



FIFTEENTH ITEM ON THE AGENDA

**Report of the Working Party on the
Social Dimension of Globalization*****Addendum***

1. The Working Party on the Social Dimension of Globalization met on 16 November 2009. HE Ms Maria Nazareth Farani Azevêdo (Government of Brazil) chaired the meeting. Mr Daniel Funes de Rioja (Employer) and Sir Roy Trotman (Worker) were the Vice-Chairpersons.
2. The Working Party had a single agenda item “The Global Jobs Pact: Policy coherence and international coordination”. A paper ¹ and an addendum ² (containing a summary of the latest international economic forecasts) provided background information for the discussion.

Introduction and keynote speaker

3. Following warm welcoming remarks by the Director-General, the keynote speaker, Mr Celso Amorim, Foreign Affairs Minister of Brazil, addressed the meeting. In a wide-ranging address, Minister Amorim stressed that, while all countries had been severely affected by the recession, the poorest had borne the heaviest burden of the crisis. This crisis had revealed grave deficiencies in global economic governance and demonstrated the need for a new regulatory system, the design of which was a collective responsibility. Similarly, protecting the most vulnerable members of society from the adverse effects of the crisis was a joint duty. He lauded the adoption of the Global Jobs Pact which he saw as a reference for the United Nations (UN) system and the Bretton Woods institutions and called for its implementation. He observed that the exchange of experiences on successful policies in countering the crisis was a useful instrument to assist governments in designing results-oriented measures and that every country had good examples to share. He recounted the crisis response measures taken by Brazil and said that the implementation of a minimum social protection floor, one of the measures recommended in the Pact, had had a decisively positive impact on his country’s path towards recovery. He asserted that it was a fallacy to assume that a country had to grow before attaining social justice and saw the South–South cooperation as a potentially effective instrument to alleviate poverty and

¹ GB.306/WP/SDG/1.

² GB.306/WP/SDG/1(Add.).

address the effects of the crisis. He considered that, in declaring that financial markets should concentrate on offering credit and resources to the real economy, the G20 leaders had conveyed a very important message for employers and workers. The meeting of the G20 ministers of labour and employment in 2010 would be a critical moment in rebuilding an international economic and financial system to serve the real economy. He called on the International Labour Organization (ILO) to continue to play a leading role in promoting a job-based recovery and a fairer globalization and considered the ILO's participation in the debate alongside developing countries to be the assurance that the dialogue would cover the concerns of the poorer countries. Minister Amorim went on to deplore the increasing levels of rural poverty in sub-Saharan Africa and asserted that economic development and social inclusion in developing countries depended on better market access for agricultural products. Not only resources were important to meet the immediate needs of poor countries and ensure food security, but there was also a need to address the issue of advanced countries' agricultural subsidies which led to unfair competition. In this respect he called for a rapid conclusion of the Doha Round to enable poor countries to face up international competition. Aid to poor countries while important was not enough to generate a more inclusive and fair globalization if not accompanied by cooperation, investments, technology transfer, knowledge sharing and capacity building. The South-South cooperation efforts promoted by Brazil were headed in that direction. Building a fair globalization required a new democratic agenda in which environmental, social, economic and financial issues would be dealt with simultaneously in an integrated manner while avoiding resort to protectionism or discrimination, both of which were negative consequences of times of uncertainty and crisis. In this respect, gender equality and migrant workers' rights required increased vigilance.

4. The Director-General thanked Mr Amorim for introducing the discussion and recalled the proactive role of the Organization in analysing the effects of the crisis and rapidly shaping an appropriate response to it. He mentioned a series of important international meetings that had welcomed or endorsed the Global Jobs Pact, including the UN Economic and Social Council and the G20 Summit in Pittsburgh. He emphasized the need felt by several leaders to reinforce the ILO's position in international policy-making and recognized that the ILO's participation in the G20 discussions brought some balance in terms of the different dimensions it gave to the policy issues debated. The Director-General recalled that the ILO was part of the UN family and benefited greatly from the synergies that effective policy coherence with other specialized agencies could create. Through its tripartism, the ILO also brought the voice of the real economy to the global debate. Because the present economic rebound was not generating a jobs recovery, utmost vigilance and concerted efforts to prevent serious damage to the social and economic fabric of countries remained the focus of ILO action. With regard to the policy environment, he asserted that the Decent Work Agenda could help create a better environment for successful trade negotiations. He recalled that the ILO was very active in the UN system's Joint Crisis Initiatives, which included a basic social protection floor and the Global Jobs Pact. He also noted that, at the Pittsburgh Summit, the leaders of the G20 had resolved to put quality jobs at the heart of the recovery, representing a major shift in the priorities of international policy-making and that this raised new challenges for the ILO. These challenges included, for example, the need to deepen analysis capacity to generate more knowledge on different policies and their diverse impacts in containing the effects of the crisis, on the formulation of exit plans from the exceptional fiscal and monetary measures, and on job-inclusive rebound strategies, as well as the need to provide guidance on ways of addressing the structural imbalances which could hinder the recovery. He anticipated that specific attention would have to be given to ways of establishing conditions for the Pact approach to be used effectively by paying careful attention to finding an optimal balance between expected constraints and benefits. All of this would be done from a tripartite perspective with increased vigilance on the protection of workers' rights and respect of international labour standards. The Director-General concluded by referring to the

