. They should be at the table with, for example, ministries of finance and planning, in the formulation and implementation of such policies. Workers' and employers' organizations also needed to be consulted more actively in a negotiated and agreed process. Effective systems of monitoring and evaluation should be in place. Measures to support the development of small and medium-sized enterprises across the regions should be fostered and skills-development policies articulated. She concluded by stating that Africa had long faced an employment challenge and that the crisis had only made the situation worse. She encouraged the ILO to move rapidly towards implementing the Declaration on Social Justice for a Fair Globalization and the Global Jobs Pact.

45. The Government member of Uruguay noted that her country had an integrated vision of economic and social policy. Policies were coordinated between the Ministry of Labour and those responsible for financial affairs. Prior to the crisis, Uruguay had pursued prudent

¹¹ Algeria, Benin, Botswana, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Djibouti, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Senegal, South Africa, Sudan, United Republic of Tanzania, Togo, Tunisia, Zambia, Zimbabwe.

fiscal policies and this had lessened the impact of the crisis on households. The Government had invested in the promotion of small and medium-sized enterprises, national infrastructure, the reinforcement of social security and innovative development programmes such as the *Plan Ceibal* to provide each child with a computer.

46. The Employer Vice-Chairperson noted that, while on certain issues employers and workers had divergent views, she pointed to issues where there was wide agreement such as on the important connection between macroeconomic policy and growth and the importance and complexities of cooperation and coherence at the national and international levels. She also noted the agreement that the key question was not on “whether” the ILO should engage in this process but on “how” to best engage in the process. The Employers’ group considered that the Office had a major contribution to make in the area of informing constituents on labour issues and in this context referred to the statement made by the Government member of France in support of the role of the ILO in monitoring employment impacts. She acknowledged the work of the Office in response to the G20 request for information on employment impacts resulting from the crisis.

47. The Worker Vice-Chairperson noted that all governments had indicated support with respect to the work of the Office in the area of macroeconomic policies which could be expanded in collaboration with other institutions. However, the role of the ILO was essential in order to ensure that full and decent employment were at the heart of macroeconomic policies. She acknowledged the statements made by the Government members of Brazil and China with regard to fiscal consolidation but warned that timing of these measures was critical. She agreed with the Employers’ group that the Office had responded well to the needs of the crisis through the delivery of good labour market responses and the Global Jobs Pact. She acknowledged the need for real-time information and statistics.

Point 3. Employment and labour market policies to promote full, decent and productive employment

48. The special adviser to the representative of the Secretary-General (Ms Azita Berar-Awad, Director, Employment Policy Department) introduced the issue of employment and labour market policies to promote full, decent and productive employment covered in the report of the Office. She highlighted the increasing demand from countries for support in developing employment policies which link to national development plans, include explicit employment targets, and address both the quality and quantity of employment. The challenges in many countries include limited fiscal space and lack of policy coherence. Tripartite dialogue and coordination among ministries of labour, finance and planning are required. The way forward could include employment policy reviews and customized policy advice at country level based on empirical research, appropriate diagnostic tools and collaboration with all constituents.
49. The Employer Vice-Chairperson noted that more than 100 ILO member States had ratified the Employment Policy Convention, 1964 (No. 122), and had developed national employment policies, yet countries throughout the world continued to struggle with unemployment; full employment remained unrealized in almost every country. Part of the answer, she believed, was that having an employment policy was, by itself, insufficient for job creation. The critical first building block for job creation was economic growth which was, in turn, driven by many factors. It was the role of an effective employment policy to help ensure that growth translates into actual sustainable jobs. While such policies varied from country to country, they should have four key common elements: enhance the ability of firms to create jobs and increase productivity and thereby raise workers' standards of living; be based on an accurate understanding of current workplace conditions and modern practices; be practicable, pragmatic and implementable rather than only aspirational; and encourage individuals to seek a job. The primary role of the ILO should be to complement and support macroeconomic strategies with as effective active labour market measures as

possible (such as job training and skills development). To ensure the realization of potential benefits of active measures, member States needed support in making critical national policy decisions, in prioritizing labour market initiatives, sequencing policies appropriately, building policy coherence, and improving monitoring and evaluation.

50. Coherence was essential: internally for the ILO and externally between its own policies and those of other institutions. The ILO needed to be at the top of its game globally; to be credible; policy advice must be grounded in rigorous research.

51. Regarding employment services, she emphasized the need to modernize public employment services, to support the role of non-government providers, to work more closely with employers and to promote change in employment services. In the wake of the crisis, there should be a review of the lessons for employment services and the Office's support to them and specific action to promote ratification of the Private Employment Agencies Convention, 1997 (No. 181). Regarding green jobs, employers recognized and supported the ILO's clear role and engagement on the issue. Priority should be given to identifying the skills, training and education needed for innovation-led green growth and job creation, as part of its training strategy. Efforts should also be made to integrate the green jobs concepts into the Decent Work Country Programmes.

52. Regarding peer reviews on national employment policies, the Employers' group was receptive to the issue if the reviews were properly constructed and carried out on a voluntary basis; however they requested more information on how these could be done systematically and would draw on good practices. Regarding the Global Employment Agenda, she noted that it continued to be a useful baseline instrument and enjoyed full tripartite support. Her group shared the concern on the tension regarding multiple ILO mechanisms at the country level, and proposed a review of the range of national commitment mechanisms with a view to their rationalization. There were labour statistics gaps which needed to be tackled with concrete actions. She suggested some priority areas

of work: to undertake a review and report to the Governing Body on lessons from the recent crisis, particularly on active labour market policies; to undertake research to better understand unemployment, underemployment, and informality in developing countries; to review and report on options for improving the quality of labour market statistics and their availability to policy-makers in more countries; and to review and report on the various mechanisms being used globally to embody national commitments on employment, and options for their consolidation.

- 53.** The Worker Vice-Chairperson reiterated the importance of the Global Jobs Pact which called for major policy shifts toward the objective of building a different and better post-crisis world, but expressed disappointment at the progress of its implementation. She remarked that the lack of policy coherence between economic and financial policies on the one hand and social policies on the other hand was one of the challenges for employment and labour market policies. She warned of the danger of a return to old practices in which employment policies failed to target employment growth and expressed specific concern for the renewed primacy being given to the IMF as lead adviser of the post-crisis policy adjustment process. She urged the Office to reinforce its role in advising constituents on integrated crisis responses based on the principles enshrined in the Global Jobs Pact. She stressed the need for the full implementation of the Global Jobs Pact and the Global Employment Agenda (including its core element 4 on macroeconomic policy for growth and employment) in an integrated manner. She commended the Office for its practical suggestions of possible ways forward but noted that the role of normative instruments on labour market and employment policies was missing. With regard to the Employment Policy Convention, 1964 (No. 122), she noted the need to enhance the commitment of member States with respect to its promotion and implementation. Thus, technical assistance provided by the Office in this regard was important. While noting that there were capacity constraints, she mentioned the weakness of the Office in doing consistent evaluations of the employment policies undertaken and the lessons learnt. There was a

need for information regarding which employment policies were taken up in Decent Work Country Programmes and the influence of the crisis on national employment policies. In particular, there was a need to know whether coherence between economic, employment and labour market policies had been adequately promoted.

54. She urged the Office to strengthen its technical capacity and policy advice in the areas of youth employment; public employment services, including the promotion of the Employment Service Convention, 1948 (No. 88); sustainable enterprises; the informal economy and skills development. She highlighted the strong support for increased technical capacity and policy advice in the area of green jobs, green investment, access to green technology for developing countries and industrial policies for green jobs. In her concluding remarks she reiterated the need to consider a Recommendation that sets out clear instructions for a transparent peer review mechanism.

55. The Government member of Spain, speaking on behalf of the Governments of Member States of the EU attending the Conference,¹² the Candidate Countries,¹³ Countries of the Stabilization and Association Process, and potential candidate countries,¹⁴ the European Free Trade Association (EFTA) country, Norway, member of the European Economic Area, as well as Armenia, the Republic of Moldova and Ukraine, stated that the crisis had further highlighted the need to place employment at the centre of growth and development strategies. He reiterated the need for a renewed commitment to full employment as a key goal of macroeconomic policy as set out in the Office report. He added that coordination between ministries and institutions at the national level needed to be strengthened to make employment central to economic policy, and that social dialogue had a key role to play in establishing a sustainable institutional environment for employment policies. He

¹² See footnote 5.

¹³ See footnote 6.

¹⁴ See footnote 7.

highlighted the need to establish national and regional surveillance mechanisms in order to monitor the impact of employment policies. He urged that more emphasis be placed on decent work and developing a policy framework for it at the national level. He encouraged the use of active labour market policies to address the transition to formality given concerns about increasing vulnerability. He emphasized that exit strategies from the crisis should not undermine social protection systems. He mentioned future challenges that will influence priorities in policy design, namely demographic changes, specifically the ageing workforce and increasing youth labour force participation, climate change and the transition to a green economy.

56. The Government member of Nigeria, speaking on behalf of the Africa group Government members of the Committee,¹⁵ reiterated a concern that macroeconomic policies be reformed to place employment at the centre of development policy. The Africa group felt that national employment policies and labour market policies were the cornerstone for development and poverty reduction. She advocated for employment policies that focused on the promotion of self-employment, the development of entrepreneurial skills among young people, and employment targeting. Furthermore, she noted that raising productivity within rural economies and promoting alternatives to agriculture were critical elements for rural development and should be built into employment strategies. She urged the Office to continue to demonstrate its core competencies and expertise on employment issues.

57. The Government member of the Islamic Republic of Iran referred to the challenge of implementing the existing employment policies and instruments in an efficient and effective manner so as to enable member States to enhance employment. He regretted that a lack of coherence had muted the impact on national employment situations to date. In response, he urged the Office to design a detailed implementation process that would take into account specific national realities and to provide technical assistance to increase the

¹⁵ See footnote 11.

capacity for implementation. He highlighted the specific areas of concern to the Islamic Republic of Iran, namely the issue of high unemployment among graduates, the informal economy and the weakness of capacity in labour market information and analysis.

- 58.** The Government member of Bangladesh noted that the national development policies in Bangladesh were geared at enhancing people's skills and productivity for the sake of poverty alleviation and national development. An immediate priority was to generate the jobs needed to integrate the huge informal workforce into the formal economy. The measures taken by Bangladesh to manage the aftermaths of the global financial and economic crisis included fiscal stimulus measures, social protection measures, monetary policies, support for sustainable enterprise development and public-private partnerships for infrastructure development. The Government was also promoting skills development and youth employment through a national employment service. He noted that the challenge of climate change was also a particular issue for his country.
- 59.** The Government member of Algeria noted that employment issues were especially important for all countries, but had to be analysed according to different demographic contexts. Concerning employment policies, it was important to focus on the specific situation and potential of each country. Recalling that various resolutions of the ILO placed employment at the heart of development policy, she noted that in her country positive results had been achieved by concentrating on, inter alia, programmes based on improving infrastructure, public works, the modernization of agriculture and the building industry. Measures addressing youth employment and public employment services had also been implemented.
- 60.** The Government member of Canada noted that the crisis had demonstrated the importance of having a solid framework of labour market policies in place to support businesses and workers. She highlighted the successful experience in Canada with work-sharing arrangements. She noted that strategies to support the creation of green jobs could be an

important part of employment and labour market policies and shared the experience of the Province of Ontario in this area. In closing, the speaker, recalling the wording of the Declaration on Social Justice for a Fair Globalization, stressed that any common schemes such as peer reviews should be on a voluntary basis, and that they should not duplicate existing peer review mechanisms nor increase reporting obligations.

- 61.** The Government member of Australia reiterated his remarks on the need to focus the Committee discussions on determining the way forward on already agreed upon areas of work. He stressed that priorities should be well justified, shown to be important and realistic. On that criteria, some of the priorities identified in the Office report needed further clarification and justification to be deemed realistic. Finally, he once again stressed that the priorities identified should have a strong field focus and remarked that the best example of this was the Global Jobs Pact, but he noted the need to implement and demonstrate its effectiveness.
- 62.** The Government member of India outlined several relevant employment and labour market policies being pursued in his country which included monitoring mechanisms for annual employment and unemployment reporting, active labour market policies and modernization of employment exchanges. He noted that green jobs was a new and important area of focus and requested the assistance of the Office in identifying green jobs and the skills required for them.
- 63.** The Employer Vice-Chairperson called for the promotion of the Private Employment Agencies Convention, 1997 (No. 181). Regarding standard-setting, she was not convinced of the added value of a recommendation on peer reviews. This could be achieved with more flexibility and on a voluntary basis and a formal mechanism was not necessary. She endorsed the point made by the Government member of Australia that a field focus was important for the Global Jobs Pact. She said that green jobs should not be considered as a panacea for unemployment or for climate change.

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64. The Worker Vice-Chairperson endorsed the view of the Employer Vice-Chairperson regarding the promotion of the Private Employment Agencies Convention, 1997 (No. 181). She pointed to the fact that innovative partnerships between employers and workers had helped many enterprises to survive the crisis. She stressed the importance of consensus in working out solutions in terms of fiscal consolidation decisions. She suggested that member States should be supported in their efforts to create green jobs.

Point 4. Improving employability, productivity, living standards and social progress

65. In her opening remarks, the deputy representative of the Secretary-General (Ms Christine Evans-Klock, Director, Skills and Employability Department) referred to the definition in the Declaration on Social Justice for a Fair Globalization of the links between skills, sustainable enterprise development and economic development in promoting employment. Low levels of productivity still constrained wages and living standards. Improvements required skills development, sustainable enterprises, and a conducive policy environment for job growth. The ILO had strong assets at its disposal to promote skills and productivity, including international labour standards, conclusions from ILC discussions on skills in 2008 and on sustainable enterprises in 2007, and the Global Jobs Pact, and strong partnerships, such as the Inter-Agency Group on Technical and Vocational Education and Training, the Donor Committee for Enterprise Development, and the Green Jobs Initiative with the United Nations Environment Programme (UNEP), the IOE and the ITUC. The ways forward included more customized policy advice based on empirical analysis and impact evaluation.
66. The Worker Vice-Chairperson observed that the Global Jobs Pact had recognized that global economic integration had resulted in growing income inequalities, high levels of unemployment and poverty, vulnerability to external shocks and a rise of both the informal economy and unprotected work in many countries. The Office report documented declines in the growth of wages in relation to productivity gains. There was thus a need to

re-establish the links between wages and productivity, and to identify and promote economic activities with the greatest productivity potential.

- 67.** She noted that the issue of precarious employment was a major challenge. The Office report showed that there had been a rise in such forms of employment, and such jobs were the first to be lost in times of crisis, hampering job security. She urged the promotion of the Employment Relationship Recommendation, 2006 (No. 198), which was a key instrument in combating precarious employment. Another challenge was in the area of multinational enterprises. She noted that the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977) (the MNE Declaration) recognized that multinational enterprises could take measures based on principles laid down in the body of international labour standards. It made specific references to their role in encouraging security of employment. There was a need to ensure commitment along the supply chain to the realization of freedom of association and collective bargaining.
- 68.** A further challenge was in the area of the social economy. She stressed that the Workers' group was pleased that the Office had started serious work on the concept of the social economy. She noted the 2009 ILO Regional Conference on the Social Economy – Africa's Response to the Global Crisis which defined the concept as pursuing both economic and social aims while fostering solidarity. The concept could be useful in facing the enormous challenges of the informal economy and the rural economy. She drew attention to the importance of quality public services that supported private-sector activities and sustainable development. She noted the need for further investments in skills and vocational training. She concluded by stressing the importance of the participation of women and the role of older workers in ageing societies. Greater emphasis should be given to social care such as the needs of working parents. Here, the Workers with Family Responsibilities Convention, 1981 (No. 156), and the Maternity Protection Convention, 2000 (No. 183), were of particular significance, as well as the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

69. The Employer Vice-Chairperson stated that the crisis had forged a consensus on the need for effective skills development policies which were central to employability and fundamental for creating and retaining jobs. While there was a strong effort made by the ILO in skills development, the Employers' group felt that it deserved to be even stronger and that the Office should review its resource allocation in this area. The array of tools and programmes was impressive but the Office needed to review their effectiveness in greater depth. She suggested that the ILO commit to greater prioritization and resourcing on employability and devise a road map for expanding advisory services. She provided four specific suggestions which she hoped would be included in the conclusions of the Committee: first, that the ILO increase its resources in the area of skills development, given the significant opportunities to expand the role of the ILO in gathering and disseminating knowledge, experience and good practice; second, build on the strength of the ILO in providing advice on how to design and run institutions and processes that supported effective skills systems; third, assist member States to develop processes for evaluation and feedback of national skills systems; and fourth, evaluate the impact of the actions of the Office. She suggested that the global training strategy requested of the ILO by the G20 be discussed in the Governing Body. She also stressed that productivity was about more than skills; a variety of factors influenced productivity and the Office should take a more holistic approach. Finally, she noted that the Office frequently referred to part-time, temporary and casual work in pejorative terms and needed to be more even handed in its descriptions.

