

## UN-ECOSOC

### Decent Work and Employment for All: The Challenge of Implementation

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Mr. Chair, Distinguished delegates,

1. The ILO is very pleased by the fact that the objective of full employment and decent work for all is today a global goal, adopted as such by the 2005 United Nations Summit. We would like to congratulate the ECOSOC for adopting this as the theme of the 2006 High Level Segment and for the clear platform for concrete action contained in the ECOSOC Ministerial Declaration. And we would like to continue working closely with you in this two year review and policy cycle for 2007 and 2008 of the Commission for Social Development on "Promoting full employment and decent work for all."
2. The dramatic realities of the labour markets around the world, where the number of unemployed persons reached an all time high of 195 million in 2006, and where almost half of the world's work force is estimated to be either unemployed, under-employed or working poor, as well as the increased anxieties and fears about economic adjustment and the accelerated pace of change brought about by globalization are the main reasons why it is not surprising that the number of jobs created and the quality of jobs are major concerns in the majority of countries and regions.
3. The ILO's response to these new realities has been the Decent Work Agenda (DWA). Each one of the four pillars of the DWA fits quite well with a major item in the international agenda: International Labour Standards (ILS) are related to the broader human rights agenda; employment creation is related to the international economic growth and development agenda; social protection speaks of solidarity, social inclusion and reduced inequality; and social dialogue is of course about democracy, governance and the quality of institutions.
4. The DWA thus provides common ground and a fresh new way to look at economic, social and political challenges. It can even be seen as providing a fundamental shift in the paradigm for a new integration of economic, social and development policies. It is a very useful tool for consensus building, and this is not at all surprising since it was forged in the fires of tripartite social dialogue.

## II. THE CHALLENGE OF IMPLEMENTATION

5. The challenge now is how to make decent work happen in reality. How to effectively operationalize and prioritize the components of the Decent Work Agenda at the national level? How can governments, employers, workers and other stakeholders in civil society work towards this end? How can the international community support the growing number of countries placing employment at the center of their economic and social policies? How to more effectively coordinate work between the different UN and other agencies at the country level in the context of UN reform? This is the practical agenda of employment and decent work today! In all of these dimensions the ECOSOC Ministerial Declaration provides useful guidance and a platform for action.
6. At the ILO, employers, workers and governments, and the Director General and his staff, are firmly focusing on the challenges of implementation. There are many actions that the ILO, the United Nations System and other international institutions are taking to make the Decent

Work Agenda more practical and more effective. And there are many lessons we have learned about good practices, what works and what doesn't, in terms of policy interventions, although there are major knowledge gaps and need for research in many areas.