discussions held in other committees, particularly the Committee on Employment and Social Policy (ESP Committee), which had debated the operational aspects of the follow-up to the Global Jobs Pact. He invited the meeting to focus discussions on the multilateral dimension of policy coherence and international coordination so as to present to the Governing Body a comprehensive picture of the wide-ranging issues raised by the effective implementation of the Pact. Lastly, he highlighted the relevance of the South–South cooperation to the ILO and looked forward to the work to be carried out for the meeting of G20 ministers of labour, as well as for the review of the Millennium Development Goals (MDGs) in 2010.

Discussion

5. The Employer Vice-Chairperson stated that the Global Jobs Pact was the result of an extraordinary collective and pragmatic effort. The fact that Brazil looked at the Pact as a key reference for action, as underscored in the intervention of Minister Amorim, was a reason to be proud of the work of the Organization. The key challenge was to implement the Pact in countries and regions in order to fill the gap between economic and employment recovery. Effective and efficient state action was needed to provide a good governance framework for market forces with timely, targeted and temporary policy measures. Respect for fundamental principles and rights at work, as enshrined in the 1998 Declaration, was equally essential. The ILO could make a positive contribution to chart the right way when it acted within the framework of its mandate and its competences. He recalled the reasons why the Employers' group supported the Global Jobs Pact. The Pact provided a framework for concrete national policy measures, avoiding the danger of one-size-fits-all solutions. It promoted market principles, an issue at the heart of employers' concerns and an essential ingredient to restore economic and employment growth. It also connected productive employment and decent work with its indispensable counterpart: sustainable enterprises. Indeed, the crisis provided an opportunity to set up institutions to allow micro-enterprises to formalize and by this token to provide greater protection to their workers. The Pact provided guidance on wage policy and offered a vision for a progressive shift towards a greener economy. He acknowledged the fundamental role of social protection in providing safety nets to workers and their families in a situation of labour market distress, in line with national realities. He concluded by emphasizing the value of social dialogue and invited Minister Amorim to bring that message to the G20 leaders. He hoped that a tripartite delegation would represent the ILO at the forthcoming meeting of the G20 ministers of labour.
6. The Worker Vice-Chairperson expressed his appreciation for the address by Minister Amorim, citing in particular the latter's references to the moral and ethical responsibility of the ILO, the part played by Brazil in the support to the ILO's message and how the poorest had borne the brunt of the crisis. He emphasized that the ILO was the only institution responsible for promoting workers' needs and social justice at the international level. That allowed for the civil dialogue among the social partners that Minister Amorim had mentioned. As regards poverty, he suggested the need for re-emphasizing aid commitments and for financial and technical assistance in agriculture and environmental development. He supported South–South cooperation, such as that initiated by Brazil, as a means for enabling countries in looking at new systems and converting the Global Jobs Pact into changes that would create decent jobs. Finally, he joined Minister Amorim's call for the reform of global governance structures, on basic social protection floor, counter-cyclical policies and better treatment of migrant workers.
7. The representative of the Government of the Bolivarian Republic of Venezuela, speaking on behalf of the Group of Latin American and Caribbean Countries (GRULAC) felt that the participation of the ILO in the G8 and G20 meetings provided important opportunities

to promote the role of the real economy in the analysis of, and response to, the crisis. The unanimous support for the Pact emphasized the need for financial support for its implementation. He stressed that the Working Party, to which all ILO Members had access, should discuss ways of implementing the Global Jobs Pact in light of the discussion in the UN framework on G192. In GRULAC's view, commitments should translate into concrete measures to promote development and social inclusion by eliminating protectionism and other distorting economic measures. Employment and social protection should be at the centre of all recovery strategies. GRULAC considered that South–South cooperation was part of the solution, and recognized that the exchange of successful practices between countries implementing the Pact was a good path. Finally, he recommended that governments and the social partners, even from outside Africa, take the opportunity to participate in the Decent Work Symposium in Burkina Faso on 1–2 December 2009.