70. The Government member of Nigeria, speaking on behalf of the Africa group Government members of the Committee, ¹⁶ reaffirmed the importance of productivity and employability policies to improve social progress and living standards. Employability through effective skills development was of uttermost importance particularly for new labour market

¹⁶ See footnote 11.

entrants. She underscored the contribution of public employment services in skills development, particularly in identifying skills demands. She pointed out that there was a need to improve and expand entrepreneurship training in Africa, particularly for the most vulnerable groups. Given its immense size, enterprise development interventions should aim at upgrading and formalizing the informal economy. In the growing formal economy, she emphasized the importance of collective bargaining structures as a means to enhance employability and productivity. Finally, given the large number of working poor in Africa, improvements in labour market information systems were crucial in order to move forward.

- 71.** The Government member of Singapore pointed out that Singapore did not have a national employment plan but the country's commitment to employment, as noted in Report VI, was expressed in various dimensions of economic and social policies. He provided examples of interventions to improve the employability and productivity of the Singaporean workforce, including the 2008 Continuing Education and Training Masterplan (CET). He underscored the importance of productivity gains as the basis for sustainable wage growth. Singapore has set a target of achieving 2–3 per cent productivity growth annually for the next decade. He stressed that achieving this productivity target would require concerted tripartite efforts. The National Productivity and Continuing Education Council would, *inter alia*, coordinate efforts to improve productivity at the sectoral, enterprise and worker levels as well as oversee the development of the national CET system. He encouraged the Office to conduct further research on productivity and to facilitate benchmarking and the sharing of good practices across member States. He shared the experience of his country in the area of improving the employability of older workers and noted some of the recommendations of the Singapore Tripartite Committee on Employability of Older Workers. Regarding low-wage workers, he presented a strategy to raise their employability through a workfare programme which ensured that workers were equipped with the relevant skills, while providing income support, and a workfare training

support targeting older low-wage workers would be introduced soon. Finally, while his country supported the priorities identified by the Office, he emphasized the role of the Office in assisting member States to set up robust training frameworks that could respond efficiently to the changing needs of the economy with a focus on enhancing the employability of vulnerable groups such as older and low-wage workers.

72. The Government member of Spain, speaking on behalf of the Governments of Member States of the EU attending the Conference,¹⁷ the Candidate Countries,¹⁸ Countries of the Stabilization and Association Process, and potential candidate countries,¹⁹ the EFTA country, Norway, member of the European Economic Area, as well as Armenia, the Republic of Moldova and Ukraine, stressed that, although productivity had many determinants, skills was one of the key factors. Ensuring that workers had the required skills and competencies was a precondition for enhancing their ability to participate effectively in an inclusive society. Sufficient investments in skills development and training were needed in order to support workers' employability and the skills needs of emerging high-growth sectors and enterprises. It was important that incentives were in place to encourage workers of all ages to participate in training. Inclusive growth implied empowering people through investments in skills and training and helping people anticipate and adapt to change. A more skilled workforce was also a more motivated workforce with high levels of job satisfaction. This contributed to productivity and constituted a basic element in the capacity of firms to innovate as well as facilitated transitions between jobs and sectors. The social partners had a key role to play and should work together with other stakeholders to design more effective training strategies. He placed particular attention on public employment services as these were crucial in adapting employment programmes to individual and labour market needs. He also underscored the

¹⁷ See footnote 5.

¹⁸ See footnote 6.

¹⁹ See footnote 7.

importance of providing training opportunities to vulnerable groups. Furthermore, labour market institutions needed to be modernized so as to contribute to developing transversal competencies and specific work skills in changing sectors and to apply flexible learning methodologies supported by new technologies. He noted that Europe's 2020 Strategy included an agenda for New Skills for New Jobs, in order to modernize labour markets and enable people to develop their abilities throughout life. He welcomed the training strategy requested of the ILO by the G20 and looked forward to further discussions on various aspects of the subject.

- 73.** The Government member of Germany fully endorsed the points made on behalf of the EU, but added that recent experience had demonstrated that the linkages between skills, jobs and living standards were weak and needed to be reinforced by policies. Employability implied a good educational foundation to enable people to effectively access continuing learning opportunities. Although ongoing fiscal consolidation programmes increasingly made achieving that objective very difficult, her Government was determined to increase investments in education and skills development, reflecting a recognition that sustainable businesses required competent and adaptable workforces. It was important to reinforce social dialogue on this issue and, in Germany, skills development and training programmes were designed in collaboration with the social partners. Their expertise made it much more likely that the skills requirements for emerging jobs were adequately reflected in the education and training systems. She drew attention to the recent joint press release by the Federal Chancellor of Germany, the Secretary-General of the OECD, the Director-General of the World Trade Organization (WTO), the Director-General of the ILO, the Managing Director of the IMF and the President of the World Bank, that suggested broadening the concept of economic growth, and noted that GDP, as the main measure of economic development, should be complemented by appropriate social, employment and environmental indicators. Finally, she underlined the importance of ILO assistance and expertise in the macroeconomic debate and innovative approaches to the growth concept.

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74. The Government member of the United Kingdom, speaking also on behalf of Belgium, Italy and New Zealand, underscored the need for real time policy analysis and relevant advice from the Office in the complex area of sustainable enterprises and the application of the MNE Declaration. In this regard, he commended the usefulness of the ILO Helpdesk and noted that the Office should continue to evaluate its services and should adequately resource and support it so that it continued to assist constituents effectively.
75. The Government member of Japan gave an overview of the range of policies and programmes aimed at supporting education, training and employment placement, particularly for disadvantaged groups. He also underscored the importance of income and living standards for those not covered by unemployment insurance. The aim was to offer pathways back into work.
76. The Government member of Argentina referred back to the issue of placing employment at the heart of economic policy. His country was doing that through numerous interventions aimed at mitigating the impact of the crisis. These included: programmes for labour market integration of the most vulnerable groups including people with disabilities; “More Jobs for the Youth”, a programme that underscored the important role of education for employability; programmes encouraging continuing education with tax credits to participating enterprises; placement services, as well as policies to improve the legal protection of domestic workers. He expressed appreciation for the example given by the Government member of Canada for maintaining good relations among collaborating groups involved in the crisis response through social dialogue.
77. The Government member of Australia sought to clarify a possible misinterpretation of his Government’s views on the need for fiscal and policy space: their central point was that increasing fiscal space was not sufficient, rather, prioritizing was needed, and it remained the responsibility of this Committee to consider if the ILO had properly identified the priorities and practical way forward. With respect to the topic of skills and employability,

he emphasized that skills forecasting was a vital part of planning but could not be used in isolation as a tool for linking the supply and demand of labour. Information from those choosing a career – their motivation and preferences – also needed to be factored in. He supported some items listed for the Office in the way forward, namely tools and improved data for tracking the implementation of national skills development plans. Finally, he stressed the importance of distinguishing between “means” and “ends”, mentioning that training materials should not be misinterpreted as “ends” in themselves but rather as “means”.

78. The Government member of Canada remarked on the long-standing priority placed on investing in skills and employability in her country, through financial assistance to students, skilled trades and apprenticeship grants, the promotion of the relationship between education and the private sector, employment policies that targeted the disadvantaged, and, more importantly in the recent context of the economic crisis, mechanisms to support the transition of workers between jobs. She stressed the importance of collaboration among key stakeholders in facilitating skills development. She noted that the ILO could make an important contribution through research, capacity building and training in the area of skills development and, in this regard, she looked forward to the forthcoming Skills Strategy requested by the G20.

79. The Government member of Algeria referred to the message of the conclusions from the 2008 ILC Committee on Skills and Employability relating to the need to address the correlation between skills development and productivity growth. As an example, she mentioned how new technological developments that might boost productivity were effective only if associated with the reskilling of workers. She noted that Algeria had invested heavily in education, professional training and apprenticeships in recent years. This included raising the age for mandatory education to 15 years, enrolling over 900,000 trainees in a new professional training centre, offering tax exemptions for

enterprises to engage their staff in professional training and assisting jobseekers, particularly the young.

80. The Government member of India informed the Committee that his country had formulated a national skills development policy in February 2009 and he thanked the Office for its assistance. The policy provided a road map for developing the skills of 500 million people. Three related institutions had also been created: the National Council for Skill Development, a high-level policy-making body; the National Skill Development Coordination Board, chaired by the Prime Minister, which carried out decisions made by the Council and coordinated inter-ministerial work; and the National Skill Development Corporation, to lead private sector efforts in training. The Right to Education Act, which made education to age 14 a fundamental right, was a further advancement. India would appreciate ILO assistance in evaluating policies and progress achieved in the areas of lifelong learning and reskilling programmes.

81. Before reacting to the interventions, the Employer Vice-Chairperson continued her statement on the social economy. Employment was generated by all types of enterprises, and all created value in the market, providing income for households and taxes for governments. The ILO tended to focus on small enterprises and cooperatives, but its policies should support all enterprises. While the Employers did support targeted programmes (e.g. to women and youth), as a general rule they considered that programmes should try to reach the broadest possible coverage. Regarding multinational enterprises (MNEs), they had a critical role to play in terms of leadership and as a source of best practices. The ILO had connections with MNEs through, for example, the Subcommittee on Multinational Enterprises. The ILO Helpdesk was also very supportive of work on the ground, and the ILO Better Work Programme engaged both MNEs and suppliers. Regarding skills and productivity, the ILO should expand its skills and employability work, including consideration of a Global Knowledge Bank, as well as assisting countries in undertaking evaluations of policies and programmes. Supporting flexibility was also

important, as economies needed to adapt to change. The last discussions on flexicurity in the ESP Committee had been disappointing. Finally, the Employer Vice-Chairperson noted that she disagreed with the Worker Vice-Chairperson's assertion that the informal economy was just about exploitation. In some countries it was 60–70 per cent of the total economy. Simply extending labour laws to the informal economy might not have the desired results, as overly rigid regulations drove individuals and enterprises into the informal economy.

- 82.** The Worker Vice-Chairperson noted her appreciation for interventions by Government delegates, among them: Nigeria on behalf of the Africa group, for her comments on public employment services, the informal economy and demand-driven skills; Singapore for presenting their impressive record of targeted interventions on skill development; and Germany for raising the dangers of skilling people without the requisite jobs being available. The Worker Vice-Chairperson welcomed the clarification by the Government member of Australia regarding “fiscal and policy space”. Regarding the statement by the Employers, she noted that valuable work had been achieved on a tripartite basis, and especially by the Employers and Workers, on MNEs. The Workers supported the ILO Helpdesk and were also supporting the Better Work Programme with MNEs, concentrating on textiles and now moving to other sectors. On skills questions, the Workers were interested in the Global Knowledge Bank and considered the green economy as a good starting point for this endeavour. The Worker Vice-Chairperson, however, disagreed with her counterpart's position on the informal economy. While the informal economy was not all bad, we should not ignore that exploitation took place, and we should identify, with ILO assistance, the areas where exploitation was occurring. More work was needed on productivity, and research would determine what was and was not productive. There were good and bad private employment agencies, and seasonal and casual labour would always exist, but these areas should be examined. On flexibility and flexicurity, a “gold standard” might exist in a few countries (e.g. Denmark or Sweden), but it could not be replicated

elsewhere particularly in developing countries where social protection systems were absent. In any case, we should not have flexibility that just suited business. Compromise was needed, and generally, policy-making must be based on research-based evidence.

Point 5. Trade and investment policies to promote full, decent and productive employment

83. Ms Jansen (Coordinator, Trade and Employment Programme), on behalf of the representative of the Secretary-General, highlighted that the mandate of the Office in this area derived from the Declaration on Social Justice for a Fair Globalization and included two components: evaluation of the employment effects of trade and investment policies; and placing employment at the heart of economic policies. She noted that trade and investment flows had been liberalized and their growth had exceeded GDP growth in the 1990s. However, the challenge was maximizing the quantitative and qualitative employment effects of trade policy options. She acknowledged the constraints of the Office (lack of ready-made tools to analyse the employment effects of trade and investment policies), recognized the low capabilities of some member States, and summarized possible ways forward. With respect to making employment central to economic policies, she noted the need to enhance the understanding of the interactions among trade, investment, employment and labour market policies. She highlighted the need to improve the weak existing evidence base in this area, as well as the coordination between institutions at the national and international levels and between national trade and investment agendas and national employment frameworks.

84. The Worker Vice-Chairperson stated that trade and investment policies also had an important role in maximizing decent and productive employment outcomes, even though they were rarely used with this aim. Several policy challenges existed when it came to trade and investment. Firstly, in many developing countries trade liberalization had led to specialization in products based on so-called natural comparative advantage, resulting in dependence on commodities and low value-added manufacturing characterized by highly

competitive markets, low prices, low wages, poor working conditions and powerful supply chains all of which limited the potential for creating decent employment. To create decent and productive employment, developing and transition countries needed to diversify their economies and build comparative advantages in areas with high value-added. Timing and sequencing policies were critical: trade liberalization needed to be cautious and be based on economic and employment impact assessments. Trade agreements and trade liberalization needed to be assessed on the basis of their impacts on industrial development and the quality of jobs. Secondly, it was important to address the unsustainable imbalances in international trade caused by some countries being dependent solely on exports for growth while others relied on debt-financed consumption. There was a need to focus on domestic and wage-led growth to create demand and employment. Thirdly, trade liberalization needed to be done in a structured manner with measures taken to address its negative effects. Fourthly, with regard to export processing zones (EPZs), not only were their spillovers to the rest of the economy minimal, but, too frequently, their main attraction was limited to the creation of low value-added jobs.

- 85.** The Office needed to build technical expertise on what combination of trade, industrial and investment policies could maximize policy space and investment and therefore lead to productive and decent employment. Furthermore, it should expand its work on employment-intensive investment which had already shown excellent results, as well as work to develop diagnostic tools to analyse the impacts of government spending. Concerning EPZs, there was a need to promote core labour standards supplemented by standards on occupational safety and health, minimum wages and maternity protection. The Office needed to develop its work on trade and should analyse the trade agreements under negotiation and assess their impact on employment and decent work as mandated in the Declaration on Social Justice for a Fair Globalization and the Global Employment Agenda. She stressed that projects undertaken by the Office should incorporate employment impact assessments and technical assistance in the area of training, job

matching and the setting up of unemployment benefit disbursements. The Office's capacity in assessing the impact of trade agreements on employment and decent work needed to be reinforced, particularly on the set of trade, industrial and investment policies needed to promote decent and productive employment.

86. The spokesperson delegated by the Employer Vice-Chairperson (Mr Phil O'Reilly) endorsed the ILO's policy on trade and remarked on its clarity and consistency with the broad consensus shown in the international community regarding the prosperity-enhancing potential of trade and the need for rejecting calls for market restriction. He stressed that trade brought prosperity and sustainable job growth. He acknowledged that the ILO's mandate in the area of trade was focused on human resource development, social dialogue and exploring the employment dimensions of trade through research aimed at guiding decision-making. He noted that there was a lack of information from the Office on the connection between ILO research and constituents' decision-making. There was a need for the Office to assess the impact of its work, to engage in an external peer review process that would increase the quality, credibility, and visibility of its research. He expressed support for efforts to assist developing country enterprises in reaching foreign markets, citing in particular the Better Work and SCORE programmes. He requested more information on the scope, methodology and results of proposed joint research in the area of labour provisions of preferential trade agreements.

87. On the topic of foreign investment, he stressed the crucial connection between investment and employment. He noted that while the ILO mandate covered only a small area of the topic of investment, the role that the ILO had to play in the regulatory environment, in human resource development and in labour relations was vital to determining the costs to employment. He regretted that ILO efforts, to date, related mainly to trying to control the behaviour of enterprises rather than to raising constituents' capacity to make good decisions concerning the regulations needed to build competitiveness. He stressed the need to get the balance right and make the best use of instruments such as the MNE Declaration,

the ILC Conclusions on sustainable enterprises, the Global Employment Agenda and the Global Jobs Pact. He remarked on the missing coverage of labour migration in the chapter on trade and investment in Report VI. Migration, he stressed, certainly fits within the topic of the multilateral policy environment and should be dealt with by the ILO accordingly.

88. With regard to possible ways forward, he agreed with the need for better coherence between labour market policies and trade policies and urged member States to create the environment for promoting an investment-friendly environment and an open market as a means of enhancing employment opportunities and raising living standards. He offered support for further efforts of the Office to study the trade impacts on employment but disagreed with the proposed agenda regarding international finance. He concluded by stressing that the Office should provide assistance in improving labour productivity, industrial relations and the efficiency of labour market institutions and regulations.

89. The Government member of Nigeria, speaking on behalf of the Africa group Government members of the Committee,²⁰ emphasized that a lot still needed to be done in order to ensure that trade and investment policies promote full, decent and productive employment. She voiced concern that African countries continued to be marginalized when it came to reaping the benefits of globalization. Trade in African countries was characterized by the export of unprocessed agricultural produce and raw materials and the import of finished goods at high prices. This did not raise the standard of living of the African people. She drew attention to the need for raising the capacity of member States in Africa to process their own resources which would bring immense positive results for the self-sufficiency of African nations. She also voiced concerns regarding the inequalities created by MNEs that neither invest in domestic markets nor sufficiently transfer skills to local workers. She

²⁰ Algeria, Angola, Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Senegal, South Africa, Sudan, United Republic of Tanzania, Togo, Tunisia, Zambia, Zimbabwe.

acknowledged that there could be no growth without trade and investment but she called for the establishment of a level playing field. There was also a strong need to align trade and investment policies with employment policies in order to ensure decent work. She remarked that her group promoted the idea of trade and investment with a “human face”.

