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Global economic prospects and the Decent Work Agenda

Purpose of the document

The paper presents the latest available information on global economic and employment prospects. It describes recent international initiatives (G20, European Union and United Nations) to coordinate policies to counteract the risk of deterioration in the world economy. The paper concludes with an analysis of the policy challenges facing the ILO and invites the Governing Body to discuss the challenges for the Decent Work Agenda in light of the deteriorating prospects for the global economy, and the priorities for further ILO support to the coordination of multilateral policies for sustained recovery and growth. Paragraph 30 contains points to facilitate the discussion.

Relevant strategic objective: Policy coherence among all four strategic objectives.

Policy implications: The discussion will help inform ILO engagement in multilateral efforts to improve prospects for the global economy.

Legal implications: None.

Financial implications: None.

Follow-up action required: Yes.

Author unit: Policy Integration Department (INTEGRATION).

Related documents: None.

Executive summary

The paper summarizes the latest information indicating a weakening of global prospects for output and employment growth. It also analyses the continuing repercussions of the 2008 financial crisis, in particular on the Euro area. It examines the spreading effects of renewed recession in Europe on emerging and developing countries against the backdrop of potentially important shifts in the structure of China's economic growth. It also presents the outcome of key meetings of the G20, the European Union (EU) and the United Nations Economic and Social Council (ECOSOC). The paper concludes by identifying issues for discussion by the Working Party with a view to informing the contributions of the Office and constituents to renewed multilateral efforts in 2013 to tackle the global jobs crisis.

Current economic and employment outlook

1. During the course of 2012, global economic prospects have weakened with all major forecasters reducing the growth rates expected for all world regions. The outlook for 2013 is seen as uncertain with some hopes for a slight rebound but considerable concern that the risk of a further slowdown outweighs the possibility of a significant upturn. This points to the likelihood of little or no improvement in labour market conditions in most countries and deterioration in those experiencing recession or effective stagnation.

2. The International Monetary Fund (IMF) *World Economic Outlook* released on 9 October 2012 shows that the slowing of advanced economies, which provide 52 per cent of global output, is dragging down world growth and the performance of emerging and developing countries, which account for 48 per cent of world output (see the table below). In this context, stagnation in the EU, which accounts for 21 per cent of world output, is an important factor. The United States recovery showed signs of slowing down at the mid-year point. [1] Emerging and developing economies, led by China with 11.7 per cent of world output, while continuing to grow relatively strongly, also slowed in 2012. Similar, though slightly lower, trends were also forecast by the United Nations (UN) in their mid-year report and the September Trade and Development Report of the United Nations Conference on Trade and Development (UNCTAD).

3. The IMF forecasts are based on the assumption that financial conditions in the Euro area do not worsen and that the United States avoids implementing automatic expenditure cuts and tax increases amounting to over 4 per cent of its GDP in January 2013. Despite several important initiatives, financial turmoil continues in the Euro area's most exposed economies. By the third quarter of 2012, the main components of aggregate demand, government spending, investment and consumption were negative or declining in all Euro area countries. No progress has yet been seen in avoiding the so-called "fiscal cliff" in the United States. Several emerging countries have, however, introduced measures to support growth. Other uncertainties clouding the outlook are rising food prices and a rebound in oil prices. Low-income households and food importing countries are the hardest hit by rising food prices. The IMF highlights that, were the major risks identified to occur, there is a one-in-six chance of global growth falling below 2 per cent, which would be consistent with a recession in advanced economies and low growth in emerging market and developing economies.

[1] On 14 September the Federal Reserve Bank announced its third round of large-scale asset purchases since 2008, but did not set any limit on the ultimate amount it would buy or the duration of the programme. The stimulus will be expanded until the Federal Reserve Bank sees "sustained improvement" in the labour market.