8. The representative of the Government of Germany argued that a coherent set of policies promoting economic growth and social justice was needed at the international level because national solutions were insufficient. He indicated that measures identified in the Pact to mitigate the impact of the crisis on the world of work, for instance with regard to shielding the banking sector and strengthening domestic demand, were already reflected in his Government's policies. He added that Germany had ensured financial stability and managed to preserve 400,000 jobs through measures such as shorter working time. The German Government also welcomed the Pact's endorsement in Pittsburgh, which provided the starting point for the employment pillar of the G20 Framework for Strong, Sustainable, and Balanced Growth. Follow-up work would be further developed at the meeting of G20 ministers of labour in the spring of 2010. It would be a sign of real progress if these processes led towards standard setting at the International Labour Conference in 2011. For the immediate term the Governing Body would need to develop a new framework in order to instil life into the Pact.
9. The representative of the Government of Sweden, speaking on behalf of the European Union (EU) and a number of other countries,³ noted with satisfaction the endorsement of the Pact by the UN General Assembly, the Economic and Social Council, the Chief Executives Board for Coordination (CEB) as well as other UN agencies, thus linking the ILO's work to the joint efforts to promote sustainable development and to mainstream the Decent Work Agenda and its implementation worldwide. He also noted favourably the ILO's successful contribution to the outcome of the G20 Summit in Pittsburgh. All this had increased the visibility of and expectations on the ILO. The main challenge of the crisis was to prevent the development of high and persistent unemployment. To this end, the EU welcomed the G20 call on the ILO to develop, with other organizations, an employment-based training strategy, stating that the International Training Centre in Turin (Turin Centre) had a key role to play in this regard. The best way for the ILO to promote its values was to continue reinforcing its work of evidence-based analysis, and to promote effective policies by generating productive collaboration with other relevant organizations that possess valuable complementary knowledge and resources. The EU was therefore very encouraged by the Office initiative to strengthen its internal capacity to give effect to the Global Jobs Pact.
10. The representative of the Government of Sudan highlighted the support for the Global Jobs Pact from the Employment and Social Affairs Commission of the African Union and the recent Arab Employment Forum in Beirut. His Government's support for the Pact was reflected in its budget for 2010. The target sectors for creating employment included

³ EU candidate countries (Croatia, Turkey and The former Yugoslav Republic of Macedonia), potential candidates (Albania, Montenegro and Serbia), Armenia, Republic of Moldova, Norway and Ukraine.

agriculture, infrastructure and small-scale industries, with a banking consortium set up to support the latter. The rate of social protection coverage of 38 per cent was expected to reach more than 50 per cent by 2010. He agreed with the importance of dialogue among countries in the South.

- 11.** The representative of the Government of France expressed satisfaction that the Pact had been well received, and had given the ILO a new position within the global economic governance system, which should be consolidated to shape the social dimension of globalization. He pointed to the dangers of slackening the efforts over employment as soon as GDP growth recovered and focusing on exceptional measures to counter unemployment simply to go back to business as usual. For France, the Pact was a starting point. He recommended that coordination between multilateral institutions be carried out pragmatically and commended the ILO's efforts to engage in dialogue with the international financial institutions. However, he stated that the Office needed to reinforce its analysis, evaluation and forecast capacity as well as its presence and efficiency in the field. The Office was requested to keep constituents informed on these issues on a regular basis. He considered that the forthcoming meeting of G20 ministers of labour was a very important step for the Pact and requested the Office to inform constituents on preparatory measures so that the Governing Body could also contribute in March 2010. Policy coherence was important in defining long-term objectives, and global imbalances needed to be addressed for social progress was an essential aspect of economic performance.
- 12.** The representative of the Government of the United Republic of Tanzania stated that it was encouraging that the Global Jobs Pact was so strongly endorsed, including by the Africa Union. The Pact would assist constituents to identify policy measures and actions that put employment and social protection, as well as the Decent Work Agenda, at the centre of the response to the crisis. He noted that the sectors most affected in the United Republic of Tanzania were tourism, agriculture, trade and industry, and that the Government had taken several measures to address the crisis in these sectors, including the programme "Agriculture First" which sought to maximize the potential benefits of the sector and make it more productive. He hoped that the first African Decent Work Symposium, to be held in Ouagadougou in December 2009, would address the practical application of the Pact.
- 13.** The representative of the Government of Italy commended the ILO and the Director-General for the response to the crisis, which proved the ILO's ability to provide analyses and policy guidance on employment and social protection to its Members and the international community at large. Particularly welcome was the mandate given to the ILO and to other international organizations to prepare contributions for the meeting of G20 ministers of labour planned in 2010 and to design a training strategy. At the G8 meeting in L'Aquila, in response to the social effects of the crisis, the need to rebuild conditions for strong, sustainable and balanced growth had been advocated, giving priority to the real economy by creating more employment-intensive growth, narrowing income inequality through higher shares of wages, and recognizing that developing countries needed policy and resource space to develop their own economies.
- 14.** The representative of the Government of the United Kingdom shared the ILO's view that employment and decent work for all were of crucial importance. On that basis, the G20 Leaders' Summit in Pittsburgh had been a resounding success, providing a clear path for the future. The Pittsburgh G20 communiqué had a clear and strong focus on employment, social protection, training and skills in the context of recovery and future labour market needs. Her Government shared the ILO's sense of urgency on the crisis, demonstrated through the London Jobs Conference in advance of the G20 meeting in London in April, on which Pittsburgh's communiqué was built. Describing the Government's response to the crisis, she stated that the United Kingdom remained committed to contributing to future

