



THIRD ITEM ON THE AGENDA

**Effect to be given to the recommendations
of sectoral and technical meetings**

**Global Dialogue Forum on the Impact of
the Financial Crisis on Finance Sector
Workers, 24–25 February 2009**

1. The Global Dialogue Forum on the Impact of the Financial Crisis on Finance Sector Workers was held from 24 to 25 February 2009. It was moderated by Ambassador Jean-Jacques Elmiger, State Secretariat for Economic Affairs, Switzerland. The Director-General, Mr Juan Somavia, addressed the Forum's opening session.
2. An Issues paper prepared by the Office¹ served as a basis for the Forum's deliberations. The paper reviewed the background, causes, characteristics and trajectory of the ongoing financial and economic crisis; examined the financial services sector, its occupations and their educational requirements, as well as recent important trends; provided a preliminary assessment of the impact of the crisis on finance sector jobs; and suggested policy responses to address the effects of the crisis on finance sector workers.
3. Government representatives from over 25 countries attended the Forum, as well as 14 Employers, 35 Workers and representatives of a number of intergovernmental and international non-governmental organizations.
4. The Forum adopted a set of Conclusions (attached to the present paper). This text, together with a brief summary of the proceedings of the Forum and the list of participants, will appear in the final report, to be submitted to the next session of the Governing Body.

¹ ILO: *Impact of the Financial Crisis on Finance Sector Workers*. Issues paper for discussion at the Global Dialogue Forum on the Impact of the Financial Crisis on Finance Sector Workers, Geneva, 2009 (GDFFCW/2009/1).

5. *The Committee may wish to recommend that the Governing Body:*

- (a) authorize the Director-General to communicate the attached Conclusions to governments of member States; to the employers' and workers' organizations concerned; and to the international organizations concerned; and***
- (b) request the Director-General to bear in mind, when drawing up proposals for future work of the Office, the wishes expressed in the attached Conclusions.***

Geneva, 6 March 2009.

Point for decision: Paragraph 5.

**Global Dialogue Forum on the Impact of the
Financial Crisis on Finance Sector Workers**Geneva
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Forum conclusions ¹

1. The world is facing a deep and serious financial and economic crisis, which is having a direct impact on employment and livelihoods in some countries already, as well as creating a climate of uncertainty. The degree and extent of the impact vary across countries and industry segments. The ILO and its tripartite constituents need to monitor the evolution of the crisis, and anticipate its social and labour impact beyond the current countries and segments. Restoring confidence in banks and fixing the current problems in the financial system would be a first step in relaunching the global economy towards recovery.

**Part 1. Giving voice to the ILO and its constituents
in discussions on the financial crisis**

2. Stabilizing and reforming the financial system is not only about economic and regulatory matters. Change will also affect and be influenced by the labour and social dimension (impact on jobs, employment, internal operating procedures and working conditions and practices, skills requirements, social protection and other aspects) in banks, insurance companies and other financial services.
3. The Financial Stability Forum, the G20 and other forums are actively discussing ways to improve the regulation of and stabilize the financial markets to avoid the problems that have led to the current crisis. These reforms are likely to be far-reaching and international. They may affect the way in which all institutions and workers in the financial services sector operate. The ILO should be actively involved in these forums and ensure that this Global Dialogue Forum's Conclusions are taken into account.
4. At the global, regional or national level, the ILO should organize activities to promote tripartite cooperation on tackling the impact of the financial crisis on employment. Among the international institutions, the ILO is the organization with the membership structure and expertise to cover this aspect in the international debate, in order to ensure that both the Organization and its constituents are fully involved. It will examine the social and labour impact of the financial and economic crisis on other sectors as well.

¹ Subject to approval by the Governing Body of the ILO.

Part 2. Organizing the ILO's response

5. There should be a continuous process – involving the social partners from the finance sector – to monitor the impact of the crisis and the reforms on employment and the social and labour dimension in the sector.
6. The ILO should collect data, monitor and analyse trends in employment in the finance sector, and advise on the employment, social and labour dimension of proposals on the financial crisis by international institutions. ILO constituents from the finance sector should be fully involved in this. The ILO should disseminate the results in a timely fashion.
7. The ILO should give the highest priority to activities aimed at addressing the social and labour impact of the financial crisis over the present and the next biennium,² and develop a specific action plan on these issues in cooperation with governments and the social partners.
8. The ILO should provide assistance at regional and national level for the governments and the social partners to address the social and labour dimension of the financial crisis and the reform process.

Part 3. Effective policy responses

9. In stabilizing the crisis, the reform process – including state aid and bail outs – should take due account of the 1998 ILO Declaration on Fundamental Principles and Rights at Work, including freedom of association, protection of the right to organize and collective bargaining. The process should also involve the social partners insofar as the labour and social dimension is concerned. This should cover the wide spectrum of financial institutions, from microfinance to multinationals, and from private to public enterprises.
10. Social dialogue has a key role in mitigating the effects of the crisis and in finding possible solutions. Information and consultation is also important in multinational enterprises, and voluntary global framework agreements may have a role. Restructuring should be based on dialogue between management, unions and workers' representatives³ at appropriate levels. Information on restructuring should be made available to them in a timely fashion to allow for consultation.
11. Every effort should be made to explore alternatives to redundancies and to use them only as a last resort. Contractual commitments to workers should be respected.

² ILO biennium, i.e. 2008–09 and 2010–11.

³ Throughout this text when the term “workers’ representatives” is used, it refers to Article 3 of Workers’ Representatives Convention, 1971 (No. 135), which reads as follows: For the purpose of this Convention the term “workers’ representatives” means persons who are recognized as such under national law in practice, whether they are – (a) trade union representatives, namely, representatives designated or elected by trade unions or by the members of such unions; or (b) elected representatives, namely, representatives who are freely elected by the workers of the undertaking in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are recognized as the exclusive prerogative of trade unions of the country concerned.

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12. Governments, employers' and workers' organizations should, through social dialogue, among other things, ensure workers' employability⁴ through skills enhancement, life-long learning and active labour market policies to support adjustment. Training and retraining should be enhanced to address job displacement, providing skills that are properly aligned to the requirements of the labour market and accessible to all. Innovative approaches to training and its financing could be explored.
 13. In view of the high proportion of women employed in functions that were most at risk during the current restructuring in financial services, special attention should be paid to ensuring that the advances achieved on the objectives of equity policies are not undermined. Similarly, workers in atypical employment should be treated fairly.
 14. State aid and government bail outs should be market-oriented and ensure a level playing-field within industry, across branches of the sector and across countries, respecting the autonomy of the social partners in the labour relations field.
 15. Better policy coherence and regional and international coordination could help to avoid protectionist policies that would aggravate the crisis.
 16. The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO MNE Declaration), the 1998 ILO Declaration on Fundamental Principles and Rights at Work and the 2008 ILO Declaration on Social Justice for a Fair Globalization provide key principles on which the ILO's contribution to the policy response can be developed. The 2007 International Labour Conference Conclusions concerning the promotion of sustainable enterprises are also relevant.

⁴ The term employability relates to portable competencies and qualifications that enhance an individual's capacity to make use of the education and training opportunities available in order to secure and retain decent work, to progress within the enterprise and between jobs, and to cope with changing technology and labour market conditions.