Overview of the *World Economic Outlook* (per cent change year-on-year)

	Projections				Difference July 2012 projections		Difference Sep. 2011 projections
	2010	2011	2012	2013	2012	2013	2012
World output	5.1	3.8	3.3	3.6	-0.2	-0.3	-0.7
Advanced economies	3.0	1.6	1.3	1.5	-0.1	-0.3	-0.6
Emerging and developing economies	7.4	6.2	5.3	5.6	-0.3	-0.2	-0.8
Selected countries/regions							
United States	2.4	1.8	2.2	2.1	0.1	-0.1	0.4
Japan	4.5	-0.8	2.2	1.2	-0.2	-0.3	-0.1
European Union	2.1	1.6	-0.2	0.5	-0.2	-0.5	-1.6
Euro Area	2.0	1.4	-0.4	0.2	-0.1	-0.5	-1.5
Developing Asia	9.5	7.8	6.7	7.2	-0.4	-0.3	-1.3
China	10.4	9.2	7.8	8.2	-0.2	-0.2	-1.2
India	10.1	6.8	4.9	6.0	-1.3	-0.6	-2.6
ASEAN 5 *	7.0	4.5	5.4	5.8	0.0	-0.3	-0.2
Latin America and the Caribbean	6.2	4.5	3.2	3.9	-0.2	-0.3	-0.8
Brazil	7.5	2.7	1.5	4.0	-1.0	-0.7	-2.1
Mexico	5.6	3.9	3.8	3.5	-0.1	-0.2	0.2
Central and Eastern Europe	4.6	5.3	2.0	2.6	0.1	-0.2	-0.7
Commonwealth of Independent States	4.8	4.9	4.0	4.1	-0.1	0.0	-0.4
Middle East and North Africa	5.0	3.3	5.3	3.6	-0.2	0.0	1.7
Sub-Saharan Africa	5.3	5.1	5.0	5.7	-0.1	0.0	-0.8
World trade volume (goods and services)	12.68	5.8	3.2	4.5	-0.6	-0.7	-2.6

* Indonesia, Malaysia, Philippines, Thailand and Viet Nam.
Source: IMF *World Economic Outlook,* October 2012.

4. On the basis of the forecasts available then, the ILO's *Global employment trends* report of January 2012 foresaw a gradual rise in worldwide unemployment in 2012 and 2013. The underlying economic picture is now weaker, which the *Global employment trends* report pointed out could result in the rise of total world unemployment above 200 million. This was confirmed by the latest ILO forecasts of continued high unemployment, especially for youth, published on 4 September in a note on the *Global Employment Outlook*. [2]

Rapid rise in unemployment especially for youth in Europe

5. An important part of the rise in unemployment has occurred in the European Union and the Euro area in particular. Over 25 million men and women in the 27 Member States of the European Union (EU-27), including 18 million in the 17 Member States of the Euro area

[2] ILO: *Global Employment Outlook September 2012: Bleak labour market prospects for youth* (Geneva, 2012). Available online at http://www.ilo.org/global/research/global-reports/global-employment-trends/2012/WCMS_188810/lang--en/index.htm.

(EA-17), were unemployed in July 2012. Compared with July 2011, unemployment rose by 2,104,000 in the EU-27 and by 2,051,000 in the Euro area alone. The EU-27 unemployment rate was 10.4 per cent in July 2012, compared with 9.6 per cent in July 2011. Among the Member States, the lowest unemployment rates were recorded in Austria (4.5 per cent), the Netherlands (5.3 per cent), Germany and Luxembourg (both 5.5 per cent), and the highest rates in Spain (25.1 per cent) and Greece (23.1 per cent in May 2012). The highest increases were registered in Greece (16.8 per cent to 23.1 per cent between May 2011 and May 2012), Spain (21.7 per cent to 25.1 per cent) and Cyprus (7.7 per cent to 10.9 per cent).

6. In July 2012, 5.5 million young people (under 25) were unemployed in the EU-27 (22.5 per cent), of whom 3.4 million were in the euro area. [3] The highest rates were in Greece (53.8 per cent in May 2012) and Spain (52.9 per cent). Long-term unemployment as a share of total EU unemployment (one year or more) reached 43.6 per cent in 2011, with 65.4 per cent in Ireland, 51.4 per cent in Italy, 47 per cent in Portugal and 45 per cent in Greece.

Financial stability and downside risks in the Euro area

7. Financial instability is centred in the Euro area but is spreading. A European Central Bank (ECB) survey of bank lending reported tight credit standards in the first half of 2012 for both enterprises and households as a result of high funding costs and banks setting capital aside to improve reserves. The survey also showed a continued decline in demand for credit from enterprises, in particular for investment. ECB data also indicates that firms in weaker Euro area economies face markedly higher interest rates on borrowing than those in core economies.