90. The Government member of Spain, speaking on behalf of the Governments of Member States of the EU attending the Conference,²¹ the Candidate Countries,²² Countries of the Stabilization and Association Process, and potential candidate countries,²³ the EFTA country, Norway, member of the European Economic Area, as well as Armenia, the Republic of Moldova and Ukraine, welcomed the Office’s research on the employment implications of trade and the increased collaboration between the Office and other international organizations. He provided information regarding the approach of the EU to trade and investment issues, as embraced in the Europe 2020 Strategy, the vision of the EU’s social market economy for the twenty-first century. One of the pillars behind the strategy was a stronger, expanded single market, which was considered vital for economic and employment growth. He acknowledged that this would require simplifying enterprise laws in order to improve market access by small and medium-sized enterprises and implementing more effective policies that would promote innovation. These needed to be accompanied by “socially and environmentally responsible workplaces” and “inclusive and equitable markets based on equality of opportunity”. Other strategy measures were geared toward improving education and training systems, encouraging green technologies and resource efficiency, improving the regulations of the financial markets, modernizing labour markets, and strengthening social protection. He supported the use of trade instruments to promote decent work, labour standards and the effective implementation of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998.

²¹ See footnote 5.

²² See footnote 6.

²³ See footnote 7.

Finally, he stressed a commitment to improving the openness and equity of global markets and the need to focus aid efficiently.

91. The Government member of New Zealand pointed to the need to recognize the human and the financial dimensions of trade in order to generate decent work. He supported the increased dialogue between the ILO and other international institutions such as the WTO and the World Bank. The Government of New Zealand supported trade liberalization through a rules-based multilateral system as well as through bilateral and regional agreements. He drew attention to three key challenges: overcoming barriers to trade such as protectionism; recognizing the human dimensions of international trade; and promoting trade as a means of sustainable development. There was need and opportunity for the ILO to promote an integrated approach towards improving the enabling environment, promoting a vibrant private sector through the development of business and effective labour market institutions, and strengthening the information base on trade impacts. ILO technical assistance and Decent Work Country Programmes provided opportunity for research and analysis.

92. The Government member of Lebanon remarked that her country had succeeded in attracting considerable foreign direct investment and that this had helped Lebanon's economy to rebuild and to grow. The country's fiscal regulatory system had contributed to increasing trade, as did Lebanon's skilled workforce. Lebanon's policies to protect workers included workers in the agricultural sector, migrant workers, domestic workers and persons with disabilities.

93. The Government member of the Islamic Republic of Iran agreed that it was necessary to ensure policy coherence at the international and the national level in order to harmonize trade, finance and employment policies. The Global Employment Agenda approach, which put employment at the centre of economic and social policy, was core to trade and investment policies in order to promote full, decent and productive employment. He stated

that it was crucial to study and monitor the nexus between employment policies and trade and investment, and that practical indicators should be developed to measure the relationship between these policies.

94. The Government member of Australia supported the work of the Office on the connection between international trade and employment, and recalled that its mandate to examine this issue was confirmed by the Declaration on Social Justice for a Fair Globalization and the Global Jobs Pact. He highlighted two key aspects for defining the way forward: collaboration, and detailed, positive proposals built on robust evidence. He supported collaboration with other international institutions, such as the WTO, and urged the Office to establish priorities for collaboration – priorities that were justified, important, realistic and “field-focused”. The Australia–ILO partnership agreement’s emphasis on the Better Work Programme met these criteria. As a flagship tool to enhance working conditions and labour standards in the context of trade relations, it would be profitable to evaluate and further publicize its impact. In closing, he cautioned that it was critical to distinguish between the “means” of action and the “ends” and considered that tools and research work were a “means”.

95. The Government member of Tunisia observed that sufficient employment was not accompanying growth. He called into question the standard development model and noted that investment was becoming increasingly capital-intensive and therefore only benefited the highly skilled in the workforce. He indicated that in Tunisia, employment was central to all policies.

96. The Government member of Brazil noted that trade could play a key role in the recovery from the crisis and was essential for combating economic stagnation and creating decent jobs. Furthermore, there was a need to tackle protectionist measures, as well as the large subsidies being offered to certain sectors, which created trade imbalance. He noted that these issues were central to ensuring a fair globalization.

97. The Government member of the United States observed that globalization had created tremendous opportunities and had the potential to reduce poverty, but pro-growth economic policies needed to be accompanied by inclusive employment policies. Trade policies could help create jobs globally while also advancing workers' rights. He mentioned that his country had developed a framework that promoted labour rights in its trade preference programmes and its free trade agreements. He commended the ILO and the International Finance Corporation's Better Work Programme, and suggested it continue to be expanded. He also noted that much could be gained from robust analysis of the impact on employment and labour market policies and he supported the continued collaboration of the ILO with the WTO.

98. The spokesperson designated by the Employer Vice-Chairperson elaborated on a number of issues of agreement and disagreement between the Workers' and the Employers' groups. He noted agreement on the fact that trade and investment had a role to play in creating decent work. He noted disagreement on the following issues: elimination of trade barriers and tariffs; the notion that domestic economies and enterprises might need some protection before entering the global market (noting that it was competition that drove competitiveness); and the effects of EPZs. He also disagreed that the ILO had a possible role in promoting certain types of free trade agreements. He endorsed the statement from the Africa group concerning the importance of trade and investment for employment growth, the statement made on behalf of the EU on creating an enabling environment for small and medium-sized enterprises, and the integrated approach to policies mentioned by the Government member of New Zealand. With regard to the comment on "means" and "ends" from the Government member of Australia, he indicated that "research" could be considered an "end" in certain cases and thus was not always a "means".

99. The Worker Vice-Chairperson noted that the discussion on the relationship between trade and investment and employment had been long overdue. The Workers were in fact great supporters of open markets, but injustices and imbalances needed to be addressed. She

endorsed the statement from the Africa group indicating that more needed to be done. The Global Jobs Pact had got the balance right in protecting fundamental rights of work and ensuring that these not be undermined to gain an unfair trade advantage. The Workers were neither opposed to liberalization nor to reductions in tariffs, but timing these policy steps was critical. The Workers did not see a dichotomy between export- and domestic-led growth, but fiscal and policy space needed to be right. On protectionism, she cited the early experiences with infant industries of industrialized countries and its relevance for the developing countries today. She indicated that analysis of trade agreements should inform the ILO's advice to governments. She noted that New Zealand was a good example of a nation that had not based its trade on expenses of others. Workers were in favour of a rules-based system. She agreed with Australia's emphasis on a field focus as vital to the ILO's role. Finally, she commended the approach taken to recognize and protect labour standards in some bilateral trade agreements, such as those supported by the Better Work Programme in Cambodia.

Point 6. The interrelationship of the four strategic objectives and their impact on the strategic objective on employment

- 100.** At the outset of his presentation, the representative of the Secretary-General recalled the inseparable, interrelated and mutually supportive (IIMS) nature of the ILO's four strategic objectives: employment, social protection, social dialogue, and labour standards. The IIMS was a vast and multi-layered agenda for member States, the Organization and the Office. Such interrelationships could be analysed from at least four perspectives, namely: conceptual and analytic synergies across policies underpinning the separate strategic objectives; policy coherence and integration by member States in promoting the Decent Work Agenda; joint and integrated support from the Office; and external policy coherence of multinational agencies. Prior to the Declaration on Social Justice for a Fair Globalization, decent work strategies were promoted and advocated by the Global Employment Agenda and ILC conclusions on decent work and the informal economy

(2002), youth employment (2005), sustainable enterprises (2007), skills for improved productivity, employment growth and development (2008) and rural employment (2008). After the Declaration, the follow-up to the Global Jobs Pact constituted a clear illustration of the IIMS agenda put into practice. The 2010 Gender Equality Action Plan was also founded on the synergies across strategic objectives.

101. Recalling that preparations for the recurrent discussion on employment had entailed a substantial consultation process in the Office, the representative welcomed the Executive Directors and the Director of the Gender Bureau to give their own views of the IIMS nature of work on the strategic objective on employment. Examples of IIMS work in relation to employment included the joint study on employment and social protection in the new demographic context, technical cooperation projects on employment and social protection policies, research on labour provisions in preferential trade agreements, as well as work on microcredit and the elimination of child and bonded labour.

102. The Executive Director of the Social Protection Sector (Mr Assane Diop) underscored the importance of policy coherence and the complementarity between the Employment and Social Protection Sectors, as these were two sides of the same coin. He referred to Dr Joseph Stiglitz's intervention at the ILO Governing Body in March 2009 which underscored the role of social protection as an automatic stabilizer of economies in times of crisis. Policies and strategies on economic and social growth were needed to ensure decent wages, social security and adequate working conditions. These policies had to reach migrant workers. He referred to the Committee on HIV/AIDS at this Conference which was about to adopt a Recommendation that had been enriched by work undertaken jointly with the Employment Sector. Another excellent example of collaboration was the work on the informal economy as well as on rural and domestic workers. He concluded by noting that Decent Work Country Programmes were the adequate framework to implement joint work.

103. The Executive Director of the ILO Standards and Fundamental Principles and Rights at Work Sector (Mr Kari Tapiola) recalled that the fundamental purpose of the ILO was to set up and supervise international labour standards. The rationale was that wide differences in national standards distorted the way in which economic exchanges took place and that the failure of one country to treat its workers in a humane way impeded the efforts of all others to do so, thus obstructing the realization of social justice and lasting peace. For example, markets do not function properly in conditions where forced labour or child labour exist, this also meant that full, productive and freely chosen employment in terms of ILO standards could not be created. While the connection between standards and social protection might be more apparent, the linkage between standards and employment was more promotional and conducive to Recommendations than Conventions. There were, nevertheless, employment policy areas where enforceable standards were necessary, for instance, in the area of employment agencies. He noted, moreover, that without employment – and without education – it was difficult to find solutions to such problems as child labour or to end forced labour. He underlined the role of standards as the framework for achieving good working conditions, gender equality and participation in the economic process through freedom of association and collective bargaining. Finally, as regards the notion that standards denied flexibility, in fact, standards were the benchmark against which flexibility could be measured.

104. The Executive Director of the ILO Social Dialogue Sector (Mr George Dragnich) underlined the importance of tripartite dialogue and sound industrial and employment relations in facilitating an integrated approach to the creation of productive employment and decent work. The Global Jobs Pact presumed robust social dialogue at the national level. Not surprisingly, the Director-General's report to the recent G20 labour and employment ministers meeting had included a review of social dialogue best practices in responding to the global economic crisis. Among the Social Dialogue Sector's most important contributions had been an in-depth worldwide analysis of how collective

bargaining mechanisms had functioned during these challenging times, including their role in promoting employment and productivity pacts. Sound labour relations at the enterprise and sectoral levels had been shown to improve working conditions, productivity, and enterprise sustainability; thus reinforcing social dialogue institutions was essential to employment creation. The work to facilitate tripartite dialogue at the sectoral level also included a focus on employment policies, for example, examining structural changes stemming from the global economic crisis and highlighting opportunities for employment in sectors with a job-rich potential. The Social Dialogue and Employment Sectors had promoted research and projects for green and sustainable jobs and assisted constituents to better attract and retain high-skilled workers in different sectors. In the area of labour law, legal reforms were often precipitated by a wider policy agenda, and the Social Dialogue Sector's labour law team had delivered advisory services in collaboration with other sectors in the Office. The current jobs crisis had also precipitated efforts aimed at strengthening labour administration, monitoring of labour inspection services, and building capacity of the social partners. He commended the new "Guide on Rights at Work for Young People" from the Bureau for Workers' Activities.

- 105.** The Director of the ILO Gender Bureau (Ms Jane Hodges) observed that the 2009 International Labour Conference resolution concerning "Gender equality at the heart of decent work" had provided a timely impetus to the ILO and its constituents on the key elements of the Action Plan for Gender Equality. The Global Employment Agenda captured the gender dimension, and the Office Guidelines on Gender and Employment Policies was an important tool to mainstream gender equality in specific employment policy areas. Furthermore, the Office had developed practical advice to help break the barriers and to open up professions to both sexes. Greater attention was also being paid to sex-disaggregated data to assist with measuring progress towards the goal of gender equality in the world of work. In skills development, the Office had many strategies to mainstream gender. Ensuring equal pay for work of equal value was also a key element in

eliminating sex-based discrimination and promoting gender equality in employment. In conclusion, it was important to highlight the many examples of the Office's work to ensure equality of opportunity and treatment including from the angle of encouraging men to assume caregiving responsibilities and to underline the fact that the male breadwinner and female caregiver model was no longer universal.

106. The Employer Vice-Chairperson welcomed the many examples of collaboration across the Office. The preparation of Report VI for the recurrent discussion on employment itself demonstrated that the Declaration on Social Justice for a Fair Globalization cyclical review process was already beginning to deliver. She believed that each review would shift the kaleidoscope to describe the relationships among the strategic objectives from different perspectives. A key point of the Declaration was the importance of the ILO doing as much as it could to promote employment, while also recognizing that rights, protection, and dialogue were key components of productive and sustainable employment. Without employment, societies could not finance social protection, social dialogue was impossible, and rights at work and decent work were meaningless. Employers wished to see employment mainstreamed across the work of the Organization, with a better appreciation of the impact on employment of its current work.

107. To be effective, labour law and institutions had to combine the protective functions with the promotion of employment. Constructive dialogue and good workplace relations were also fundamental to support employment. Effective recognition of the right to collective bargaining meant collective bargaining was not universally mandatory, but properly protected and supported wherever relevant. It also implied bargaining that delivered stable, enforceable agreements. Modernizing standards policy to take account of changing realities in workplaces was recognized as a goal in the Declaration. The Committee's agenda could be summarized in a single consideration: how could synergies among the four strategic objectives be improved? For employers, the answer lay in putting employment at the heart of the work of the Office and the Organization. It was possible to

advance each of the strategic objectives through promoting job creation. In terms of specific outcomes, her group looked for better recognition of the impact of law and regulation on the work of the Organization. A useful tool could be a checklist of considerations that could be prepared concurrently with the roll-out of publications, training and technical cooperation, analysing their impact on jobs. Another specific outcome would be a Governing Body discussion on options for employment effects to be better taken into account in the application of standards. Finally, she noted that promoting employment was key to promoting gender equity. More flexible labour markets also provided greater work options for women. The challenge was to deliver flexibility and fairness, or flexibility with fairness.

- 108.** The Worker Vice-Chairperson quoted the relevant segment of the Declaration on Social Justice for a Fair Globalization, reiterating the IIMS nature of the ILO's four strategic objectives. Regarding the strategic objective of employment, the key reference documents were the Global Employment Agenda and the Global Jobs Pact. She stressed the need for integration of all elements of the Global Employment Agenda to inform the implementation of the Global Jobs Pact. She expressed concern about the lack of a systematic oversight process on the issue of collaboration across the four sectors. She stressed the need for improving coherence within the Office during the time of economic crisis. Research and analysis had to be put in place and be brought to bear on employment growth and sustainable enterprises, across work on standards, occupational health and safety, social dialogue, working conditions, sectoral activities, labour inspection, social security and industrial relations. She noted with concern that one year after its creation, the Global Jobs Pact remained embryonic and was applied in few countries. Likewise, she noted the lack of progress in building the tripartite infrastructures within countries that would be needed to drive the integrated approach for implementing the Pact. She called for the Office to do more to support the Pact in terms of its financial and human resources, to be supplemented by donor funds. She regretted the lack of information provided on

resource allocations and called for greater transparency, particularly on the extent of social partners' participation in country-level activities. She called for a review of ILO tools for country-level interventions with the aim of avoiding duplicative efforts.

- 109.** She had some specific comments associated with the presentations. She underscored the importance of standards. They are not meant to strangle the effectiveness of enterprises, but rather to put decent work at the heart of growth. She also called for more synergies in the area of sectoral activities; and she asked the Office to provide feedback relating to what works best for them in terms of cross-sectoral collaboration. On the topic of gender, she seconded some of the comments made by the Employer Vice-Chairperson and shared her concern about dangerous trends in female employment as a result of the crisis, namely the increasing participation of women in precarious work. However, she expressed her disagreement about the need to flexibilize the labour market. She also called for a need to do more in the area of promoting work and family balance for both men and women.
- 110.** The Government member of Bangladesh expressed support for the concept of the IIMS nature of the four strategic objectives and framed his intervention around suggestions for improving coherence across the ILO. Specifically, he called on the Office to assist countries on the matter of labour market information and analysis, doing so through enhanced inter-agency coordination. The Office's employment and labour market trends analysis should reinforce the mutually supportive nature of the four strategic objectives. He noted that the Decent Work Country Programmes are an important tool for reinforcing coherence across the strategic objectives, but added that there should be further efforts to integrate them into national development strategies. Impact assessment of the Decent Work Country Programmes could be an effective means of strengthening national buy-in. Finally, he expressed the hope that the conclusions of this Committee addressed existing gaps in the Global Employment Agenda. In this context, he supported the idea of establishing a standard peer review mechanism for national employment policies.