jobs and growth at home and to supporting the ILO's efforts in promoting employment and decent work for all.

15. The representative of the Government of Panama expressed satisfaction that a woman was presiding the session in light of the message of a globalization with gender equality promoted by the ILO. Her Government was determined to recognize women's important contribution to the world economy and hoped that the international commitments made in such forums as the G20 meetings would bring a sustainable job-led economic growth. She recounted several measures and programmes promoted by Panama to stimulate economic recovery and social transformation, including, among others, the expansion of the Panama City metro, incentives for the construction industry and social housing projects, a conditional cash transfer programme (*Red de Oportunidades*), employment mediation services and programmes for the elimination of child labour emphasizing corporate social responsibility. In concluding she noted that Panama had put employment and social protection at the heart of many projects including the Canal expansion which was stimulating the private sector in the country and abroad, thus contributing to mitigating the global crisis.
16. The representative of the Government of the United States commended the ILO for playing a significant role in helping to focus attention on those people left most vulnerable by the crisis through its participation in the Social Summit in Italy, the OECD Employment and Labour Ministerial Meeting in Paris, the G20 Employment Meeting in London and the G20 Leaders' Summit in Pittsburgh. As the Chairperson of the Pittsburgh Leaders' Summit, President Obama had asked the US Secretary of Labor to convene a meeting of G20 ministers of labour in early 2010. To use the language of the G20 Leaders' Statement, "putting quality jobs at the heart of the recovery" remained a foremost goal of the United States, which was also deeply committed to collaborating with the international community in this regard. The ILO was uniquely qualified to support these efforts by reviewing the policies implemented, assessing their impact and suggesting ways to not only recover from the crisis, but to also strengthen the workforces and economies over the long term.
17. The Worker Vice-Chairperson welcomed both the strong UN support for the Global Jobs Pact and the results of the Pittsburgh Summit. He expressed concern, however, about several issues: the premature discussion of exit strategies, the reinforced role for the International Monetary Fund (IMF) in spite of insufficient progress concerning "conditionality" and the imposition of pro-cyclical policies, the unsatisfactory resolution of the issue of traders' bonuses and finance executives' pay, and the failure of developed countries to commit substantial assistance to the poorest countries in Africa, Latin America and Asia. Emphasizing that converting the Global Jobs Pact into concrete policies, actions and meaningful country programmes would require adequate funding, he renewed his call for a Global Jobs Fund and agreed with the Director-General's Report that additional resources would be needed for counter-cyclical policies and for building a social protection floor. On policy coherence, he noted that the Bretton Woods institutions and financial and economic instruments were still at the heart of crisis responses, that the synergies between the UN and G20 processes were unclear, and that poor countries had no direct representation in the G20 process. He therefore suggested an economic and social framework under the aegis of the UN involving these actors and the social partners. As regards the role of the ILO, he said that the ILO should take the lead in building a new development model based on decent work and social justice in order to provide authoritative policy guidance to governments on how to achieve the goals of the Pact, to respond to the G20 request to provide expertise for the first meeting of G20 ministers of labour, to actively engage in the G20 peer review process, and to give a strong input into the drawing up of the "Merkel Charter". He suggested areas to be covered by ILO inputs to the G20 peer review and meeting of ministers of labour: wage deflation and declining

wage share; groups most adversely affected by the crisis; income support; active labour market policies; green jobs; and the contribution of tripartism and social dialogue to the recovery process. He also suggested that the meeting of G20 ministers of labour should be tripartite in order to be meaningful.