8. The negative spiral of rising sovereign bond interest rates and deteriorating funding conditions for banks has further aggravated the general conditions of the real economy in many South European economies. Major fiscal consolidation, increasing non-performing loans and deleveraging in the banking sector are weighing on household incomes and credit supply for businesses, especially for smaller enterprises. [4] According to a recent IMF study there has been an increasing gap between the state of the fiscal accounts (the "fundamentals") and the perception of risk as reflected by the sovereign spreads. [5] The widening spread between interest rates on sovereign debts in core and "periphery" countries over recent months suggests that financial markets are beginning to doubt the integrity of the Euro area, with the risk that this could become a self-fulfilling expectation.

9. The three countries under an EU economic adjustment programme – Greece, Ireland and Portugal – have contracted sharply since 2008 leading to increased unemployment. Despite cuts in government spending and tax increases, the ratio of gross government debt to GDP continues to increase, mainly because government budget deficits have not fallen as much as GDP. Increased borrowing costs and emergency support to banks are also hampering the pace of fiscal consolidation. Regular reviews by the troika (European Commission, ECB, IMF) linked to the release of bail-out funding have called for increased efforts to reduce budget deficits alongside major structural reforms, including the reform of pay determination systems and employment protection legislation. Further negotiations on policy commitments in the coming months are likely. Other countries may also need to

[3] Statistical Office of the European Communities (Eurostat).

[4] IMF: *Global Financial Stability Report: Market Update*, July 2012.

[5] IMF: *Fiscal Monitor Update*, July 2012.

seek assistance despite similar fiscal consolidation and structural reform programmes. A report by the ILO's International Institute for Labour Studies suggests that unless there is a rapid change in the current policy course, a further 4.5 million jobs could be lost over the next four years. [6]

The pace of growth in emerging and developing countries slows

10. A number of large emerging economies were able to boost growth when exports to advanced economies dropped in 2009 and several have announced similar efforts in 2012 as exports, especially to Europe, have decreased. However, volatility in capital flows has put upward pressure on some countries' exchange rates, liquidity conditions and equity markets. Dollar appreciation may exacerbate the effects of the recent trend in oil and agricultural commodity prices. [7] Thus, the continuing financial turmoil in Europe and the prospect of further slow growth or even recession in advanced countries in 2013 will make it harder for emerging and developing countries to sustain their performance.

11. The crisis followed a period since around 1990 when the growth trend in emerging and developing countries has been faster than that in advanced economies. China, now the world's second largest national economy, led this major shift and grew particularly rapidly with annual rates of nearly 10 per cent. Whereas per capita growth rates between richer and poorer countries had diverged for much of the twentieth century, they began to converge, driven by increased trade and foreign direct investment, high ratios of working-age to total population and high investment rates. [8] While the 2008 crisis emanating from the world's major financial centres did slow growth in emerging and developing countries, it has remained relatively strong into 2012 compared to the advanced countries.

12. Among the group of large fast-growing developing countries, the emergence of China has proved particularly significant not least because it led to a dramatic reduction in the incidence of extreme poverty. Driven by an exceptionally high investment rate – approaching half of GDP – a similarly high savings rate, and rapid growth in exports, especially after joining the WTO in 2001, the high growth rates enabled the economy to absorb a strong increase in the working-age population and a major wave of migration from rural to urban areas. With an important part of its exports being processed imported goods, China's growth also lifted that of the whole East and South-East Asian region and boosted demand in mineral exporting countries.

13. Looking ahead, 2015 is likely to mark the end of the period of growth in China's working-age population as a share of total population. Although it will continue, the pace of rural–urban migration will also slow. Consequently, the savings and investment ratios will decline and the main impetus for growth will shift to consumption, fuelled by improved wages and the extension of social protection. Growth rates are likely to fall and the structure of output, employment and exports are likely to move towards higher value-

[6] International Institute for Labour Studies: *EuroZone job crisis: Trends and policy responses* (ILO, Geneva, 2012) Available online at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_184965.pdf.

[7] IMF: *World Economic Outlook Update,* July 2012.

[8] See Kemal Derviş: "Convergence, interdependence, and divergence", in *Finance & Development*, Sep. 2012, Vol. 49, No. 3 (IMF) Available online at http://www.imf.org/external/pubs/ft/fandd/2012/09/dervis.htm.

added production. This important transition in growth patterns forms the backdrop to China's recently unveiled 12th Five-year Plan.