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- 111.** The Government member of Japan reiterated the important link between employment and social protection. As an example of an effective integrated approach, he referred to the one already mentioned the previous day of the one-stop centres for jobseekers, where they benefit from a range of services including training, job placement and income support. He noted that building integrated policies, for example, in social security provisions, required effective structures and coordination across all levels of society. He referred to the ILO Employment Service Convention, 1948 (No. 88), and noted the importance of establishing networks of employment services.
- 112.** The Government member of Jamaica remarked that the Committee should distil its work on IIMS into one integrated document, such as the Global Jobs Pact. Concerning fieldwork of the ILO, he stated that assistance should be given to practising this approach in the development of coherent economic and social policies. Furthermore, the ILO should assist member States in developing their own national jobs pact.
- 113.** The Government member of Ghana noted that the period of strong economic growth experienced in his country in recent years had not translated into strong growth in productive employment. Ghana was undertaking a wide range of measures to contribute to employment growth and poverty reduction. Efforts were being made to improve the quality of human resources, a critical issue particularly for young people, for example by the establishment of a national council for technical and vocational education to guide policy-making. Ghana was also focusing on improving its systems of labour market information, and a new law was enacted to govern the employment of apprentices with a view to improving their working conditions.
- 114.** The Government member of Nigeria, speaking on behalf of the Africa group Government members of the Committee,²⁴ noted that the quantitative and qualitative aspects of

²⁴ See footnote 18.

employment should be considered in a coordinated and informed approach. The challenge for Africa was to obtain full employment and to eradicate poverty. To have rights at work, social security and social dialogue, one must have work. The quality of employment, however, was also critical. Decent Work Country Programmes were being implemented in most of Africa and these could be useful tools to support the IIMS concept. Gender mainstreaming was also crucial because empowering women implied empowering communities.

- 115.** The Government member of Iraq presented some of the challenges his country was facing. There had been a rise in unemployment, much of the infrastructure was destroyed, and the country remained heavily reliant on oil revenues to support national development. Iraq supported the achievement of fundamental principles and rights at work. A number of measures were being taken to improve the situation: a national commission bringing together government, workers and employers to develop employment policies had been established, a new labour code was being developed, the system of labour inspection was being improved and efforts were under way to improve the quality and quantity of training programmes aligned with the needs of employers.
- 116.** The Worker Vice-Chairperson endorsed the statement made by the Government member of Jamaica: national level jobs pacts were needed using the IIMS concept. She agreed with the statement of the Africa group that unless there is an approach to dealing with unemployment so that people have jobs and incomes, the other strategic objectives are very difficult to achieve. She appreciated the statement made by the Government member of Iraq and the difficulties the country was facing. However, she called on Iraq to respect freedom of association. She called on the Employers' group to embrace collective bargaining as a fundamental, universal right and to no longer suggest that collective bargaining should be used "only where appropriate". Collective bargaining was not just concession bargaining, it was an enabling principle that all parties should respect. Finally, she suggested that perhaps different terms might be developed to characterize flexibility in

the labour market. She agreed that there were many cases where flexibility was good. What was needed was to look closely at the evidence base to determine positive and negative experiences.

117. To clarify the position of the Employers' group on the term flexibility, the Employer Vice-Chairperson, drew on her own career path and experiences. More flexibility was being made possible by new technologies. Compared to when she began working, there were many new industries and she imagined that, in the future, unheard of technologies might be developed that would continue to change the world of work. This is the context in which we live, and the ILO will have to respond to changing conditions.

**Article 19 – General Survey report; briefing
of the output of the Committee on the
Application of Standards**

118. The Chairperson read a Note he had received from the Chairperson of the Committee on the Application of Standards transmitting to the Committee for the Recurrent Discussion on Employment, as authorized by the Selection Committee at its first sitting, a document adopted by the Committee on the Application of Standards on 4 June 2010. The document entitled *Brief summary and conclusions of the discussion by the Committee on the Application of Standards on the General Survey concerning employment instruments* was circulated for the Committee for the Recurrent Discussion on Employment's reference as C.App./D.7(Rev.).

119. The Chairperson of the Committee on the Application of Standards (Mr Sergio Paixão Pardo) presented the Committee's brief summary and conclusions on the General Survey concerning employment instruments made by the Committee of Experts. The speaker commended the broad support of governments; some had wished to recast standards, while others warned that any new instruments should not weaken existing ones. The general goal was to create sustainability in the global economic context. The Committee invited member States to ratify the Employment Policy Convention, 1964 (No. 122), and to

consider ratifying the Human Resources Development Convention, 1975 (No. 142), and the Private Employment Agencies Convention, 1997 (No. 181). The Committee on the Application of Standards invited member States and the ILO to redouble their efforts to share knowledge and information, and emphasized the need for the ILO to provide technical assistance to countries so that they could implement the provisions of ILO instruments.

120. The Employer Vice-Chairperson of the Committee on the Application of Standards (Mr Edward Potter) remarked that the principal instrument in the survey, the Employment Policy Convention, 1964 (No. 122), was a promotional framework and not a prescription for countries. In this, it was typical of employment-related instruments, but differed from the main core of ILO standards. There was currently widespread recognition that small and medium-sized enterprises drove economic growth. The Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189) was thus highly important. In the speaker's own country (the United States), most new jobs were being created by enterprises that were less than five years old. Small and medium-sized enterprises, often victims of the crisis, hence needed flexibility so they could survive. MNEs would not necessarily recover quickly from the crisis, and small and medium-sized enterprises would be the ones providing the spark. While there was value in covering six instruments, and linking the survey to the follow-up to the Declaration on Social Justice for a Fair Globalization, focusing on fewer instruments would have improved the survey. For example, only 108 of 183 ILO member States had responded. Moreover, the disadvantage of covering so many instruments together was that the analysis was much more general and thus less helpful.

121. The Worker Vice-Chairperson of the Committee on the Application of Standards (Mr Luc Cortebееck) said that rights did not exist without standards, and instruments were needed to promote them. Employers had spoken often recently about sustainable enterprises and corporate social responsibility. Ethics helped, but could not replace rights. The

Employment Policy Convention, 1964 (No. 122) clearly addressed full, productive and freely chosen employment. Unemployment, precarious employment, badly paying jobs, and jobs in the informal economy should all be addressed. This required standards. Employment was one of the ILO's central concerns, which had led it to create standards and also to promote them and help countries to implement them. The Declaration on Social Justice for a Fair Globalization and the Global Jobs Pact had strengthened the normative system of the ILO, and the Pact had underlined the importance of ILO standards on, inter alia, employment, wages and labour relations. In the Workers' view, there were three major problems resulting from the divide between basic principles of the ILO instruments and their practical application. Firstly, employment was increasingly seen as a product of macroeconomic policies, not as an objective in itself. Secondly, in too many countries, macroeconomic policy choices were being made to the detriment of the objective of full employment. Thirdly, even before the crisis, employment policy was strongly focused on labour supply. Profound changes in the paradigms of national and international policy were needed. He congratulated the Office's work in the context of the crisis and commended its rapid response, but he called for the ILO to play a more important role in the development of national policies based on employment instruments, particularly during crisis.

- 122.** The Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169) encouraged promotion of the employment policies in the MNE Declaration, especially relating to MNEs' investments. For the Workers, it was crucial that the objective of decent work was linked to budgetary policies and, in this respect, a new instrument that provides guidance in this direction would be desirable. As for precariousness, the problem was following up on the Employment Relationship Recommendation, 2006 (No. 198). For the Workers, the Private Employment Agencies Convention, 1997 (No. 181) remained connected with the Employment Service Convention, 1948 (No. 88). Public services were an essential vehicle for all labour policies. The ILO had repeated at the G20 labour and

employment ministers meeting last April that there would be no recovery without sustainable employment.

**Point 7. Discussion on standards-related action
around the strategic objective of employment**

123. An Employer spokesperson (Mr Jorge de Regil Gómez) stated that the Employers shared with the Workers and Governments the objectives of promoting social justice and improving the observance of internationally recognized human and labour rights and principles. International labour standards played an important role in guiding and influencing social development, including in times of crisis, and their implementation could contribute to the achievement of economic objectives and strengthen the function of enterprise and markets and attract investment. They needed to follow certain principles and rules to have positive effects, namely: concentrate on setting a worldwide floor of essential rules for the workplace rather than seeking international harmonization; be flexible; and be based on a thorough assessment of their likely economic and employment impact. The competitive needs of enterprises must receive adequate attention in the implementation of international labour standards. The Employers supported an ILO standards policy that was balanced and transparent and which met the needs of the constituents. However, he noted that many standards needed to be reviewed and that a regular review mechanism, like the recent Governing Body Working Party on Policy regarding the Revision of Standards, was needed to keep the body of standards up to date. A coherent standards policy relevant to the world of work was needed to support the objectives of the Declaration on Social Justice for a Fair Globalization.

124. The Worker Vice-Chairperson recalled that the Declaration on Social Justice for a Fair Globalization put international labour standards at the heart of Office action, and that the Global Jobs Pact had recognized their importance in the context of crisis response and had identified some highly relevant standards, including standards on employment policy. She urged the Office to step up its efforts to promote these as part of the Global Jobs Pact,

especially the Employment Policy Convention, 1964 (No. 122), which provided a framework for placing full, productive and freely chosen employment at the centre of macroeconomic policies and was identified by the Declaration as a leading governance instrument. She proposed that the Employment Policy Convention, 1964 (No. 122) be complemented by an appropriate promotional instrument to promote coherence among economic and financial policies and employment and social policies, and between the ILO and other international institutions also committed to full employment goals. This, she noted, was a possibility contemplated by the Declaration in Part II.D(ii) of its annex on the follow-up to the Declaration, in the framework of the voluntary peer reviews. She also called on governments to ratify and implement the instruments that were part of the General Survey and called on the Office to provide technical assistance in this area.

- 125.** She highlighted the need for formal tripartite consultations within the framework of the Employment Policy Convention, 1964 (No. 122), and the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), and urged the Office to promote the Human Resources Development Convention, 1975 (No. 142), and the implementation of the Human Resources Development Recommendation, 2004 (No. 195). She called for the promotion and ratification of the Private Employment Agencies Convention, 1997 (No. 181). She pointed to the need to ensure that regulations protecting workers were applicable and enforceable to small and medium-sized enterprises. Valuable guidance needed to be drawn from the Conclusions on the promotion of sustainable enterprises, adopted at the 96th Session of the International Labour Conference, to promote economically viable and socially sound enterprises. She urged the Office to allocate further resources for work on cooperatives and to provide assistance to its constituents based on the Promotion of Cooperatives Recommendation, 2002 (No. 193), which was one way of addressing informal economy issues. She also called for a follow-up to the MNE Declaration, in the form of an enhanced review or interpretation mechanism.

126. The Government member of Germany stated that, in order to convince the international community of the validity of the Global Jobs Pact, it was necessary that crises responses include labour market and social protection policies as well as economic and financial policies. The Global Jobs Pact was the starting point of wide-ranging research work from the ILO in the context of the G20, and had allowed the ILO to become an even more important international player. A lot of insights had been garnered from working on responses to the crisis and she supported the development of a Recommendation with crisis prevention as a focus which should take into account all this know-how.

127. The Government member of France supported the conclusions presented by the Committee on the Application of Standards concerning the normative instruments of the ILO in the area of employment, which showed that international labour standards, especially the Employment Policy Convention, 1964 (No. 122), remained relevant. There was a need to provide for means to reach the objective of placing employment at the centre of economic policies, strengthening coherence among international organizations, and ensuring that the social consequences of the crisis were adequately taken into consideration. She noted that it would be useful to reflect on a promotional instrument advancing the objective of full employment which would reinforce coherence between economic and social policies in international organizations, and for different organizations together to undertake pilot work in specific countries.

128. The Government member of Belgium noted that normative action was at the centre of the Organization's existence. The economic and financial crisis had inspired the development of new tools to respond to the challenges related to job loss and exclusion, and national measures had saved millions of jobs. He cautioned, however, that early austerity programmes would not only lead to greater impoverishment but, in the long term, fail to resolve budgetary deficits. He mentioned that his Government was open to the issue of establishing a new instrument as debate on this issue was necessary. Given that numerous

bilateral agreements included social clauses he wondered whether it would not be useful to consider that the ILO be given a role in their interpretation.

129. The Government member of the United Republic of Tanzania recalled the work of the World Commission on the Social Justice Dimension of Globalization. He noted that the Office report on the General Survey concerning employment instruments, in light of the Declaration on Social Justice for a Fair Globalization, provided a critical examination of the application, implementation, challenges and models of employment instruments. He called on the Office to promote the ratification of international labour standards or review them in the light of recent developments and challenges in the world of work. The United Republic of Tanzania was committed to the Decent Work Agenda and had taken a number of initiatives to give effect to the various employment instruments, but considerable challenges related to a weak economy, financing, knowledge and research and development remained daunting and ILO continued support would be crucial.

130. The Government member of Italy echoed the statements made by the Government members of France and Germany, and said that his Government was open to examine the possible value-added of a new Recommendation to promote policy coherence among economic and financial policies and employment and social policies. He viewed it as a possible tool to prevent and respond to economic crises. He stressed the need for effective application and implementation by members States of ratified ILO instruments.

131. The Government member of Nigeria, speaking on behalf of the Africa group Government members of the Committee,²⁵ noted that many African countries had already streamlined into national policies the instruments referred to in the General Survey and recognized the importance of employment promotion in the Declaration on Social Justice for a Fair Globalization. The Africa group supported the development of a new Recommendation

²⁵ See footnote 18.

aimed at policy coherence. She requested the Office to encourage governments to ratify and apply the existing labour standards. She also urged re-evaluation of the MNE Declaration review and interpretation process reflecting current best practice.

132. The Worker Vice-Chairperson, in her response, shared her appreciation for the sentiments expressed by Government members in support of the importance of standards as tools for promoting growth. She mentioned specific appreciation for the intervention of the Government member of Germany around the new urgency for paying attention to the welfare of workers; the call by the Government member of France for coherence between national policy and international organizations; and the importance given by the Government member of Belgium to normative instruments. She noted that the majority of government interventions recognized the need to ensure coherence of policies. In response to the Employers' group, she sought to emphasize the areas of common ground and urged them to consider supporting a coherent, promotional instrument that would ensure that employment was at the heart of economies. She emphasized the power of collective bargaining in overcoming disagreements and achieving win-win solutions.

133. The Employer spokesperson agreed that many basic Conventions, for example on freedom of association and occupational safety and health, had shown their wide utility and were therefore beyond debate. But there were others which had proven impractical and controversial, for example, the Indigenous and Tribal Peoples Convention, 1989 (No. 169). He stressed that such instruments needed to be reviewed while others needed to be modernized. He noted that the development of a new standard on employment at this point would not solve the immediate practical problems. He proposed that there was a need to review the instruments available so that conclusions could be drawn on whether a new instrument was needed, and his group would consider the matter further.

134. The Worker Vice-Chairperson clarified that the aim of the promotional instrument would be to underpin the Global Jobs Pact, the Global Employment Agenda and the Declaration

on Social Justice for a Fair Globalization, and to give greater coherence to their implementation.

Point 8. Concluding session: What guidance might be provided to the Governing Body and the Office regarding their responsibilities with respect to the strategic objective on employment?

- 135.** The Employer Vice-Chairperson expressed her satisfaction for the many areas of apparent shared ground. She referred to several priorities that were already put forward by her group, including ensuring that the review set the process on the right path, generated conclusions consistent with the Declaration on Social Justice for a Fair Globalization, and that its outcomes improved the performance of the Organization. She observed that many countries needed and were eager to receive ILO assistance. This reflected the strength of the Office's work to date and meant that the success in seizing this opportunity depended on delivering practical advice and services relevant and adaptable to national circumstances.
- 136.** She underscored the importance of effective resource allocation to improve delivery. Current work had to continue, but the Office had to do more and better without spending more funds, which implied a reconsideration of resource allocations. She underscored that the way forward proposed by this review had to be practical and achievable. Improving the effectiveness of ILO evaluations was key. She reaffirmed the call made by a number of governments for a "field focus" on how the Organization delivered on this strategic objective, and in particular how it could be more "needs driven" by involving constituents at national level.
- 137.** She identified key themes that had emerged from the discussion that should shape the conclusions: the centrality of sustainable enterprises; productivity, incentives to invest, and job creation; better analysis of policy options and providing Members with balanced options; enhanced services on training, skills and employability; and stepping up work on

the informal economy. The ILO's work should be focused on its critical responsibilities on employment and should not be spread too thinly across general macroeconomic issues. She remarked that there was not wide support for an expansion of the role of the ILO into broader areas of macroeconomic policy.