7. Good practice is to consider employment and decent work policies under an integrated approach. This means considering both the demand side for generating jobs as well as the supply side to improve education, skills and health. It also means considering the impact of macro policies as well as the micro incentives. And most important, the quantitative and qualitative dimensions, because it is not just a matter of creating any job, but productive jobs that allow certain levels of income and jobs that respect the fundamental rights at work.
8. In practice this integrated approach means that all key ministries and agencies have to be involved. Finance, Planning and Development Ministries have to explicitly recognize the impact of their policies in employment and decent work. The Ministries of Labour have a critical role to play but for effective results the involvement of other ministries and institutions is also essential. As is indeed the involvement of employers, workers and other stakeholders.
9. Good practice is also to place employment and decent work in the main frameworks driving policy in the country, whether a development strategy, a poverty reduction strategy, or a UN Development Assistance Framework (UNDAF). Including employment and DW as objectives in these frameworks guarantees that they receive continued attention, and most important, resource allocations, by local economic and social authorities and by international institutions and donors. For several years now, the ILO has been working with social partners in a number of countries, and with the World Bank, to ensure that employment and DW is included in the PRSPs, and we continue to do so. The results have been very encouraging.
10. With the UN Reform Process and the unity of purpose to "Deliver as One", a new and powerful set of possibilities is opening up. And this is happening at several levels. At the national level, UN agencies are stepping up efforts under the coordination of the Resident Coordinators to engage in joint programming and delivery. Decent Work Country Programmes is the new instrument in the ILO to deliver policy advice and technical cooperation, and it is proving very valuable also as a contribution to joint programming with other UN agencies and with local authorities and social partners. The ECOSOC Ministerial Declaration invited organizations and stakeholders to take into account the ILO's Decent Work Country Programmes in order to achieve a more coherent and pragmatic approach.
11. In addition, to facilitate the mainstreaming of the goals of employment and decent work by different international organizations in their policies, programmes and activities, at the request of the UN System Chief Executives Board (CEB), the ILO has been developing a toolkit to promote full employment and decent work for all. The ECOSOC Ministerial Declaration encouraged all relevant agencies to participate in this process.
12. Good practice is also to recognize that although the public sector can play an important role as employer, in a market economy the main challenge for governments is to create an enabling environment so that the private sector can develop its full potential and play its vital role in generating new investment, employment and financing for development. The theme of the general discussion of the 2007 International Labour Conference is precisely "Sustainable Enterprise Development", and we expect that an important new perspective will emerge on the role of the private sector in the promotion of full employment and decent work.
13. Good practice in employment policy design is also to target particular groups, such as women, young people, informal economy workers, persons with disabilities, indigenous groups or other vulnerable groups, and to include quantitative goals and baseline measures so that progress can be assessed. In all these areas the ILO is actively supporting member states, and working in partnership with numerous relevant national and international organizations.

14. Policies towards specific target groups should also avoid fragmented and isolated interventions and adopt integrated approaches. For instance, some of the most successful Youth Employment programmes combine a package that provides training in specific vocational or technical skills, such as information technology, with life and job-seeking skills, and job placement services. Some youth employment programmes combine this with wage subsidies or fiscal incentives to companies that hire youth in order to help first-time jobseekers to enter the labour market. Entrepreneurship training combined with micro-credit schemes is another important avenue for youth empowerment. In post conflict situations, the demand for young workers is often expanded by labour-intensive methods of investment in infrastructure.
15. A critical area for employment policy is the area of education, skills and employability. Education makes a person trainable, training makes her employable, and attitude and continuous learning keeps the person employed. Education, skills and lifelong learning are at the center of all innovative, high productivity economies.
16. Another critical area of employment policy is the area of labour market policies. Labour markets require institutions, policies and regulations that lower the barriers of adjustment for firms, while ensuring income and employment security to workers. The right balance between these policies has been the subject of great controversy in developed and developing countries. The ILO favours a flexi-curity approach that includes effective labour market policies for the management of change.
17. In developing countries the predominance of informal and unprotected activities is one of the major challenges for decent work.
18. Finally, growth is an important engine for job creation, which means that aiming at high and sustained growth should be an important objective of employment and decent work strategies. But the pattern and quality of the growth process matters. Effective employment policies should promote job-rich growth strategies and this leads necessarily to adopt a sectoral or structural approach.
19. A conducive environment is also critically influenced by trade policies and the investment climate. Opening up and integrating the economy to larger markets is an important strategic direction to increase competition, productivity and promote diversification, but it must be done wisely. Not all patterns of integration into the world economy have the same effect on growth and jobs.

### **Social Dialogue and the role of social partners and other stakeholders**

20. This brief overview of critical policy intervention areas, suggests that implementing full employment and decent work policies requires a highly complex collective effort involving many actors at the national and local levels. The right and coherent mix of policies, priorities and sequencing can only be determined at the national and local levels based on social dialogue and deep understanding of local conditions.
21. This complex collective effort is difficult to trigger and sustain in contexts characterized by weak public institutions, weak employer's and worker's organizations, or weak civil societies, or conflicting relations between these major players. This is why the first order of business for effective implementation of full employment and DW policies is to remove these obstacles by strengthening public institutions, employers and workers' organizations and other civil society institutions, and build common ground and a common vision for the future.
22. The ILO, which is at its core a partnership, is ready to continue working closely with you, the UN System and other institutions and partners in promoting full employment and DW for all.