International policy coordination

G20

14. The deteriorating global economic outlook and, in particular, concerns regarding the Euro area set the scene for the G20 Summit in Los Cabos, Mexico from 18–19 June 2012. The meeting took place just after the second Greek general election on 17 June and just before meetings of the Heads of State and Government of the European Council and Euro area on 28–29 June.

15. The Summit adopted a Declaration, a Growth and Jobs Action Plan and a series of other statements including those of Labour and Employment Ministers who met in Guadalajara on 17–18 May 2012, and a G20 Development Group. [9] The ILO, together with the Organisation for Economic Co-operation and Development (OECD), IMF and World Bank, prepared a report on Boosting Jobs and Living Standards in G20 Countries, and, with the OECD, a note on the short-term outlook for employment and a report on Sustainable Development, Green Growth and Quality Employment. [10] In addition to the government meetings, the Mexican Presidency also invited business (B20) and labour leaders (L20) from the G20 countries to make inputs to the Summit. The ILO Director-General participated in meetings of both the B20 and L20 in Los Cabos.

16. Director-General Somavia made a statement to the Summit in which he highlighted four priorities for action:

- employment-friendly investment in infrastructure and other job-intensive sectors along the lines of the practical proposals of the B20 and L20;
- putting the financial sector at the service of the real economy;
- tackling youth employment;
- expanding access to basic social protection.

17. The Leaders' Declaration resolved to promote growth and jobs and "work collectively to strengthen demand and restore confidence with a view to support growth and foster financial stability in order to create high-quality jobs and opportunities for all of our citizens". To that end they agreed on a coordinated Los Cabos Growth and Jobs Action Plan to achieve these goals. The Plan includes an Accountability Assessment Framework to assess progress in meeting commitments and which is based on three pillars. First, guiding principles to ensure that the assessments are: country-owned; based on a "comply or explain" approach; concrete; consistent across members; fair; open and transparent. Second, a peer review process that includes review and discussion of members' policies and in-depth assessments from the international organizations. Finally, annual reports to leaders summarizing the outcomes of the assessments.

[9] The texts of all summit documents and information on the B20 and L20 activities can be viewed at http://www.g20.org/en/home.

[10] Available online at http://www.ilo.org/global/about-the-ilo/how-the-ilo-works/multilateral-system/g20/lang--en/index.htm.

Employment and Social Protection
(Extract from G20 Leaders Declaration, Los Cabos, 19 June 2012)

20. Quality employment is at the heart of our macroeconomic policies. Jobs with labor rights, social security coverage and decent income contribute to more stable growth, enhance social inclusion and reduce poverty. We therefore endorse the recommendations of our Labor and Employment Ministers to urgently combat unemployment through appropriate labor market measures and fostering the creation of decent work and quality jobs, particularly for youth and other vulnerable groups, who have been severely hit by the economic crisis. We reaffirm our commitment to youth to facilitate their access to quality jobs, which will boost their life prospects. We welcome the work of the G20 Task Force on Employment and extend its mandate for an additional year in the terms proposed by our Ministers. Consistent with the Los Cabos Growth and Jobs Action Plan, we consider that structural reforms, in full respect of the fundamental principles and rights at work, can play an important role in lifting economic growth to generate labor market opportunities, mobility and jobs. We also commit to intensify our efforts to strengthen cooperation in education, skills development and training policies, including internship and on-the-job training, which support a successful school-to-work transition.
21. Creating jobs and reducing unemployment, particularly among our youth and those most affected by the crisis, is central to all our countries. We welcome the report by the International Labour Organization (ILO), Organisation for Economic Co-operation and Development (OECD), International Monetary Fund (IMF) and World Bank on boosting jobs and living standards in G20 countries. We will continue to focus on measures to accelerate the pace of the recovery in jobs and the reduction in unemployment.
22. We recognize the importance of establishing nationally determined social protection floors. We will continue to foster inter-agency and international policy coherence, coordination, cooperation and knowledge sharing to assist low-income countries in capacity building for implementing nationally determined social protection floors. We ask international organizations to identify policy options with low-income countries on how to develop effective sustainable protection floors.
23. We commit to take concrete actions to overcome the barriers hindering women's full economic and social participation and to expand economic opportunities for women in G20 economies. We also express our firm commitment to advance gender equality in all areas, including skills training, wages and salaries, treatment in the workplace, and responsibilities in care-giving.
24. We ask our Labor Ministers to review progress made on this agenda and we welcome consultations with social partners. In this regard, we appreciate the contribution of the Business-20 (B20) and Labor-20 (L20) to the process of the G20 under the Mexican Presidency.