- 138.** She summarized the specific action items that, in the view of the Employers' group, should be included in the conclusions: to take up the postponed ILC item on demographic change; to present reports to the Governing Body for its discussions on options for improving Members' capacity to generate core labour market statistics; on the resources devoted to productivity improvement; on options to implement impact assessments consistently across the ILO's work; on the impact of ILO actions on jobs, productivity and investment; on lessons drawn from the impact of the ILO's response to the current crisis; and on the forthcoming strategic framework on sustainable enterprises, including examining what could be done to promote rural employment. She called for the Office to undertake fresh research on unemployment, underemployment and informality in developing countries, and to apply those findings to consolidating tools and approaches on national employment policy; to prepare a ratification strategy for the Private Employment Agencies Convention, 1997 (No. 181); to devise a road map for expanding services in the area of skills development, possibly including a Global Knowledge Bank and improved evaluation tools; to implement green jobs initiatives at country level, which would include training and education, and employment information and analysis; to update current work on informality; and to consider options to extend the Better Work Programme. The issue of the follow-up to the MNE Declaration would need to be discussed with the Workers' group. She looked forward to seeing the results of ongoing research into the labour market impacts of trade. She then referred to the earlier proposals by the Employers on standards namely: establishing a regular review mechanism to keep ILO standards up to date and to assess their impact on employment; undertaking an analysis of the economic and employment impact of any proposed new standard; and ensuring that the Committee of

Experts develop a criteria for its supervisory work on ratified Conventions, placing specific attention on promoting employment. Regarding the proposal of the Workers' group and supported by some Governments, for a new Recommendation to the Employment Policy Convention, 1964 (No. 122), her group did not believe that this was necessary. There was a need, however, to implement the Global Jobs Pact and for a well-defined peer review framework which would actively engage all parties, but regulation beyond Convention No. 122 was not necessary. On the suggested work of the Workers' group, she requested clarification of the term "social economy".

139. In relation to the role and form of the Committee's conclusions, she reiterated the deliverables of the Declaration annex, namely: measures to better understand and respond to constituents' needs; measures to better deliver on the strategic objective of promoting employment, drawn from the various means at the disposal of the Organization; adjustments to priorities and programmes of action, and conclusions for the programme, budget and other governance decisions of the Organization. She underscored the importance of specifying roles (who), deliverables (what), methodologies (how) along with the timeline (when), in the conclusions. The conclusions should comprise a clear set of action items which will deliver on the Declaration and substantially improve the performance of the ILO in promoting employment.

140. In her comments concerning what guidance should be given to the Governing Body and the Office concerning the strategic objective of employment, the Worker Vice-Chairperson summarized the enormous challenges facing the world of work and the main priorities for action by the Office and the Organization. Unemployment, underemployment and precarious employment were increasing, and the numbers of those in the informal economy were expanding. The wage share was declining and dangerously decoupled from productivity, increasing the financial stress on working people and their families, while at the same time inequality was increasing within and between countries. Furthermore, policy incoherence had resulted in suboptimal employment outcomes. There was a strong policy

base agreed to that could move the Organization forward in addressing these concerns: the Declaration on Social Justice for a Fair Globalization, the Global Employment Agenda and the Global Jobs Pact formed the substantive base, and were supported by international labour standards. Concerning the structure of the outcome document of the Committee, she suggested to construct it in line with the discussion, including: an acknowledgement of the context and challenges; a concise list of priorities under each of the discussion headings; a brief list of strategic priorities; and, if necessary, a compilation of related tools and current work.

- 141.** She referred to the Director-General's Report that clearly defined sustainable and balanced growth with job creation as the global economic priority. Objectives included: making high employment creation a priority; promoting income-led growth; enhancing an environment conducive to innovation and investments in sustainable enterprises; building a social protection floor for the most vulnerable; and preparing the transition to clean energy through green investment and jobs.
- 142.** The Worker Vice-Chairperson outlined the main priorities as proposed by the Workers' group. There was broad consensus among all groups that macroeconomic policies should foster employment-centred growth. There was a need to strengthen the macroeconomic, trade and industrial policy expertise of the Office. This implied a shift in resources and the recruitment of new expertise. She commended the Director-General and the Office for the work leading to the endorsement of the Global Jobs Pact. However, implementation remained embryonic and the Workers' group called for the establishment of a dedicated team drawn from experts from across the four objectives to accelerate its implementation at the national level. She also called on the Organization and the Office to drive policy coherence between economic and financial policies on the one hand, and between employment and social policies on the other. Furthermore, the role of normative instruments underpinning the Global Jobs Pact and the Declaration should be enhanced, particularly the Employment Policy Convention, 1964 (No. 122).

143. Concerning improving employability, productivity, living standards and social progress, the Worker Vice-Chairperson stressed that the link between wages and productivity, including through the promotion of minimum wage mechanisms and collective bargaining, should be strengthened. Economic activities with the greatest productivity, wage and employment potential should be identified and promoted. The Human Resources Development Recommendation, 2004 (No. 195) should be promoted with a view to improving the quality of and equal access to education, training and lifelong learning. The Governing Body should be mandated to review and update the MNE Declaration. Finally, there should be increased support to cooperatives, the social economy, informal economy, work in rural areas and local economic development, fully centred on a decent work approach.

144. Trade and investment policies should be centred on full, decent and productive employment. There should be careful timing of trade liberalization to ensure high value-added industrial development and structural transformation. Export-led growth should be rebalanced towards domestic and wage-led growth in full compliance with international labour standards. The Office needed to build the analytical capacity to advise on trade, investment and industrial policies. Comprehensive employment impact assessments of the economic and labour provisions of trade and investment agreements needed to be carried out. The Office should also strengthen collaboration with other international agencies in this area of work. Promotion of core labour standards, particularly on collective bargaining and freedom of association, as well as on occupational safety and health, minimum wages and maternity protection should be emphasized.

145. All elements of the Declaration and the Global Employment Agenda had to be addressed in an integrated approach to inform implementation of the Global Jobs Pact. Thus there was a strong interrelationship between all four strategic objectives. A genuine tripartite approach was needed, as well as transparency, a better allocation of resources and full

participation of the Bureau for Employers' Activities and the Bureau for Workers' Activities.

- 146.** The Worker Vice-Chairperson concluded by calling for the development of a stand-alone Recommendation, linked to the Employment Policy Convention, 1964 (No. 122), aimed at promoting policy coherence among economic and financial policies with employment and social policies. Further work was needed on the concept of the social economy, agreeing with the Employer Vice-Chairperson that this should be a topic for discussion by the Governing Body to clarify the concept and potential benefits of further work in this area.
- 147.** The Government member of Spain, speaking on behalf of the Governments of Member States of the EU attending the Conference ²⁶ highlighted some points which should guide the drafting of the conclusions and lead the way for the ILO to implement the Global Jobs Pact as the framework for crisis response. He called upon the ILO: to improve the collection and assessment of labour market information through technical assistance to strengthen the statistical capacity of countries; to improve the quality of its research, for example, by widening the dialogue with external experts prior to launching research programmes; and to avoid approaching countries with a set of predetermined measures. He called for the Office to put in place sufficient field expertise for real-time policy responses. He welcomed further efforts on the part of the ILO to strengthen its analysis of the global macroeconomic framework. He asked that the Office appraise the effectiveness of the General Survey with a view to contributing to future recurrent item discussions, while also assessing whether or not this discussion had successfully fulfilled the mandate of the Declaration on Social Justice for a Fair Globalization. He added that a greater focus on assessing the impact of the ILO's work might have helped the process.

²⁶ See footnote 5.

148. The Government member of the Philippines remarked on the timeliness of the discussion for the Philippines as it sits on the threshold of the fourth cycle of its Decent Work Common Agenda and a Medium-term Development Plan 2011–16. She emphasized the strong prominence given to social dialogue in development of the Common Agenda. A workforce blueprint had been scripted to outline the employment agenda for the medium-term development plan. She emphasized the focus placed on promoting decent work for youth within the employment agenda, given the very high rate of youth unemployment in the country. Priorities include local employment strategies and the promotion of sustainable enterprises through advocacy for green jobs. She mentioned the relative resilience shown by her country in the face of the crisis, but noted that more could have been done to develop a sound industrial policy, strengthen small and medium-sized enterprises, assist local government to promote employment, harness overseas remittances for productive investment, address jobs–skills mismatches, increase the coverage of social protection and improve decent work in the informal sector. She requested the establishment of an ILO technical cooperation programme to support the implementation of the National Jobs Pact based on the model of the Global Jobs Pact and further assistance in other areas of the Common Agenda.

149. The Government member of Switzerland referred to the speech of the President of the Swiss Confederation given at the opening of the Conference in which she called for greater coherence within the regulatory provisions of the ILO as well as among international organizations charged with setting the social order. He offered support for the initiative to improve the cohesion between economic and financial policies as well as economic and social policies in line with the Declaration on Social Justice for a Fair Globalization. Doing so, he added, required the ILO to improve its collaboration with other institutions, particularly organizations focused on the area of international finance. Finally, he called for an initiative to revisit and strengthen the MNE Declaration with the aim of increasing its visibility and impact, and expressed the support of his delegation in these efforts.

150. The Government member of Sweden, speaking on behalf of the Czech Republic, Denmark, Finland, Iceland, the Netherlands, Norway, Sweden and the United Kingdom, expressed his support for the statement of the Government member of Spain on behalf of the EU. He wished to add two other specific comments: first, he wished to express the opposition to the creation of a new crisis response instrument. The Global Jobs Pact is a stand-alone tool for crisis response, he said, and a new instrument would only create confusion regarding the Global Jobs Pact. Likewise, he expressed scepticism about the need for an instrument to consolidate all employment-specific instruments since it would take away resources from work on higher priorities.

151. The Government member of Canada noted that, although the Committee’s discussion was interesting, future reports should provide greater analysis of the impact of the work of the ILO. This would facilitate the design of concrete recommendations for future work. To this end, she called for improvement in the evaluation functions of the ILO. She objected to developing a new standard and shared the view of the Government member of Sweden that resources would be better focused on promoting and assisting countries in the implementation of existing standards.

152. The Government member of Australia thanked the Vice-Chairpersons for the practical advice proposed in their statements. He reiterated that the motivation for the recurring discussion was to define the “how” behind the agreed vision to implement the Global Jobs Pact. He emphasized that the field perspective was needed to define an effective way forward. To this end, the proposed ways forward should be based on the evaluation of actions in the field. He reiterated his previous intervention about the dangers of presenting “means” as “ends” in themselves and focused on the important requirement that the research framework should include actions to ensure that research outputs were effectively used to inform policy-making at the country level. He underscored that the Committee’s output document should focus on practical ways forward to operationalize the agreed mandate. Each proposal had to be accompanied by clearly defined impact areas with a

definition of each stage and details of resource allocation. He added that the document should focus on building in the need to systematically evaluate interventions.

153. The Government member of the United States stated that knowledge was key to advancing full, decent and productive employment as well as to informing good policy, effective programmes and technical assistance. The world looked to the ILO for expertise in this area. He noted that the ILO was the premier institution for research on employment. Increased ILO expertise would make it a more valuable partner to the World Bank, the WTO, the IMF, UNCTAD, UNDP, governments and other international organizations. The speaker underscored the importance of education and training to employability and productivity. When considering research, skills development and technical cooperation, the ILO needed to answer the question: what works? Timely and accurate labour market information was also essential. The speaker voiced his support for ILO efforts to improve the quality of information it could supply, for example, strengthening the scope and capacity of its multinational enterprises Helpdesk. He also underscored that building action on knowledge was important, and that the Better Work initiative was a good example.

154. The Government member of Japan noted that, while some countries were already recovering from the crisis, the economy had not returned to pre-crisis levels. The employment situation was still tight in the speaker's region. Of special concern were inequality and poverty among vulnerable groups, who were unable to fully benefit from recovery. The importance of the social dimension in development had been recognized by the G20 labour and employment ministers in April. The Government of Japan had endeavoured to strengthen social safety nets by building income security systems, implementing active labour market policies, strengthening labour inspection and labour dispute settlement systems, and expanding formal employment opportunities for persons in the informal economy. It was indispensable to form alliances with other organizations, such as the World Health Organization; with NGOs; with regional entities, such as the Association of Southeast Asian Nations, the Asia-Pacific Economic Cooperation and the

Asia–Europe Meeting; and with country donor organizations. He proposed that the ILO act as a “reviewer” as well as a “practitioner” of cooperation in the field of employment. The Government of Japan was willing to support the ILO in implementing such activities.

155. The Government member of the Bolivarian Republic of Venezuela, on behalf of the GRULAC group Government members of the Committee,²⁷ had elaborated a list of key points to be reflected in the Committee’s outcome document. Workers, employers and governments should strive to promote, create and maintain decent and productive work. Policies should aim to create a pluralistic, equitable and democratic society. Employment should be central to economic and social policy. Governments, workers and employers should intensify their efforts regarding education and skills programmes. The Committee’s conclusions should support active and passive labour market policies. More research was needed on the social economy in developing countries. The speaker noted the value of international cooperation, particularly South–South cooperation, to the promotion of decent work and the Global Jobs Pact. Finally, she asserted that the limits of the mandate should be respected. However, the opportunity existed to strengthen collaboration with other international organizations, and for the Organization to build up its research capacity as well as its capacity to assist countries develop labour market information systems.

156. The Government member of Nigeria, on behalf of the Africa group Government members of the Committee,²⁸ praised the discussions that had taken place. She urged the ILO to provide more technical assistance. The speaker noted with concern the marginalization of Africa, and especially the intense pressure African countries were under to open up their

²⁷ Argentina, Barbados, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay, Bolivarian Republic of Venezuela.

²⁸ Algeria, Angola, Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Democratic Republic of the Congo, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Senegal, South Africa, Sudan, United Republic of Tanzania, Togo, Tunisia, Zambia, Zimbabwe.

economies. This had serious repercussions on countries' economies and competitiveness. She recommended that the Committee's conclusions focus on the development of the rural economy and on small and medium-sized enterprise development, as well as on policy coherence at national, regional and international levels. In closing, she advocated strengthening labour market information systems and implementing the Global Jobs Pact and Decent Work Country Programmes.

157. The Government member of Brazil endorsed the speech of the Government member of the Bolivarian Republic of Venezuela on behalf of GRULAC. In terms of better policy, there were no pupils and teachers among the countries: they were all partners seeking better solutions. Brazil was pursuing South–South cooperation programmes in a number of areas, including child labour, forced labour, social dialogue, decent work and labour inspection. The Government of Brazil praised the decision of the ILO to participate in the UNDP South–South Exhibition in Geneva next November. Brazil was also promoting green jobs in the context of South–South cooperation. Brazilian energy production was one of the cleanest in the world. Of special concern was the need for the respectful treatment of migrant workers. The Global Jobs Pact was more than a portfolio of concrete measures, it was a global reference point. The Brazilian delegation to the United Nations Economic and Social Council proposed a resolution on the Global Jobs Pact that encourages member States to promote and make full use of the Pact. In closing, the speaker asserted that the ILO should be involved in the oversight of financial institutions, as the cost of inaction would be more unemployment and higher burdens on the most vulnerable.

158. The Government member of the Dominican Republic stated that the global financial crisis had made it possible for the ILO to play a greater role in policy-making, as employment was at the heart of economic and social policy. The Global Jobs Pact had been recognized by the G20 and the international community, not so much in action but in theory. The speaker urged countries to implement the Pact at the national level. The Dominican Republic concurred with the recommendations made by the Government member of the

Bolivarian Republic of Venezuela on behalf of GRULAC. The speaker underscored that the crisis represented an opportunity to effect change. The Declaration on Social Justice for a Fair Globalization was a pertinent document and would help us to move out of the crisis and to put human beings at the centre of development. The ILO should adopt a more aggressive approach to policy-making and should collaborate more with other development organizations. A central goal for the ILO should be to share its experience with and knowledge on social dialogue.

159. The Government member of Argentina supported the statement by his colleague from the Bolivarian Republic of Venezuela on behalf of GRULAC. He also supported the views expressed by the Government members of Brazil and the Dominican Republic but added that his Government appreciated the ILO's work in Argentina, especially in strengthening social dialogue, promoting gender equality and employment, and promoting youth employment. In his view, meetings such as this could not avoid taking account of the surrounding reality; ILO objectives could not progress without taking account of what others were doing. The bottom line should nevertheless be to recognize that the recent crisis had come about through no fault of workers; they should therefore not be made to foot the bill. Neither should the crisis be allowed to increase exclusion and social injustice.

160. The Government member of New Zealand endorsed the statements made by Government members of Australia, Canada, Sweden and the United States. He noted that the point of the debate was to follow up on the Declaration on Social Justice for a Fair Globalization rather than conduct a general discussion on employment. The focus should be on lessons drawn from the work already done by the ILO and Members to promote employment and decent work since 2008; to identify the effects of that work and any gaps that had arisen; and to set priorities and goals for the next review. The current discussion had done a lot of stocktaking on governments' interventions but little evaluation of the ILO's own activities. It was necessary that future discussions be preceded by a gaps-needs analysis in which priority areas and activities would be defined.

161. The Government member of Bangladesh endorsed the proposed peer review mechanism of national employment policies. The Office's resource constraints required setting priorities on the basis of constituents' expressed needs, especially in low-income developing countries. Office reports often failed to capture the varied dynamics of low-income developing countries' employment and labour market policies. Given the mandate of the Declaration on Social Justice for a Fair Globalization and the Global Jobs Pact to venture into new territory in response to constituents' needs, the Office should outline a clear plan for a report on the employment and labour market trends and challenges in least developed countries during the lead-up to the Fourth United Nations Conference on Least Developed Countries in Istanbul in 2011. Finally, it was necessary to enhance the Office's capacity to effectively deliver on labour information collection, analysis and monitoring, and on sound macroeconomic analysis of employment and labour market policies.