- 18.** The Employer Vice-Chairperson reiterated that the Global Jobs Pact was the outcome of true tripartite cooperation and was endorsed at the highest institutional level within the Organization. He expressed his concern for the words of the Worker Vice-Chairperson, who said that the ILO should go beyond the Pact. In the view of the Employers' group, the Governing Body was not the forum where a reform of the global financial architecture or a launch of new global funds of any kind should be proposed. This was out of the mandate and the expertise of the Organization. The Pact had been presented as it was to the whole world; the issue was not to change it, but to implement it at the national level with the support of the Office and other partners. Topics relating to the institutions of global governance, the taxation of financial transactions or the issue of wage deflation could be the subject of in-depth analyses, but should be dealt with within the boundaries of the Pact. He stressed that the impact of the crisis differed across countries, as did policy responses. Those national circumstances had to be taken into account in designing fiscal and wage policies, particularly as it concerned the complex linkages between economic growth, productivity, inflationary pressures and the sustainability of deficit spending. In his view, the G20 Leaders' Statement at Pittsburgh recognized that a stronger private sector drive was essential to sustain recovery. The Global Jobs Pact was an essential instrument. The Office had a key role to play in providing the social partners with information and capacity building to actively participate in policy design and in reaching out to donor countries and agencies. In this regard, he acknowledged the high quality of the report prepared by the Office at the request of the G20. He said that the questions related to the financing of sustainable enterprises should be dealt with by the competent international organizations and called upon governments to get rid of red tape and bureaucratic requirements that unnecessarily hampered private initiative. Referring to the measures suggested to deal with the issue of global imbalances, as they were raised in the Office paper, he said the approach should be an integrated one, including investment in vocational training, in order to lead to quality jobs. He concluded with an appeal to reject all forms of protectionism.
- 19.** The representative of the Government of Spain indicated that his country's continued support of the ILO was highlighted in the Spanish Cooperation Master Plan 2009–12 which embraced the Decent Work Agenda as key to poverty alleviation and gave a decisive endorsement to an active and effective multilateralism. Spain had recently agreed with the ILO priority areas for technical cooperation including labour migration, extension of social protection for migrant workers, promotion of decent work particularly in Latin America, the Maghreb region and sub-Saharan Africa, as well as mainstreaming gender equality and non-discrimination. For Spain social dialogue was fundamental and tripartism was present in all cooperation. Social partners were part of the political and strategic discussions and evaluations. He reported that the crisis and the loss of employment had set the agenda of Spain's forthcoming presidency of the EU during the first half of 2010. Spain aimed to contribute and highlight crisis response measures that take into account the human dimension, the unemployed and those in greater need, promoting a space with more quality employment, social cohesion and equality. This would contribute to consolidating and improving the European social dimension. In the EU's multilateral and bilateral foreign relations, Spain would promote the ILO's Decent Work Strategy and a global framework compatible with the European Social Model. Particularly, it would support the extension of social security to citizens of third countries and framework association agreements with neighbouring Mediterranean countries. It would promote a social security ministerial meeting in preparation of the EU–Latin America and Caribbean Summit.

- 20.** The representative of the Government of Argentina thanked Mr Amorim for his reflections and the Office for the paper presented. She pointed out that the document did not include the Declaration of the Ministers of Labour of MERCOSUR adopted in Geneva during the 98th Session of the Conference (2009). She recalled the speech of the President of Argentina at the Conference stating that governments and social partners should ensure that the employment link was not broken because it was so hard to rebuild. She explained that Argentinean programmes focusing on small and medium-sized enterprises (SMEs) and the promotion of cooperatives had been effective in creating or preserving jobs. She noted that Argentina and Brazil promoted the participation of the ILO in the G20 so it could share its experience and promote the social dimension of globalization and that the most important value added of the ILO was its tripartite nature. She commented that multilateral credit institutions should not impose formulas that deepen problems of unemployment and social exclusion.
- 21.** The representative of the Government of India noted that while the response of the multilateral system to the adoption of the Pact had been very positive, several emerging and developing countries were not in a position to sustain stimulus measures to handle the recession. Therefore, he suggested that the international community provide resources for counter-cyclical action in countries facing fiscal and policy constraints as well as development assistance. Regarding the timing and pace of strategies outlined in the paper, he noted that exit policies could be coordinated across countries but not synchronized and explained that India's exit strategy would be coordinated in the G20 on broad principles of overall economic growth and world output. He recounted the corrective actions taken by the Government to manage the downturn and to deliver rapid and inclusive growth. He stressed that strong economic growth and high employment content of growth were both indispensable to fulfil the aim of achieving inclusive growth; his Government would continue to expand expenditure in critical social sectors.
- 22.** In recalling the emphasis put by Mr Amorim on an open and well-regulated trading system on agriculture, an Employer member from the United States referred to the discussion on rural employment for poverty reduction at the Conference in 2008. Many of the resulting conclusions were relevant to the current debate, not just the issue of access to international markets but also the need to protect the most vulnerable, the importance of infrastructure, skills development and an enabling environment for rural enterprises, particularly SMEs. Getting SME policy right was the key to achieving job-rich growth. She highlighted three priority areas for the implementation of the Pact: labour market methodologies, data and statistics; training strategies for recovery; and assistance to constituents in designing national strategies. She stressed that gender equality was at the heart of economic growth and invited all to give proper attention to this issue.
- 23.** A Worker member from Singapore suggested the need to focus on specific areas of the Pact such as the provision of effective social protection, both universal social security and progressive building up of existing systems; assistance to tripartite partners in determining a minimum or living wage; assessment of the extent of unfair dismissals and better protection against these practices; extent of precarious employment and regression in wages and conditions of work. She emphasized that declining incomes and issues of social security threatened demand-led growth recovery.
- 24.** The representative of the Government of Mozambique commended the ILO's commitment to harmonizing international policy for the implementation of the Decent Work Agenda. He noted that, like most sub-Saharan countries, Mozambique faced constraints in implementing the measures outlined in the Pact. These included the fragility of the economy and national institutions, the lack of information on the real impact of the crisis on labour markets, and limited technical, human and financial capacity. He reminded participants that the vast majority of Mozambique's working population were in the