European Union

18. EU Heads of State and Government met in Brussels on 28–29 June and agreed on a number of measures aimed at stabilizing European financial markets and restoring growth and employment. They adopted a Compact for Growth and Jobs aimed at strengthening economic governance in which Member States commit to country-specific actions within a framework of priorities set at EU level. Among the issues highlighted in the Compact are "differentiated growth-friendly fiscal consolidation", restoring normal lending to the economy, promoting growth and competitiveness, notably by addressing deep-rooted imbalances and going further in structural reforms, tackling unemployment and addressing the social consequences of the crisis effectively and modernizing public administration. [11]

19. Meeting on 29 June, the 17 members of the Euro area undertook to develop an area-wide banking supervisory system involving the ECB and the European Stability Mechanism (EFSM/ESM) that would enable banks at risk to be recapitalized and reorganized. At present, support to weak banks is only available from States, which in many cases are also in a weakened financial situation, thus creating the risk that disorderly bank failures will further deepen recession.

[11] See annex to EU Council conclusions 28–29 June 2012. Available online at http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/131388.pdf.

20. On 6 September, the ECB announced a new measure to be known as Outright Monetary Transactions (OMTs), providing for unlimited purchases of Euro area government bonds on secondary markets. [12] The countries benefiting from such purchases will have to be under a European rescue programme financed by the EFSF/ESM, and the ECB will terminate the bond purchases "when there is non-compliance" with the associated national commitments. The expectation is that the programme will reduce borrowing costs for the most exposed States and thus reduce speculation of one or more countries being forced to exit the Euro area. At present, Greece, Ireland and Portugal have such programmes. However, a number of other countries have also experienced a sharp rise in borrowing costs and have similar adjustment programmes but have not requested EU support.

United Nations Economic and Social Council, July 2012

21. The high-level segment of the substantive session of ECOSOC, held in New York from 2 to 9 July 2012, adopted a Ministerial Declaration on "Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals". The ILO assisted in the preparation of the Secretary-General's report. [13]

22. The Declaration reaffirmed the ECOSOC commitment to promoting productive capacity, employment and decent work as a means of achieving internationally agreed development goals, including the Millennium Development Goals (MDGs). [14] It reaffirmed the leading role of the ILO and it spelt out core elements of policy packages to promote sustainable, inclusive and equitable economic growth. Measures included, inter alia, integration of macroeconomic, employment and social policies; a dynamic, inclusive, well-functioning and socially responsible private sector; skills, education and active labour market policies; labour legislation, minimum wage systems, institutions of collective bargaining and labour administration; international labour standards and fundamental principles and rights at work; and broad-based social dialogue with employers' and workers' representatives. The Declaration recalled the commitment to embrace the policy approaches contained in the Global Jobs Pact and it stressed the need to provide social protection to all members of society, encouraging the introduction of nationally determined social protection floors in line with ILO Recommendation No. 202. It also urged governments to address the global challenge of decent and productive work for young women and men. Finally, it stressed the importance of keeping full and productive employment and decent work as a key cross-cutting theme within the UN, suggesting that it should be a main item in the post-2015 discussions.

Challenges facing the Decent Work Agenda

23. Four years after the collapse of Lehman Brothers, the effects of the financial crisis on global economic developments can still be seen in weak growth in output and employment in many advanced economies and recession in several others. Government finances took the burden of compensating for the contraction in economic activity caused by banks writing off bad loans, and of increasing reserves against the risks of further losses. Households and non-financial enterprises have also been reducing their debts in many

[12] See ECB announcement at http://www.ecb.int/press/pr/date/2012/html/pr120906_1.en.html.

[13] ECOSOC: E/2012/63 available online at http://www.un.org/en/ecosoc/docs/adv2012/oesc_12_amr_sg_rep.final.26_apr_2012.pdf.

[14] ECOSOC: E/2012/L.10*.

countries. After a coordinated effort to stave off a major world recession in 2009 at the London and Pittsburgh G20 Summits, in 2010 concern about high government deficits in advanced economies and financial markets perceptions of increasing risks of sovereign debt defaults led to a shift towards fiscal consolidation, notably at the Toronto G20 Summit. This ran the risk that action by a number of countries to cut deficits abruptly and sharply at the same time would actually lead to a widening of deficits as a result of weaker growth. As the ILO and others warned, this "rush to the exit", coupled with the absence of the hoped-for recovery of private investment resulted in a faltering of global aggregate demand and the prospects for reducing unemployment.