162. The Government member of Kenya endorsed the contribution made by the Government member of Nigeria on behalf of the Africa group. She commended the Office for a very comprehensive and insightful report. Both the Office and Members needed to explore ways to address the perennial problem of inadequate funding of ministries of labour. The ILO should lobby for a minimum amount of government funding for ministries of labour. Similarly, the ILO and multilateral partners should provide support and encourage participation of labour ministries and the social partners at the national, regional and international donor discussions. Targeted assistance was required in the design, implementation and evaluation of employment policies and programmes to address the needs of specific groups, such as women and youth. Assessing the impact of stimulus packages on unemployment, especially in developing countries, would be useful. There was also a great need to reinforce tripartism on employment policy dialogue, to facilitate transitions to formality and mainstream knowledge sharing, and research on the role of productivity improvements and measurements in job creation.

163. The Government member of Indonesia noted that, like other developing countries, her country put a lot of effort into tackling unemployment, but it remained a major concern. Although her country had yet to ratify Convention No. 122, Government regulations and policies had, in fact, been conducted in its spirit. Indonesia supported the ILO's Decent Work Agenda and the Global Jobs Pact and had established a national steering committee to coordinate a strategy to achieve their goals. In response to the crisis, the Government had also allocated additional budgetary resources for employment, for training retrenched workers, for labour-intensive public projects, appropriate technology and local development, as well as to promote tripartite consultation on employment for workers losing their jobs.

164. The Worker Vice-Chairperson observed that there had been a lot of support for a range of issues discussed. She thanked in particular the Government members of France, Germany, Sweden, Switzerland and the Africa group for their support for the development of a coherent instrument on the Declaration. She also believed the Employers' proposals contained a lot of ideas around which everyone could coalesce. It was important to strengthen the capacity of the ILO's fieldwork especially in relation to the Global Jobs Pact; to assist efforts aimed at helping to formalize the informal economy; and to analyse the employment impact of demographic change. Greater effort should be given to rural employment and rebalancing the global economy, as well as upskilling existing workers to help them take advantage of opportunities in the emerging green economy. Research on the employment impact of trade was important as were the proposals on policy coherence. Overcoming the employment effects of the crisis would be a challenge through many years to come; with the daunting need for governments, employers and workers to work together to create at least 300 million jobs over the next few years. It was important to recall the unique tripartite nature of the ILO and to ensure coherence and recognition of ILO work by the rest of the world. She stressed that the proposed instrument should not be seen so much as a new standard but as a tool to raise the international stature of the ILO.

165. The Employer Vice-Chairperson reiterated the need to create a lot of jobs through sustainable enterprises. The statement by the Government member of New Zealand regarding the purpose and focus of discussions was very helpful. There was supposed to be a particular focus to these discussions, and with all due respect to the Director-General's expectations, what should guide the deliberations should be the needs of Members. How resources were allocated required clarity about Members' choices. She feared that were some of the wishes expressed in the debate to prevail, the Office would need to make a major shift from providing Members with technical support to political advocacy. It was therefore important to reflect upon the consequences of such a choice. Were Members prepared, for instance, to propose that the ILO should be telling countries to change their agricultural policies? She believed that, on the basis of the discussions, it was clear that there was no consensus on the notion of having an instrument on coherence; some governments were in favour while others were not. It was not clear to her why what the workers wanted could not be accomplished without a Recommendation. It was also not entirely clear why there was a need for a Recommendation whose sole purpose would be to restate the importance of the interrelationship among various areas of ILO work. Unless the ILO wanted to get into the business of advising governments to micro-manage their policies, all that was needed was the provision of an information base to facilitate government and ILO constituents' decision-making.

Discussion of the draft conclusions

166. The Chairperson thanked the Drafting Group for its efforts and goodwill that had led to the draft conclusions document which was before the Committee. The task of the Committee was to go through the amendments in order to finalize the conclusions.

Paragraph 9

167. The secretariat introduced a correction which proposed to split the paragraph into two separate paragraphs as had been agreed in the Drafting Group. The sentence beginning

with “In many countries” was to be the start of a new paragraph. The Employer and Worker Vice-Chairpersons agreed that this had been the original intent and there were no objections from Government members.

168. The correction was adopted.

Paragraph 10

169. The Government member of Uruguay, seconded by the Government member of Argentina, proposed an amendment to the fourth line of the paragraph to insert after the word “include” the words “strong investment stimulus policy, in particular in education and information and knowledge technologies,” in order to emphasize their importance. The Worker Vice-Chairperson, while noting that the Workers did not disagree with the concept which was already included within industrial policies, urged Committee members to reject the proposed amendment as the conclusions were meant to be a global document which addressed global strategies. The Employer Vice-Chairperson expressed agreement with the Workers and also opposed the amendment. The Government member of Argentina proposed a subamendment, which was seconded by the Government member of Uruguay, to accommodate the remarks made by the two Vice-Chairpersons. However, the Employer Vice-Chairperson opposed the subamendment reiterating that, while the issues of education and information and knowledge technologies were important, they had been referred to elsewhere in the conclusions. She also reminded the Committee members that the conclusions were based on extensive negotiations which had ensured a delicate and important balance in the text. The Worker Vice-Chairperson endorsed the statement of the Employer Vice-Chairperson.

170. The subamendment and the amendment were rejected due to lack of consensus.

Paragraph 13

171. The Government member of Uruguay, seconded by the Government member of the Philippines, proposed an amendment to introduce at the end of the paragraph a new paragraph which read as follows: “The movement of goods and capital across borders is one feature of globalization, but workers also cross borders and it is important to be cognizant that globalization has increased migration which also needs to be looked at from an employment perspective.” The Employer Vice-Chairperson noted that the intent of the amendment had been included in the original Office draft and it expressed a sentiment supported by the Employers. Therefore, the Employers’ group had no objection to the proposal. The Worker Vice-Chairperson also thanked the Government member of Uruguay for the amendment, but introduced a subamendment to be added at the end of the paragraph proposed by the Government member of Uruguay which was as follows: “while ensuring protection of migrant workers in accordance with relevant international labour standards.” The Employer Vice-Chairperson introduced a sub-subamendment to replace the words “relevant international labour standards” with the words “national law and practice and applicable international labour standards”.

172. The amendment was adopted as sub-subamended.

Paragraph 16

173. The Government member of Zimbabwe introduced an amendment submitted by the Government members of Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Côte d’Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Somalia, South Africa, Sudan, Swaziland, United Republic of Tanzania, Togo, Tunisia, Uganda, Zambia, and Zimbabwe

to replace, in line 4 the words “this policy framework” with “these policy frameworks” which he noted corresponded better with the plurality of frameworks referred to in the paragraph.

174. The Worker Vice-Chairperson, noting that while on the surface the existing text looked grammatically incorrect, it was in fact intended to emphasize that the different documents referred to did in fact represent a single policy framework aimed at driving coherence and informing cooperation at the national and international levels. The Workers’ group therefore opposed the proposed amendment. The Employer Vice-Chairperson stated that, in the spirit of respecting the text arduously negotiated, the Employers’ group also opposed the proposed amendment. She noted, however, that the French version needed to be revised in keeping with the English text.

175. The Government member of Zimbabwe withdrew the proposed amendment following consultations with his group.

Paragraph 17

176. The Government member of Sweden introduced an amendment proposed by the European Union (EU) member States as well as Australia, Canada, Norway and Switzerland, to delete the words “and declares,” in the second/third lines for linguistic reasons. The Employer and Worker Vice-Chairpersons supported the amendment.

177. The amendment was adopted.

Paragraph 19

178. The Chairperson introduced a proposed correction from the Legal Adviser of the Conference to change the term “recurrent item discussion” to “recurrent discussion” in order to reflect the term used in the ILO Declaration on Social Justice for a Fair Globalization.

179. The correction encountered no opposition, and was adopted.

Paragraph 22

180. The Chairperson introduced a proposed correction from the Legal Adviser of the Conference. The last sentence had erroneously referred to the Global Employment Agenda having been agreed by the Conference. However, it had been agreed by the Governing Body, not the Conference. The paragraph would correct this and retain reference to the Global Jobs Pact having been agreed by the Conference.

181. The correction encountered no opposition, and was adopted.

Paragraph 23

182. The Government member of the Bolivarian Republic of Venezuela introduced an amendment, seconded by the Government member of Uruguay, which in the first line proposed to insert the words “recognizing their role in the economy” after the words “member States”. She remarked that it was important to recognize the role of States in determining macroeconomic policy and also in creating decent jobs. The Employer Vice-Chairperson said that the Employers could not accept the amendment for two reasons: firstly the drafters of the conclusions had taken great care with respect to defining the roles of governments, social partners and the Office in the chapeau; and secondly this would introduce an entirely new concept at a late stage in the negotiations without debate. The Worker Vice-Chairperson also did not support the proposed amendment.

183. The Government member of the Bolivarian Republic of Venezuela withdrew the amendment.

184. The Chairperson introduced a proposed correction from the secretariat to add at the end of clause (iii) the source of the quote which was the “ILO Declaration on Social Justice for a Fair Globalization”.

185. As there was no opposition the correction was adopted.

186. The Government member of Uruguay, seconded by the Government member of the Bolivarian Republic of Venezuela, introduced an amendment in the second line of clause (iv) after the words “decent work” to insert the words “and impact assessment of policies”. References to statistics and information collected by governments on the economy also included impact assessment of policies. The Worker Vice-Chairperson noted that, although she shared the concern about impact assessment, this was mentioned in other sections of the document. The Employer Vice-Chairperson agreed with the Workers’ group. While impact assessment was important, she noted that the focus here should be kept on empirical evidence which was a concern mentioned by many governments.

187. The Government member of Uruguay withdrew the amendment.

Paragraph 25

188. The Government member of Australia, seconded by an Employer member from India, proposed to insert at the end of clause (i) the text “and ensure constituents are aware of the services it can provide;”. It proposed to make a simple but important point which was that, in addition to responding to requests for technical support, the Office should make constituents aware of its ability to provide policy advice – especially to new ILO member States such as in his region. The Employer and Worker Vice-Chairpersons both supported the amendment.

189. The amendment was adopted.

Paragraph 26

190. The Government member of Zimbabwe introduced an amendment submitted by the Government members of Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Côte d’Ivoire,

Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Somalia, South Africa, Sudan, Swaziland, United Republic of Tanzania, Togo, Tunisia, Uganda, Zambia, and Zimbabwe, to replace in clause (xi) the word “protect” by the words “extension of protection”. He noted that this was a drafting proposal. The Employer Vice-Chairperson noted that this could add a new element, as it could be interpreted as going beyond existing protection, and therefore the Employers’ group opposed the amendment. The Worker Vice-Chairperson agreed with the Employer Vice-Chairperson’s position.

191. The Government member of Zimbabwe withdrew the amendment.

Paragraph 29

192. The Government member of the Netherlands introduced an amendment submitted by the EU member States as well as Australia, Canada, Norway and Switzerland, to insert in clause (iv) after the words “economic downturns” the words “or fluctuations” in order to also take into account economic upturns. The Employer Vice-Chairperson said that the drafters had intended to place emphasis on downturns in this instance and it would be best to retain that emphasis, and thus the Employers did not support the amendment. The Worker Vice-Chairperson supported the Employers’ group’s position and noted that economic downturns could deal with fluctuations. She wished to retain the original text.

193. The Government member of the Netherlands withdrew the amendment.

Paragraph 34

194. The Government member of Australia introduced an amendment, seconded by the Government member of the United Kingdom, that sought to clarify the language used in clause (vii). He explained that the paragraph dealt with the “Priorities for the Office” and

that the original text diverged away from that. He proposed that by deleting the second sentence and replacing it by a new sentence “In addition, in those countries that have not ratified ILO Conventions on occupational safety and health and maternity protection, promote safe workplaces and fair treatment of women who become pregnant”, it better reflected the role of the Office. The Employer and Worker Vice-Chairpersons supported the amendment.

195. The amendment was adopted.

Paragraph 42

196. The Government member of the Bolivarian Republic of Venezuela introduced an amendment, seconded by the Government member of Uruguay, that replaced the words “which can boost productivity” by the words “which can improve the quality of life of workers and boost productivity” in line 4 of clause (iv). She noted that labour inspection not only boosted productivity but was a factor in improving the quality of life of workers. The Employer and Worker Vice-Chairpersons supported the amendment.

197. The amendment was adopted.

Paragraph 43

198. The Government member of Australia introduced an amendment, seconded by the Government member of the Netherlands, that inserted the word “which” after the word “methodology” in sub-clause (c) of clause (iii). He remarked that this was a linguistic change to the text that improved its clarity. The Employer Vice-Chairperson thanked the Government member of Australia for clarifying the text and noted that other areas of inconsistency in the French translation of the document existed and should be corrected. The Worker Vice-Chairperson supported the amendment.

199. The amendment was adopted.

Paragraph 46

200. The Government member of Uruguay introduced an amendment, seconded by the Government member of the Bolivarian Republic of Venezuela, that added the following words at the end of the paragraph: “guided by the impact assessment of these policies”. She noted that it was an important aspect of capacity building. Following a clarification by the Government member of Zimbabwe on behalf of the Africa group as to their intention on this paragraph in the Drafting Group and their support for the amendment, the Employer and Worker Vice-Chairpersons supported the amendment.

201. The amendment was adopted.

Paragraph 53

202. The Government member of Australia introduced an amendment, seconded by the Government member of Uruguay, which added at the end of the paragraph the words “and ensuring that these impact assessments are systematically considered in the context of future work of the Office.” He remarked that it was not only important that impact assessments be improved and implemented, but they should also be considered by the Office for its future work and this would establish good practice. The Employer and Worker Vice-Chairpersons supported the amendment.

203. The amendment was adopted.

Paragraph 55

204. The Government member of the United Kingdom introduced an amendment proposed by the EU member States as well as Australia, Canada, Norway and Switzerland, to replace in clause (iii) the words “include the necessary reinforced capacity” by the words “and within the limitations of existing resources, ensure that the Governing Body will consider how best”. He explained that this would clarify that action would have to be taken in the context of current and future resources. The Employer Vice-Chairperson, while noting her

appreciation of the intent of the amendment, noted that the idea of within the limitations of existing resources was already taken into account in clause (i), and her understanding of the existing text was that it referred to a reallocation, rather than additional, resources. She proposed a subamendment that replaced the words “reinforced capacity” by the words “allocation of existing resources”. The Worker Vice-Chairperson noted that the amendment proposed introduced by the Government member of the United Kingdom would unfairly limit the capacity to argue for extra-budgetary resources. She supported the subamendment proposed by the Employer Vice-Chairperson.

205. The Government member of the United Kingdom proposed a sub-subamendment to the amendment he had introduced which highlighted the importance of the Governing Body in taking decisions related to resources. The sub-subamendment proposed to retain from the amendment originally introduced the text “ensure that the Governing Body will consider how best”. The Employer and Worker Vice-Chairpersons supported the sub-subamendment proposed by the Government member of the United Kingdom.

206. The amendment, as sub-subamended, was adopted.

Paragraph 48

207. The Worker Vice-Chairperson introduced an amendment to insert at the beginning of paragraph 48 the following text: “Place a standard-setting item, in the form of a Recommendation, in the agenda of the next session of the International Labour Conference, with the aim to promote policy coherence among economic, financial, employment and social policies. Such an instrument would provide a coherent framework for voluntary peer reviews, with the participation of other agencies in the multilateral system, and would help governments and social partners to receive policy advice on creating full, productive and freely chosen employment and decent work.” The aim was to provide an authoritative framework on coherence to address possible gaps in policies and instruments. This avenue was indeed contemplated in Part II.B of the annex to the ILO

Declaration on Social Justice for a Fair Globalization. She recalled the emphasis during an earlier intervention by the Government member of Kenya on the need for improved coordination between ministries of labour and finance to ensure employment was at the heart of economic and social policies. She further noted that during their respective presentations to the Committee, ILO Executive Directors and the Director of the Bureau for Gender Equality had all reported on the work of their sectors but did not report on how they ensured coherence among their activities. The Global Jobs Pact was not being sufficiently understood as a coherent approach. All this pointed to the need for an authoritative document on coherence coming from the Conference to integrate work at national level, across the Office, as well as among the various international agencies. This was critical and required a non-binding instrument, such as a Recommendation, as a tool to achieve the objective.

- 208.** The Employer Vice-Chairperson did not endorse the amendment. She pointed out that the term coherence was being used in three different senses. First, it was used to refer to coherence within the Office, a goal the Employers certainly supported. However, a Recommendation to governments was not a necessary or appropriate means for this. The recurrent discussions should address the need for internal coherence. Secondly, at the international level, coherence with other agencies, such as the IMF, was already adequately addressed in the conclusions and it was a recurrent area of discussion within the ILO, especially in the Governing Body's Committee on Employment and Social Policy. She failed to see how an ILO Recommendation on coherence negotiated among the ILO constituents could promote coherence of action with other international agencies which had not participated in its development. Regarding the third level of coherence, at the national level, ILO advice to governments on their policy choice and the requirement that governments report back to the ILO on how well they were doing to improve coherence among policy objectives could be interpreted as exceeding its mandate. For all these reasons, the Employers' group opposed the amendment proposed by the Workers.