informal economy. Despite the constraints, since 2006 the Government had pursued a programme of decentralization to create rural development hubs, which had helped create 162,000 new jobs. He noted with concern the absence of world leaders from rich countries at the World Summit on Food Security under way at the Food and Agriculture Organization of the United Nations (FAO) in Rome. In conclusion, he called on the ILO to continue to support the poorest countries to implement the Pact, with appropriate adjustment to individual national circumstances.

25. The representative of the Government of Nigeria expressed appreciation for Mr Amorim's statement on South-South cooperation and the sharing of good practices. He welcomed the Minister's call for action against rising protectionism, referring to the harm of subsidies and the denial of market access for developing countries by rich countries. He recalled the wide endorsement of the Pact and commended the Director-General for ensuring that the G20 and the CEB recognized its importance as well as the need for policy coherence through the CEB's *Toolkit for Mainstreaming Employment and Decent Work*. He stressed Nigeria's concern that concerted efforts be made to rekindle private consumption through the creation of decent jobs, and its support for ILO's efforts to develop training strategies that would help workers adapt to changing labour markets. He acknowledged the ILO's assistance in organizing the first National Employment Summit in Abuja involving tripartite constituents and multilateral agencies. Nigeria was currently broadening its social security system and would seek additional ILO assistance to improve its capacity to carry out programmes for the economic reintegration of young ex-combatants in the Niger Delta. With regard to the financial sector, the Nigerian Government recently bailed out several banks with the equivalent of US\$4.1 billion and a bill was currently in Parliament to manage non-performing loans.
26. Speaking in the name of the Latin American employers, an Employer member from Brazil stated that the commitment of the governments of Latin America to the principles and recommendations in the Pact was very clear in the statement adopted at the 16th Inter-American Conference of Labour Ministers on 6-8 October 2009. Regrettably, there were governments whose statements and actions clearly clashed with those principles. He expressed concern for the lack of respect for private property and free enterprise, for the emergence of protectionism, and the fact that the freedom of association of workers and employers was hampered by the establishment of non-representative government-supported organizations. He called upon employers from the region to act strongly to support legitimate organizations, so as to effectively implement the Pact in their countries.
27. A Worker member from France emphasized that the Pact should be implemented fully, not in a piecemeal manner. He called especially for a redistribution of wealth, noting that inequality was at the origin of the crisis, and cited the importance of creating jobs, regularly adjusting minimum wages as well as addressing gender pay equality, public services and social protection.
28. The representative of the Government of Mexico suggested that the documents presented be used for more than just information since they contained useful lines of action. The Working Party was a full tripartite committee and no other international forum had discussed the issues of globalization, the interrelationship of social and economic policies and the effects of the crisis on workers and the most vulnerable. It promoted social dialogue and consensus around the tripartite constituents of the ILO, and other multilateral organizations could participate. She proposed that the Working Party could be a space for both follow-up of the Pact and the development of social and economic policies to which all members of the multilateral system would have access.