24. Several high-income countries thus face a fiscal policy dilemma of needing to boost growth in order to narrow deficits and reduce unemployment while simultaneously needing to bring down their current borrowing and debt burden. Active pursuit of monetary expansion in several countries has pushed official interest rates down to on or around zero. With fiscal and monetary policy space reduced, attention has thus focused on "structural policies" for the liberalization and deregulation of product and labour markets in the hope that increased competitive pressures would stimulate growth if not in the short at least in the medium term. In the programme countries of the Euro area, implementation of often detailed structural reform programmes is a condition for continued financial support and has proved to be extremely controversial.

25. In the run up to the crisis many countries experienced a widening of income gaps. There is also evidence in 17 out of 24 advanced countries of a long-run trend towards a falling share of wages and a rising share of profits. With the global economic crisis the wage share increased briefly, but began to decline again in the last three years. [15] In addition to exacerbating social tensions, increasing income inequality and shifts away from wages in factor shares inhibit consumption, which continues to be the major driver of growth. It is thus important to note that the strong economic performance of Argentina and Brazil in the 2000s has been attributed in part to improvements in income distribution through strong increases in the real value of the minimum wage and to the expansion of social security and social assistance programmes.

26. The combination of major reorientations in the geography of global growth and the long-lasting effects of disruption to the global financial system create a daunting set of challenges for the ambition of the G20 "to be the premier forum for our international economic cooperation". [16] Similarly, the repercussions of the financial crisis on the ten-year old Euro area have also put EU governance mechanisms under severe strain. In view of the constraints on the fiscal space of many advanced countries, central banks have acted in various ways to try to keep interest rates low, ensure that the banking system has adequate flows of funds and that sovereign debt defaults are avoided. Nevertheless, recovery remains feeble with low investment by non-financial enterprises and weak household consumption in advanced countries. Both the G20 and the EU have placed emphasis on structural reforms, especially in countries requiring international financial assistance, in the expectation that a less stringent regulation of product and labour markets will improve competiveness and stimulate a rebound in employment and output.

27. As discussed at the March 2012 session of the Governing Body, the policy framework of the Global Jobs Pact remains extremely relevant and received strong support from ECOSOC. The Los Cabos G20 Summit also stressed that "Jobs with labor rights, social

[15] The 2012 UNCTAD *Trade and Development Report on Policies for Inclusive and Balanced Growth* includes an extensive analysis of trends in income inequality and factor shares.

[16] G20: Leaders' Statement at the G20 Pittsburgh Summit, 24–25 September 2009, para. 19. http://www.g20.org/images/stories/docs/eng/pittsburgh.pdf.

security coverage and decent income contribute to more stable growth, enhance social inclusion and reduce poverty". However, employment prospects for 2013 are disturbingly poor and the climate for social dialogue is under strain in many countries.

28. As the joint ILO, OECD, IMF, World Bank report Boosting Jobs and Living Standards in G20 countries argued, "in considering further action to accelerate the pace of job recovery, G20 countries may wish to focus on specific areas covering both the demand and supply sides of the labour market". The policy areas highlighted by the report supported investment in infrastructure, improving access to bank funding for SMEs, extending the coverage of social protection and improving job prospects for youth. The report further argued that labour market policy packages that were tuned to the differing circumstances of deficit and surplus countries, and to advanced and emerging economies, could help rebalance the global economy and boost job prospects and living standards.

29. The G20 has requested that the ILO and other international agencies continue to support its work as Mexico hands over the presidency to the Russian Federation in December 2012. The ILO will also contribute to the ECOSOC review in July 2013 of progress on follow-up to its 2012 Ministerial Declaration. In this respect the Office will deepen its analytical work on labour market policy packages that support coordinated efforts to stop the deterioration in global economic and employment prospects and promote strong, sustainable and balanced growth. Such work could also be of assistance to countries facing acute adjustment challenges.

Proposed points for discussion

30. The Working Party is invited to discuss:

(a) challenges for the Decent Work Agenda in light of the deteriorating prospects for the global economy; and

(b) priorities for further ILO support to the coordination of multilateral policies for sustained recovery and growth.