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- 209.** The Government member of the United Kingdom stated that the discussion was about ensuring ILO effectiveness and there was agreement on the need for coherence and an integrated approach to ILO work. However, given the fact that a rich array of frameworks already existed to achieve such an objective, he could not see the need for the ILO to dedicate further resources on a standard on coherence. His delegation could therefore not support the proposed amendment.
- 210.** The Government member of the Netherlands, speaking also on behalf of the Government member of Sweden, supported the position expressed by the previous speaker.
- 211.** The Government member of Germany, speaking on behalf of the Government members of Austria, Belgium, Cyprus, Denmark, France, Greece, Italy, Norway, Portugal, Romania and Slovenia, proposed a subamendment to the Workers' amendment. She suggested to replace the text as follows: "Recommends considering a possible standard-setting item, in a form of a Recommendation with the aim to promote policy coherence and requests the Office to draft the elements of such a possible Recommendation, with the goal to discuss this draft in the Governing Body in November 2010. That draft should provide a coherent framework to give governments and social partners the best possible advice to achieve full and productive employment and decent work at the centre of economic and social policies, while enhancing cooperation and exchange of experiences among them. In preparing the elements of such a Recommendation, the Office should consult with the main economic and financial international institutions in a view of achieving a better coherence among economic, financial, employment and social policy on the international level as far as they would be involved."
- 212.** The Government member of France explained the thrust of the above subamendment. It was not the aim of the subamendment to require the submission of a draft Recommendation by the next International Labour Conference, but rather that this possibility be envisaged sometime in the future. Towards that end, preparations could

begin with the Office bringing a proposal on the subject to the Governing Body in November 2010. It was important in this regard to stress the importance of preparations and consultations among major international agencies concerned. The sub-amendment did not refer to the participation by other agencies in the voluntary peer reviews in order not to encroach on the competence of other concerned agencies.

213. The Employer Vice-Chairperson, having listened to the reasoning of the Government members of Germany and France on why the amendment should not be rejected as well as on the need to move carefully, proposed a sub-subamendment so that the text would read: “Recommends in November 2010, the Governing Body discuss ways to promote policy coherence and requests the Office to draft the elements of such a possible discussion. In preparing the elements of such a discussion, the Office should consult with the main economic and financial international institutions in a view of achieving a better coherence among economic, financial, employment and social policy on the international level as far as they would be involved.”

214. The Worker Vice-Chairperson, in the interest of compromise, agreed to dropping the reference to a Recommendation and proposed a sub-sub-subamendment replacing the text as follows: “To mandate the Director-General to rapidly initiate discussions with the main international financial and economic institutions and other relevant international bodies with the objective to achieve a better coherence between economic, financial, employment and social policies at the international level. Recommends that in November 2010, we invite the Director-General to submit to the Governing Body a document outlining the elements and possible forms of a framework with the objective of promoting coherence among these policies. This document should provide a coherent framework to give governments and social partners the best possible advice to achieve full and productive employment and decent work at the centre of economic and social policies, while enhancing cooperation and exchange of experiences among them. In preparing the elements of such a framework, the Office should consult with the main economic and

financial international institutions in a view of achieving a better coherence among economic, financial and social policy on the international level as far as they would be involved, bearing in mind the contribution this can also make to facilitate coherence amongst government positions at the national level and their advocacy internationally.” She noted that the first new sentence of the sub-sub-subamendment was based on draft resolution D.32 jointly proposed by the Government members of France and Switzerland.

- 215.** The Employer Vice-Chairperson agreed and expressed her appreciation for the spirit of cooperation and collaboration by the Workers and among the Government members. She underscored that the Employers had not changed their mind regarding the appropriateness or lack of it on standard-setting. However, they were willing to engage in further discussion on the appropriate way forward. Furthermore, she noted that this request to the Director-General should not subordinate the rest of the agreed work on employment. Finally, she raised the question of whether it was appropriate to keep this text as part of the draft conclusions or whether it should replace draft resolution D.32.
- 216.** The Government members of Argentina, Australia, Belgium, Brazil, Zimbabwe on behalf of the Africa group, Spain, Switzerland and the United Kingdom also supported the sub-sub-subamendment.
- 217.** The Government members of Australia and Switzerland reiterated the concern raised by the Employers regarding where to place the text. The Government member of Switzerland reiterated that the new text took up the spirit of draft resolution D.32 and said that this text could be consolidated with the resolution.
- 218.** The Government member of the United Kingdom suggested a sub-sub-sub-subamendment to replace the word “positions” with “policies”.
- 219.** The Employer Vice-Chairperson supported the suggestion from the Government member of the United Kingdom and proposed two additional sub-sub-sub-subamendments. In the

first sentence she suggested to replace the word “mandate” by the word “request” as the Director-General already had a mandate and was actively engaged in discussions with international organizations. In the last sentence, after the word “institutions”, she suggested to replace the word “in” by the word “with”.

- 220.** The Worker Vice-Chairperson agreed with the changes and the amendment as sub-sub-sub-subamended was adopted. The Chairperson asked for clarification concerning where to place the new paragraph as sub-sub-sub-subamended. The Worker and Employer Vice-Chairpersons agreed that it would precede paragraph 48.

Adoption of the conclusions and resolution

- 221.** The Committee adopted the conclusions as amended.

- 222.** The Government members of France and Switzerland submitted a proposed resolution (D.32) concerning steps for follow-up to the recurrent discussion on employment. The Government member of Switzerland was satisfied that the amended paragraphs in the conclusions now addressed the first two operative paragraphs proposed in the draft resolution, but expressed concern that those amended paragraphs ran the risk of being lost within the full text of the conclusions and would not properly emphasize the political will of the Committee. Having said this, he observed that the third operative paragraph of the draft resolution was designed to generate effective follow-up and that these issues had not been covered in the conclusions as amended. The Government member of France, in agreement with the Government member of Switzerland, considered whether there was a possibility to take up that paragraph.

- 223.** The Worker Vice-Chairperson suggested that this third paragraph of resolution D.32 could be included in resolution D.31, the resolution concerning the recurrent discussion on employment that would recommend the adoption of the conclusions by the Conference. The Government members of Switzerland and France agreed to the suggestion. The

Employer Vice-Chairperson also agreed but proposed that the first sentence of the text read as follows: “at its session on 18 June 2010, refer to the Steering Group for the Follow-up to the Declaration on Social Justice for a Fair Globalization, the evaluation of the organization and impact of the first recurrent discussion, and report to the Governing Body in November 2010.” The Worker Vice-Chairperson agreed with the proposed change.

224. The Committee adopted resolution D.31 as amended.

225. The Government members of Switzerland and France withdrew the initial draft resolution D.32.

Resolution concerning the recurrent discussion on employment

The General Conference of the International Labour Organization, meeting at its 99th Session, 2010,

Having undertaken, in accordance with the ILO Declaration on Social Justice for a Fair Globalization, a recurrent discussion on the basis of Report VI, *Employment policies for social justice and a fair globalization*,

1. Adopts the following conclusions; and
2. Invites the Governing Body of the International Labour Office to:
 - (a) give due consideration to them in planning future work on employment and request the Director-General to take them into account when preparing the programme and budget for future bienniums and when allocating such other resources as may be available during the 2010–11 biennium;
 - (b) decide on placing relevant items on the agenda of the Conference, with a view to following up its discussion as soon as possible; and
 - (c) at its session of 18 June 2010, refer to the Steering Group on the Follow-up to the Declaration on Social Justice for a Fair Globalization the evaluation of the organization and impact of the first recurrent discussion, and report to the Governing Body in November 2010. This report should contain proposals for optimizing future recurrent discussions from the 100th Session of the International Labour Conference onwards.

Conclusions concerning the recurrent discussion on employment

I. Introduction, trends and challenges

1. The world is emerging from its worst global recession in 70 years, a recession triggered by a crisis in global financial markets. It has set back progress towards shaping a fair globalization based on the goal of social justice. The recession has exacerbated a crisis of poverty and underdevelopment that preceded it, and contributed to immense global unemployment, underemployment and employment insecurity. It has damaged people's lives, reduced incomes and living standards for many, threatened the sustainability of enterprises and undermined productive investment.
2. Many countries are now showing signs of growth following significant fiscal and monetary stimulus measures. Policy-makers are working to address the need for more effective supervisory and regulatory financial frameworks. Yet the recovery remains fragile and unevenly distributed, and many labour markets are yet to see jobs recovery match economic recovery. Recent turbulence in equity, bond and currency markets underlines the fragility of recovery.
3. Many countries face difficult policy choices. On the one hand, a premature winding down of the fiscal stimulus packages that served to mitigate the crisis impact could be a brake on the fragile recovery in the private economy. On the other, whilst a postponement of addressing the serious debt and deficit problems in which countries now find themselves could lead to the same outcome; reductions in government spending, where they result in decline in public services, jobs, wage levels, pensions or transfer payments could also impact on aggregate demand, growth and employment.
4. Many countries in both the developed and the developing world still suffer from the consequences of the crisis, and the current challenge of fiscal deficits in developed countries must be managed. Any reduction in global aggregate demand at this delicate

stage in the recovery processes could seriously exacerbate problems such as underlying imbalances within and between nations, unemployment, underemployment and potential for further job losses, the numbers of working poor, social tensions, protectionist reactions and other factors that delay and make more difficult the global goal of achieving full, productive, freely chosen and decent work for all.

5. Experience from past recessions has shown that the recovery in employment lags well behind the pick-up in economic activity. Macroeconomic policies and frameworks designed to address the crisis must therefore seek to reduce or eliminate the lag between the recovery in output and a return to full productive employment and decent work for all. Employment creation and growth should be at the heart of all macroeconomic policy.
6. Employment recovery has to be based on productive investment and income.
7. A good investment climate should encourage both foreign and domestic investment and growth which can benefit both employers and workers through additional opportunities for decent work.
8. Equally, consumption is an essential component of aggregate demand. The crisis shows that debt fuelled consumption became unsustainable. It is the incomes of working men and women that sustain aggregate demand; and productivity is the source of rising incomes. Before the crisis, average wage growth lagged overall behind returns to capital and productivity growth. The reasons for this are subject to debate; however, it is clear that a fair sharing of productivity gains between wages and profits is a solid basis on which to sustain demand.
9. There is a clear link between macroeconomic policy and sustainable enterprises. An enabling environment for sustainable enterprises allows them to generate the growth that creates decent jobs and provides the confidence to invest and employ. Policies that provide such an environment are necessary for the creation of decent work.

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- 10.** In many countries, temporary, part-time, casual or other changing forms of work have increased as a consequence of factors on both the supply and demand sides of the labour market. Governments, the social partners and the International Labour Office (Office) are challenged to be more responsive to such employment to ensure decent work.
 - 11.** The benefits from increased trade and investment are spread unevenly. Some economies and workforces are disadvantaged and poorly prepared to enter the global economy. For many developing countries diversifying their economies and producing a wider range of goods and services is an important challenge. Policy options include industrial policies and sectoral strategies, which expand decent and productive employment opportunities.
 - 12.** Informal employment in urban and rural areas is a major problem for many labour markets throughout the world. The majority of poor people live and work in rural areas, where decent work deficits can be severe. Thus, increasing rural productivity and investment in agriculture and rural areas are essential to reducing inequalities and promoting more inclusive economies.
 - 13.** There is increasing concern that young people will not find the employment opportunities they need, and that a generation may be left behind. Many women also continue to be excluded from full participation in the labour market. This could lead to significant increase in social tensions, further pressure on the road to recovery and long-term consequences for their social and economic well-being, as well as the development of nations. Ensuring that young people and women have the appropriate education, skills and opportunities to participate in the economy is important. This recognition does nothing to detract from the responsibility to address other long-term socially disadvantaged groups that are marginalized within and across our nations.
 - 14.** In an ever more globalized world, information and technology increasingly drive the need for new skills and competencies at the workplace and put a premium on the knowledge

economy. Promoting improved access to technology in developing countries will increase employment opportunities.

15. The movement of goods and capital across borders is one feature of globalization, but workers also cross borders and it is important to be cognizant that globalization has increased migration which also needs to be looked at from an employment perspective while ensuring protection of migrant workers, in accordance with national law and practice and applicable international labour standards.
16. Adaptation to climate change and the need to safeguard the natural environment will continue to impact on the world of work. The challenges are to seize the major opportunities for decent green job creation and inclusive development and to manage labour market transitions.
17. The International Labour Organization (ILO) has a particular role to play in the employment and social aspects associated with all these challenges.
18. The ILO has important policy tools to tackle the employment consequences of the crisis, and build a sustainable recovery: the Global Employment Agenda (2003), the ILO Declaration on Social Justice for a Fair Globalization (2008), and the Global Jobs Pact (2009). The Organization and its constituents can harness this policy framework to accelerate recovery and put productive employment and decent work at the heart of national and international policy frameworks to promote a world in which productive and decent work opportunities are maximized.

II. Background

19. At its 97th Session in 2008, the International Labour Conference adopted the ILO Declaration on Social Justice for a Fair Globalization. The Declaration recognizes, in the context of accelerating change, the commitments and efforts of the Organization and its Members to implement the ILO's constitutional mandate, including through international

labour standards, and to place full and productive employment and decent work at the centre of economic and social policies. This Declaration is designed to strengthen the ILO's capacity to promote its Decent Work Agenda and create an effective response to the challenges of globalization that promotes and achieves progress and social justice.

- 20.** The follow-up to the ILO Declaration on Social Justice for a Fair Globalization stipulated that the Organization would table a recurrent discussion at the International Labour Conference (ILC) to understand better the diverse realities and needs of constituents, to assess the results of the ILO's activities and to enable the Office to deliver more effective responses with respect to each of the Organization's four inseparable, interrelated and mutually supportive strategic objectives. These are: promote employment; develop and enhance social protection; promote social dialogue and tripartism; and respect, promote and realize the fundamental principles and rights at work.
- 21.** This document contains the tripartite conclusions agreed at the 99th Session of the ILC, 2010, following the recurrent discussion on employment and the observations of the General Survey concerning employment instruments.
- 22.** The overall objective of these conclusions is to identify actions required to respond more effectively to the diverse realities and needs of ILO Members for the generation of full, freely chosen and productive employment and decent work. These identify the challenges faced by member States, employers and workers and their organizations. To address these challenges, these conclusions propose actions that the Governing Body and the Office, governments, and employers' and workers' organizations, can take to support constituents' needs, whilst mindful of their diverse realities.
- 23.** These conclusions call for improved methods of international cooperation that better enable the Organization and its constituents to benefit from each others' experiences. In many cases, increased collaborative work with other relevant international organizations is

called for, as is improved policy coherence at national, regional and international levels, including South–South cooperation.

- 24.** These conclusions draw on the Constitution of the International Labour Organization including the Declaration of Philadelphia, and on the ILO Declaration on Fundamental Principles and Rights at Work, as well as the ILO Declaration on Social Justice for a Fair Globalization. They take account of the profound impact of the global financial, economic and jobs crisis that began in 2008. They also establish a framework for implementing policies and policy options including all elements in the Global Employment Agenda previously agreed by the Governing Body and in the Global Jobs Pact previously agreed by the Conference.

III. Macroeconomic policy frameworks to promote full, decent, productive and freely chosen employment

- 25.** Governments of member States should assess as appropriate the following:

- (i) creation and maintenance of productive and freely chosen employment, conforming to fundamental principles and rights at work and other international labour standards;
- (ii) policies to help maintain wage levels;
- (iii) design and implementation of a pro-employment macroeconomic policy framework that promotes growth, investment, sustainable enterprise, decent work, employability and skills development and a fair distribution of income, “to place full and productive employment and decent work at the centre of economic and social policies” (ILO Declaration on Social Justice for a Fair Globalization);
- (iv) production, collection, analysis and dissemination of high-quality labour market statistics and information on decent work in order to build a sound empirical evidence base for policy-making;

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- (v) promote employment growth through both domestic and export-led economic growth;
 - (vi) harnessing the input and experience of workers and employers through their representative organizations, through effective dialogue on policies affecting employment.

26. The role of the social partners includes:

- (i) providing timely, considered and constructive policy input to governments;
- (ii) advocating for agreed tripartite employment policy;
- (iii) promoting the Decent Work Agenda and social dialogue;
- (iv) participating in collective bargaining according to law and practice.

27. Priorities for the Office include:

- (i) improving and coordinating its technical and analytical capacity to examine macroeconomic policies from the perspective of employment outcomes. This can only be done effectively if the Office supports capacity building in those countries that currently cannot collect labour market statistics. The Office should also deliver high-quality policy advice upon request to governments and social partners and ensure constituents are aware of the services it can provide;
- (ii) increasing its engagement in international macroeconomic policy dialogues and pursuing partnership and dialogue with other relevant international organizations across the multilateral system on integrating employment objectives into macroeconomic advice and policy frameworks;
- (iii) promoting and strengthening policy work on the enabling environment for sustainable enterprises reflecting employment growth and decent work;

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- (iv) intensifying research efforts; submitting research to external peer review to improve quality, value-added and visibility; and using research findings to inform policy advice;
 - (v) engaging with other international agencies, international financial institutions and developed countries to strengthen policy coherence and to deepen development assistance and support for least developed, developing and transition countries with restricted fiscal and policy space to respond to the crisis.