29. The representative of the Government of the Republic of Korea commended the ILO on its crisis response work, citing the broad and enthusiastic response to the Pact and the essential role of the ILO in overcoming the crisis. She noted that now was a different phase of the global crisis than a year ago. While urgent measures were still needed, it was time to look at long-term policies for more balanced and sustainable growth. The second half of 2010 would be critical and it was expected that the G20 Summit in Seoul in November would be a forum for reinforcing policy coherence and establishing solid foundations for a post-crisis economic order. With reference to the Pact, she considered that the ILO should focus on employment-intensive growth and training policies that reflected the changing structure of the global economy and new demands of the labour market, including jobs opportunities that would arise from the shift to a low-carbon economy. She lauded the recent effort to enhance the ILO's crisis-related research capacity.
30. An Employer member from Germany, speaking on behalf of the European Employers, expressed appreciation for the involvement of the ILO in the work of the G20. Given the tripartite nature of the Organization, however, it was the view of her group that the ILO representation at the G20 meetings should have been tripartite. On the issue of the employment intensity of growth, she emphasized the question of the shift from the informal to the formal economy and the need to address the question of gender. She called upon governments to review their legal systems to eliminate barriers to gender equality in the labour market. She expressed her disappointment that not enough attention had been paid to the issue of flexicurity in the ESP Committee. She called for a serious dialogue with the Workers' group on that topic. In her view, the ILO was the proper organization to carry out a comprehensive analysis of the concept of a greener economy and its employment and social implications.
31. A Worker member from Colombia stated that tripartism and social dialogue were the best solutions to the crisis confronting the capitalist globalization model. He reminded the precarious conditions of workers and recalled the historical position of trade unions in favour of the rule of law and social policies in the face of military dictatorships, which gave them the moral authority to claim their rights. He called for the crisis to be seen as an opportunity to work for a better world. Resources should be spent on new jobs creation and not only on the financial sector, which had benefited the most so far. He considered that the Pact and the policies in favour of decent work, the social dimension of globalization, social dialogue and tripartism should be developed in a measurable and concrete fashion. Faced with grave violations of freedom some important groups of countries would have difficulty in enforcing laws. Workers were not demanding charity but decent work, and this would only be possible through full employment.
32. The representative of the Government of China noted that the Pact had increased the awareness of the international community on employment and social protection and had promoted policy coherence at national and international levels. He congratulated the ILO for those achievements in responding to the crisis. However, despite signs of recovery, uncertainties remained and he recommended that, through the implementation of the Pact, the ILO should: (i) continue to push forward for a complete recovery and inclusive globalization that staves off protectionism; (ii) establish closer partnerships with donors and other organizations to mobilize additional resources, increase technical cooperation with developing countries, and incorporate the possible outcome of the Copenhagen climate change conference to avoid the formation of a green gap between developed and developing countries; and (iii) evaluate the effect that policy measures have had, especially in G20 countries, in order to provide better technical support to the meeting of ministers of labour. He concluded by saying that the Organization should prepare a training strategy to provide guidance to countries for preparing their workforce for economic recovery and stronger growth.

33. The representative of the Government of Canada noted the collaboration between the ILO, the UN and international organizations outlined in the Office paper and stated that the objectives of a jobs-focused recovery and sustainable growth would best be achieved through coordinated efforts. She explained that, through its Economic Action Plan, Canada had implemented a number of the measures identified by the ILO in its report to the G20 meeting. Those timely, targeted and temporary measures had resulted in positive signs of recovery. However, recent job figures supported the need for sustained action and the Government had therefore introduced further social protection measures to address continuing needs for support of workers most affected by the crisis and their families. To effectively contribute to global responses, the ILO should develop a training strategy and strong networking with other organizations. Noting that the impacts of the Pact depended largely on the quality of ILO research and analysis-informing policy development and the assistance it would provide to its constituents for their implementation, she requested further information on how the ILO intended to develop the training strategy requested by G20 leaders.
34. A Worker member from Guinea pointed out that Africa had lived constantly and for a long time in crisis and that the current global crisis had aggravated the situation; yet, the continent, except for South Africa, had been forgotten. She highlighted the particular plight women faced in the region. She pointed out that Africa needed financial resources to face the crisis and should be part of the recovery process. The plan of action for least developed countries foreseen in the Pact should be a priority for implementation and should be based on the development of agriculture and diversification of economies. Finally, she emphasized the need for social dialogue in Africa.
35. Speaking in the name of the Asia and the Pacific Employers, an Employer member from Japan commented on the difficulties in properly measuring improvements in productivity, and how these difficulties hampered the design of workplace and employment policies. He suggested that the International Institute for Labour Studies and the Bureau for Employers' Activities review the question of the share of wages in productivity. He also suggested that the heads of regional development banks be invited to join the meeting of the Working Party in March 2010, as a way to facilitate collaboration and joint action.
36. The representative of the IMF stated that the IMF concurred with the ILO that we were in a third phase of the crisis – an unemployment phase – and that without concerted action unemployment would get much worse. He expressed the IMF's concern about the social consequences of the crisis thus noting the convergence of interest with the ILO in this area. The IMF had recognized the need for social protection and had integrated this into its targets for borrowing countries over the past several years. During the food crisis in 2007, for example, the IMF adapted targets to allow additional social spending. He recalled that, while there was still conditionality attached to the IMF, lending conditions now sometimes included as a requirement that borrowing countries create a social floor. It was recognized that if low-income countries in particular were unable to confront economic shocks on their own, there would be a loss of progress towards realizing the MDGs. The IMF would increase its lending to low-income countries threefold in the next year and a half and was calling on donors for additional financing to provide countries with the fiscal space to enact counter-cyclical policies. The IMF realized that no one government, organization or agency could address the crisis alone and was actively collaborating in the Chief CEB's Joint Crisis Initiatives, including the ILO-led Social Protection Floor Initiative and Global Jobs Pact. While talking of exit strategies was premature, there was now room for new thinking about a framework for the post-crisis economy.
37. The representative of the Government of Bangladesh expressed appreciation for Mr Amorim's call for the reinforcement of South-South cooperation in trying to unlock greater potential for an employment-based global economic recovery. He thanked the

