

## Press Release

### **UN Ministerial Conference meets to review social policy options for a region, hard hit by the global economic crisis**

ALMATY – “The global economic and financial crisis has affected all countries, and Kazakhstan was no exception. In early 2009 the country faced a difficult situation on the labour market, particularly in oil- and gas-producing regions, Gulshara Abdykalikova, Kazakhstan’s Minister of Labour and Social Protection of the Population told participants and guests at the opening of the UN Ministerial Conference on the Social Impact of the Economic Crisis in Eastern Europe, Central Asia and Turkey. The Minister described a package of national anti-crisis measures that includes job creation, particularly at small and medium size enterprises, training and retraining of the unemployed, and targeted social assistance programmes. To finance these measures, additional funds in the amount equal to 15 per cent of the country’s GDP has been allocated, she said.

The Conference is jointly organized by four U.N. agencies (the [International Labour Organization](#) (ILO), [United Nations Children’s Fund](#) (UNICEF), [Food and Agriculture Organization of the United Nations](#) (FAO) and [United Nations Development Programme](#) (UNDP) and hosted by [the Government of Kazakhstan](#) in Almaty (Kazakhstan) on 7-8 December.

The Conference brought together Ministers of Labour and Social Affairs and senior officials from the Ministries of Labour, Finance/Economy and Agriculture from 12 countries<sup>1</sup> of the region, high-level representatives of the UN system, international and regional financial institutions (IFIs), regional organizations, bilateral cooperation agencies, international employers' and workers' organizations, civil society and regional academia.

“The global economic crisis has hit Europe and the CIS harder than any other region. It has undermined growth and threatens to set back many of the gains of the past decade, including social development advances”, said Ms Kori Udovicki, Assistant Secretary-General of the United Nations and Director of the UNDP Regional Bureau for Europe and CIS.

She pointed to projections that indicate the crisis will likely make achieving some of the targets for the Millennium Development Goals more challenging. In order to reach the first goal to reduce poverty by half, the region would need to see double digit levels of per-capita growth from 2011-2015, while keeping income distribution from worsening, Kori Udovicki said.

Eastern Europe, Central Asia and Turkey remain in the front line of the crisis, resulting in sharp declines of GDP in most countries and the destruction of large numbers of jobs. For example, between April 2008 and April 2009, the Russian economy lost 3.4 million jobs. The unemployment rate increased to 10.3 per cent of the labour force in Ukraine and to 15.8 per cent in Turkey in the first quarter 2009. Young workers have suffered disproportionately from the jobs crisis; many migrant workers lost their jobs and the amount of remittances sent back home declined by one-third or more.

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<sup>1</sup> Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Republic of Moldova, Russian Federation, Tajikistan, Turkey, Turkmenistan and Ukraine.

Many governments in the region have launched measures to address the recession and improve the labour market situation but, as Ms Petra Ulshoefer, ILO's Regional Director for Europe noted, it is important to stimulate an inclusive job-rich growth and build a macroeconomic framework conducive to high levels of investment, sustainable enterprises and productive employment, The ILO's [Global Jobs Pact](#), relevant for all the countries, can usefully guide the Governments and social partners in these actions.

While it is widely recognized that social protection systems are crucial in response to the crisis, coverage and adequacy of such systems in the region have shown to be lacking and often not responsive to the needs of vulnerable populations. 'Many countries in the region have committed to protect social spending during the crisis. Few, however, have made concerted use of employment and social protection policies together to mitigate the social impact' said Steve Allen, UNICEF's Regional Director for CEE/CIS.

During the period of economic growth, emphasis was on targeting to the least well off but in doing so, left large groups of vulnerable populations unprotected. The crisis is highlighting that there is a need for social protection systems that are more flexible and with greater coverage. Where to find such resources at a time of crisis is a difficult but key issue – one requiring political will and vision.

Agriculture also plays an important role in protecting the rural and vulnerable population. Agricultural „productivity safety nets,” for example, provision of seeds and fertilizers; public goods such as education, extension services and innovative approaches can provide significant support to farmers and rural households. Since the economies of many countries in the region remain fragile due to the consequences of the transition towards having a market economy and as in the most cases they are integrated closely with the world economy; these countries had been hit extremely hard by the food prices increases and the global economic crisis. Food prices remain high in real terms, affecting the poor disproportionately. Food security has rarely featured as a part of national crisis responses. In the response to the developing food crisis, FAO launched its Initiative on Soaring Food Prices (ISFP) to help small producers raise their output. However, in order to foster the recovery process in agriculture, additional steps need to be taken including enhancement of both national and international investments into the agriculture sector as well as the improvement of market functioning to facilitate price transmission and better integration with global commodity prices.

Following a ministerial panel discussion on the employment and social impact of the crisis in the region, the conference includes three thematic technical sessions focusing on employment, social protection and food security, based on working papers prepared by the ILO, UNICEF and FAO.

Technical sessions on employment and social protection were held today. Tomorrow the Conference will continue its work.

#### **Further Information:**

For more information on the UN Ministerial Conference, including working papers prepared for the Conference, please visit:

(<http://www.ilo.org/public/english/region/eurpro/geneva/what/events/almaty2009/index.htm> ).