IV. Employment and labour market policies to promote full, decent, productive and freely chosen employment

28. Governments of member States should consider and/or undertake, as appropriate, the following:

- (i) the recommendations of the Global Jobs Pact, including employment services, employment guarantee schemes, infrastructure investment, public sector development, social dialogue, collective bargaining and employment protection during restructuring, as well as sustainable enterprises to enable long-term employment and growth;
- (ii) employment targeting through integration of quantitative and qualitative targets for employment growth in economic and sectoral policies, investment and expenditure plans, and evaluating their implementation;
- (iii) setting up or strengthening mechanisms for effective coordination, coherence and commitment across government ministries on employment policy-making;
- (iv) articulating employment policies in national development frameworks, establishing and/or improving labour market information systems and integrating labour market indicators in national monitoring systems and budgetary reviews;

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- (v) supporting the creation and growth of sustainable enterprises in all sectors and supporting job creation across sectors of the economy, recognizing the multiplier effect of targeted efforts;
 - (vi) noting the G20 labour ministers' support for further development of high growth sectors like health care, elder care, education and public safety;
 - (vii) targeting assistance for the creation of decent employment and income opportunities for vulnerable and disadvantaged groups, including through small and medium-sized enterprises, cooperatives and labour-intensive infrastructure investments;
 - (viii) implementing a supportive regulatory environment conducive to job creation through sustainable enterprise creation and development;
 - (ix) policy measures to address the challenge of youth unemployment, in particular through labour market programmes, to support their entry into sustainable employment and decent work;
 - (x) new decent work opportunities that may be generated by changing forms of employment provided that adequate protection for temporary and non-regular workers is ensured;
 - (xi) protect against disguised employment relationships.

29. The roles of social partners include :

- (i) providing timely, considered and constructive policy input to governments;
- (ii) using social dialogue and collective bargaining as appropriate, to address employment and labour market challenges;
- (iii) building awareness amongst their members of the Global Jobs Pact options; and

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- (iv) proactively contributing to and using the Global Employment Agenda, ILO databases and information on international labour market policies, good practice and lessons.

30. Priorities for the Office should include:

- (i) reviewing and reporting on the multiple mechanisms (e.g. Millennium Development Goals, Poverty Reduction Strategies) that countries may be expected to use to reflect national commitments on employment, with respect to their coherence and collective reporting expectations;
- (ii) strengthening its capacities and expanding its services to provide timely and customized advice on employment policies, to evaluate their impacts, and to draw lessons;
- (iii) evaluating the use, effectiveness and outreach of its services and tools, including those relating to quality employment creation and advice on assessment of economic strategies and databases; reporting to the Governing Body on the results of these evaluations and learning from them in an effort to continuously improve the policies and services of the Office;
- (iv) carrying out employment policy reviews, and improving methods to draw lessons from them and sharing them with constituents;
- (v) providing regular training opportunities for governments, social partners and other major stakeholders on employment policy design, implementation frameworks and evaluation, including training on generating, analysing and utilizing labour market statistics for effective employment policy-making;
- (vi) stepping up its work on precarious employment in the informal economy through increased research and country reviews on factors that impede or facilitate transition to formality and decent work;

(vii) strengthening its work on employment-intensive investment including public employment guarantee schemes for temporary employment, emergency public works programmes and other direct job creation schemes which are well targeted and include the informal economy;

(viii) strengthening its work on cooperatives and social economy as important areas of employment creation.

V. Improving employability, productivity, living standards and social progress

31. Governments of member States should consider and/or undertake as appropriate the following:

- (i) designing and promoting policies in regard to wages and earnings, hours and other conditions of work that ensure a just share of the fruits of progress to all and a minimum living wage to all employed and in need of such protection;
- (ii) considering options such as minimum wages that can reduce poverty and inequity, increase demand and contribute to economic stability. The Minimum Wage Fixing Convention, 1970 (No. 131), can provide guidance in this respect;
- (iii) improving the quality and coverage of basic education and core competencies;
- (iv) improving knowledge on decent work and entrepreneurship skills which will enable individuals and enterprises to respond and adjust more easily to economic restructuring and economic downturns, and participate in the formal economy;
- (v) providing opportunities for lifelong learning and skills development, including higher order competencies through vocational education and training that benefit long-term employability and productivity;

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- (vi) improving and expanding accessibility of appropriate vocational, and wherever relevant, entrepreneurship training, especially addressing the needs of women, young people and vulnerable groups;
 - (vii) improving and expanding accessibility of vocational and entrepreneurship training, especially to cooperatives and micro, small and medium-sized enterprises;
 - (viii) investing in labour market information systems to inform labour market policies, including training policies, their delivery; and to track impact and effectiveness of education and training in order to inform ongoing policy development;
 - (ix) enhancing the capacity of their employment services to reach more jobseekers and employers and to improve their performance including in career guidance and job counselling;
 - (x) strengthening institutions, practices and mechanisms to sustain employer and worker involvement in setting training priorities and assuring training quality and relevance at sectoral and national levels;
 - (xi) promoting the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the MNE Declaration) which, among other things, addresses training and living standards.

32. The roles of the social partners include:

- (i) participating in social dialogue and institutions designed to sustain dialogue between employers and their organizations, trade unions, and training institutions at national, sectoral and local levels, including in institutions to design and implement vocational education and training;

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- (ii) supporting opportunities for on-the-job training, both for employees and for young people amongst employers of all types from multinational enterprises to micro, small and medium-sized enterprises;
 - (iii) promoting productivity and responsible workplace practices and access to relevant training, information and services, particularly for small and medium-sized enterprises.

33. Priorities for the Office should include:

- (i) expanding its leadership role in skills development, building on the G20 training strategy prepared by the ILO, by documenting what works under what circumstances and with what resources, and by improving dissemination of this information, for example, considering the setting up and management of a global Knowledge Bank on education, skills and lifelong learning including on green growth;
- (ii) conducting rigorous research on green jobs in order to track how countries are realizing the potential for job creation, adapting traditional industries, and shifting towards environmentally sustainable production, and then be able to disseminate high quality, globally relevant information and to assist, in particular developing countries, to incorporate green jobs considerations and measures into Decent Work Country Programmes;
- (iii) developing diagnostic tools for anticipating skills needs. This includes considerations concerning changing demographics, as well as greening the economy, to reduce skills mismatches, to better meet industry needs and improve growth and employment on the basis of improved education and skills;
- (iv) documenting, consolidating and disseminating information on factors that enhance or hamper productivity gains and a fair distribution of their benefits, and devising ways of scaling up the implementation of good practices;

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- (v) promoting the MNE Declaration including through cooperation with other international organizations and private initiatives aimed at improving living standards and social progress.

VI. Trade and investment policies to promote full, decent and productive employment

34. Governments of member States should consider and/or undertake the following:

- (i) taking measures to assess the employment and decent work impact of their trade and investment policies in order to inform policy choices;
- (ii) strengthening collaboration among relevant ministries to ensure that sufficient attention is paid to increasing employment opportunities and decent work through trade and investment policies;
- (iii) institutionalizing dialogue with the social partners around trade and employment issues and aid for trade, within those inter-ministerial coordination mechanisms.

35. The roles of the social partners include:

- (i) social dialogue and cooperation on employment impact assessments of trade and investment policies, including fair adjustment programmes that facilitate transition of displaced workers, including to other decent work opportunities;
- (ii) where appropriate, collaboration on policies to support value-added growth and industrialization in developing countries.

36. Priorities for the Office should include:

- (i) strengthening its trade, investment and industrial policy expertise with a view to evaluating the employment and decent work impact of such policies;

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- (ii) developing tools for assessing the dynamic quantitative and qualitative employment effects of trade and investment and promoting these tools to member States, including field support for countries as requested;
 - (iii) increasing capacity to undertake research and analysis on the employment effects of trade and investment and industrial policies with the aim to inform policy advice;
 - (iv) engaging the governments and social partners, separately and together, in discussing and disseminating research findings on the impacts of trade and investment agreements on employment and decent work; and encouraging empirical findings to feed into national policy-making;
 - (v) expanding collaboration with other relevant international agencies to, among other objectives, expand the dissemination of research findings on the employment impact of trade policies to inform national, regional and international discussions, and promote policy coherence;
 - (vi) scaling up initiatives that have proven effective in helping enterprises and workers benefit from trade opportunities, for example the Better Work Programme, Sustaining Competitive and Responsible Enterprises (SCORE) and the MNE Helpdesk;
 - (vii) promotion, in the export sector of countries, of the ILO's core labour standards. In addition, in those countries that have not ratified ILO Conventions on occupational safety and health and maternity protection, promote safe workplaces and fair treatment of women who become pregnant.

VII. Standards-related action around the strategic objective of employment

- 37.** The Global Employment Agenda has reaffirmed the complementarity between rights and economic benefits.

38. Governments are encouraged to take the following steps:

- (i) respond positively and as a matter of priority to the Office campaign for the ratification of fundamental labour standards and the “governance” Conventions (as identified in the annex to the ILO Declaration on Social Justice for a Fair Globalization), which include the Employment Policy Convention, 1964 (No. 122), taking steps for their effective implementation;
- (ii) ratify and implement effectively the up to date Conventions covered in the General Survey concerning employment instruments of 2010;¹
- (iii) effectively implement the Recommendations covered in the General Survey concerning employment instruments of 2010;²
- (iv) give due consideration to the relevant standards referred to in paragraph 14 of the Global Jobs Pact;
- (v) reinvigorate efforts to ensure economic downturns do not lead to violation or weakening of fundamental rights at work or national labour laws.

39. Employers’ and workers’ organizations are encouraged to work with governments and the Office to promote ratification and implementation of the above instruments.

40. The primary obligation of companies is to respect national law. In the absence of relevant national law and regulations, companies should be guided by the principles agreed in international labour standards. The MNE Declaration is an important reference document in this regard.

¹ The Employment Policy Convention, 1964 (No. 122), the Human Resources Development Convention, 1975 (No. 142), and the Private Employment Agencies Convention, 1997 (No. 181).

² The Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the Promotion of Cooperatives Recommendation, 2002 (No. 193).

41. Priorities for the Office include:

- (i) promote the ratification and effective implementation of the instruments mentioned in paragraph 38(i) above;
- (ii) promote coherence and implementation in practice of international labour standards through advice in reference to national employment policies and Global Jobs Pact country implementation, as well as use of their principles where relevant in regional and international forums where the ILO interacts with other multilateral agencies;
- (iii) promote the Employment Relationship Recommendation, 2006 (No. 198) as an instrument to combat disguised employment relationships with particular attention to women and young people;
- (iv) draw guidance from ILO Conventions on public and private employment agencies ³ in order to assist in modernizing and strengthening employment services as well as from best practices at the national level;
- (v) strengthen capacity building and provide technical assistance to member States to enable effective implementation of the Conventions and Recommendations mentioned in paragraph 38(i) above.

VIII. The interrelationship of the four strategic objectives and their impact on the strategic objective of employment

- 42.** The inseparable, interrelated and mutually supportive nature of the four strategic objectives in the Global Jobs Pact is increasingly looked to not only as an effective crisis response and recovery strategy, but as the framework of a new social and economic development paradigm, characterized by employment-centred and income-led growth with equity:

³ The Employment Service Convention, 1948 (No. 88), and the Private Employment Agencies Convention, 1997 (No. 181).

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- (i) The full economic and social growth potential of a society cannot be realized if people are not benefiting from a social protection floor.
 - (ii) By the same token, social security schemes cannot be financed without a sound economic and employment base.
 - (iii) Freely chosen employment cannot be realized without respect for the fundamental principles and rights at work.
 - (iv) A fair sharing of the benefits of productivity gains and growth and of adjustment burdens in times of economic crises cannot be assured without social dialogue.
 - (v) And, productivity gains and employment growth cannot be achieved without an enabling environment for sustainable enterprise.

43. The Office, governments and social partners need to increase their technical and institutional capacities to use the ILO Declaration on Social Justice for a Fair Globalization, the Global Jobs Pact and the Global Employment Agenda to institutionalize coherence and the mutually supportive character of the four strategic objectives.

44. Governments of member States should consider and/or undertake as appropriate the following:

- (i) combining measures such as minimum wage, income transfers, social protection, employment policies, public investment and skills and entrepreneurship development to improve the quantity and quality of jobs, including for groups typically disadvantaged in the labour market;
- (ii) utilizing mechanisms that encourage social dialogue, based on freedom of association, including collective bargaining, to preserve jobs during downturns and to enhance employability, education and training and the appropriate skills for those

forced to seek new work, to define working conditions, and to agree on measures to improve productivity and to share gains from improved productivity;

- (iii) building adequate social protection for all;
- (iv) strengthening the capacities of labour inspection services including to help employers comply with national labour law through enforcement and education and to provide access to technical training and education services, including on occupational safety and health, which can improve the quality of life of workers and boost productivity.
- (v) deploying employment policies to build a more inclusive society, including for example ensuring that policies and programmes serve the objective of gender equality and meet the needs of groups typically disadvantaged in the labour market.

45. Priorities for the Office should include:

- (i) strengthening the systematic oversight and coordination processes ensuring that employment and the other three sectors of the Office work together on the key policy frameworks including the Global Employment Agenda and the Global Jobs Pact;
- (ii) improving transparency in resource allocations, building synergies and better participation of the social partners including in technical cooperation projects, recognizing the cross-cutting role of the Bureau for Employers' Activities and the Bureau for Workers' Activities in the work of the Office;
- (iii) raising and reallocating adequate resources in order to speed up the process of the Global Jobs Pact implementation at country level where this is requested by member governments. This could happen in the following ways: (a) creating a designated Office team drawn from across the four strategic objectives of the ILO on applying the Global Jobs Pact at the country level who would lead rapid diagnostics and response support to field offices; (b) encouraging governments to ensure a genuine tripartite process at country level including, where necessary, capacity building of

constituents; (c) using the full country scan methodology which should be completed as a first step;

(iv) working cooperatively with other multilateral organizations to promote policy coherence for a fair globalization based on the guidance of the ILO Declaration on Social Justice for a Fair Globalization, the Global Employment Agenda and the Global Jobs Pact;

(v) a systematic review and possible consolidation of the range of tools and methods for employment promotion at the country level, including for example Decent Work Country Programmes.

IX. Requests to the Governing Body for items to be placed on its agenda

46. Receive a report of ways in which international organizations, including international financial institutions and the United Nations, are providing support to employment policies and employment objectives, and the state of collaboration with the ILO.

47. Organize a forum during the Governing Body on macroeconomic policy options for rapid high-quality employment generation, and how the ILO is promoting employment objectives through macroeconomic advice to governments and constituents. The discussion should be based on evidence-based analysis of country experience.

48. Consider a discussion on major periodic capacity-building exercises in the regions on employment policy analysis and design guided by the impact assessment of these policies.

49. Consider whether to develop a “rapid response” capacity from across the Office to be able to work effectively with other international organizations or alone, to assist countries who request support to develop a strategy to deal with fiscal crisis or economic restructuring in regard to employment and social policy.

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- 50.** Request the Director-General to rapidly initiate discussions with the main international financial and economic institutions and other relevant international bodies with the objective to achieve a better coherence between economic, financial, employment and social policies at the international level. Invite the Director-General to submit to the November 2010 session of the Governing Body a document outlining the elements and possible forms of a framework with the objective of promoting coherence between these policies. This document should provide a coherent framework to give governments and social partners the best possible advice to achieve full and productive employment and decent work at the centre of economic and social policies, while enhancing cooperation and exchange of experiences among them. In preparing the elements of such a framework, the Office should consult with the main economic and financial international institutions with a view to achieve a better coherence among economic, financial, employment and social policy at the international level, bearing in mind the contribution this can also make to facilitate coherence amongst government policies at the national level and their advocacy internationally.
- 51.** Reschedule the ILC discussion on employment and social protection implications of the new demographic context as soon as possible.
- 52.** Initiate a review of the follow-up mechanism for the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy to be taken up by the Governing Body's Subcommittee on Multinational Enterprises with a view to developing promotional options.
- 53.** Determine a framework with the view to defining appropriate action to ensure that employment-related standards are kept up to date.
- 54.** A systematic review and possible consolidation of the range of tools and methods for employment promotion at the country level, including for example Decent Work Country Programmes.

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- 55.** Provide an update on how the Organization is giving effect to the Conclusions on the Promotion of Sustainable Enterprises (ILC 2007).
- 56.** Options for improving and implementing impact assessments more consistently and ensuring that these impact assessments are systematically considered in the context of future work of the Office.
- 57.** The Officers of the Governing Body consider these conclusions and, without delay, in consultation with the Officers of the relevant Governing Body committees, identify reports or information they might request from the Office as a result of this discussion.
- 58.** In accordance with the ILO Declaration on Social Justice for a Fair Globalization, which provides that the Organization would table a recurrent discussion at the International Labour Conference, among others, “to assess the results of the ILO’s activities with a view to informing programme, budget and other governance decisions”, the Director-General will take all necessary steps to:
- (i) ensure that these conclusions are taken into consideration during the implementation of the Programme and Budget for 2010–11 and in subsequent bienniums within the limitations of existing resources;
 - (ii) explore ways of finding the necessary resources to fully implement these conclusions, including through extra-budgetary and Regular Budget Supplementary Account resources;
 - (iii) in line with the approved results framework for 2010–15, ensure that the Governing Body considers how best to implement these conclusions in the Programme and Budget proposals for 2012–13, in the first instance in the Preview of the proposals to be submitted to the 309th Session of the Governing Body in November 2010.