Director-General and the Office for their efforts to position the Pact at the centre of the present debate on sustainable and inclusive recovery. This had helped reinforce the importance of ministries of labour in the context of national governments. He explained that his Government had undertaken a number of measures to mitigate the impact of the crisis, most of which had been aligned with the policy options in the Pact. He invited the Office to provide support and technical assistance to his country's Government and social partners in responding to the crisis. He stressed that, at the global level, the Organization should address system imbalances that underlie the global financial institutions and continue to press for sustained and tangible outcomes to address the existing structural fault lines in global economic governance. In addition, it should preserve and widen the fiscal and policy space for developing countries to enable them to pursue individual growth paths. Flexibility in loan conditionalities should be maintained beyond the crisis.

- 38.** A Worker member from Australia highlighted the enormous potential for job creation in building a green economy. She stated that the existing US\$6 trillion global market in green economy products would grow exponentially as countries and companies moved into a lower carbon economy. She went on to identify several elements that were needed to realize this potential: a commitment to an ambitious deal in Copenhagen, strong targets for carbon emission reductions, peaking years established, climate financing, technology-sharing arrangements and a commitment to a binding legal framework. She added that the engagement of the real economy players in the transition and planning was critical to maximize investments and jobs. She concluded that financing and technology-sharing commitments from developed countries was needed particularly to enable developing countries to share new opportunities. She concluded that agriculture in developing countries also required a fairer trading system.
- 39.** An Employer member from China stated that the Global Jobs Pact was a significant contribution to the crisis response, while acknowledging that its implementation would require collective efforts. He assured that the China Enterprise Confederation would continue to closely cooperate with the Government and the trade unions in promoting the Pact. He referred to a recent statement by President Hu Jintao stressing China's commitment to cooperate with the international community towards a global recovery. He pointed out that China would further increase its employment level to achieve the MDGs. He made three recommendations for the implementation of the Pact: full respect for tripartism; proper guidance from the Organization; and a particular focus on support to enterprises.
- 40.** The representative of the European Commission supported the need for more policy coherence and coordination at the global level in response to the growing interdependence of economies. She expressed appreciation for the ILO's contribution in placing employment and social policy responses to the crisis high on the international agenda and supported the leading role the Organization had played over the past decade in shaping a fair globalization. The Pact was representative of the international community's determination to continue implementing the Decent Work Agenda. She stressed that undermining the Agenda during the crisis would not help bring back growth. She referred to the importance of international standards and their application, including the ILO's core labour standards. She highlighted similarities between the policy options of the Pact and the EU responses to the crisis. The measures taken had had a significant impact in holding back unemployment and had effectively addressed long-term challenges such as the development of skills to match market demands and help for the unemployed to remain or become more employable. The European Commission therefore welcomed the G20's call on the ILO to develop a training strategy in partnership with other organizations.
- 41.** The representative of the Government of the Bolivarian Republic of Venezuela stated that recovery programmes adopted in the developed world should have reinforced social

protection and re-established credit instead of making taxpayers pay for transfers to the financial sector. Experience with previous crises had permitted Latin American countries to implement policies to mitigate the current crisis. He called on the ILO to collect and widely disseminate developing countries' rich, diverse, significant and yet sometimes little-known experiences. For example, regarding South–South trade in the framework of cooperation and solidarity, PetroCaribe had adopted strategic policies which permitted member countries to make substantial savings. He encouraged the Office to collect experiences on efforts made by all constituents in order to evaluate their efficacy and compatibility with the Pact.

42. A Worker member from Bahrain stated that the impacts of the crisis on employment, wages, other decent work and living conditions in the Arab States had been varied. He raised in particular the inability of social partners to engage in social dialogue because of the absence of democratic institutions in the majority of those countries. He also highlighted the difficulties the crisis was causing for the very large numbers of migrant workers in the Gulf region.
43. An Employer member from Nigeria agreed with the concern raised by the Director-General about global imbalances. However the quest for a higher share of wages in productivity and the narrowing of income inequalities should not be at the detriment of the formal sector which was still a small portion of the economy of developing countries. He asked for an all-inclusive protection floor that would not be at the cost of additional taxation on the private sector. He endorsed the promotion of South–South cooperation; market access for agricultural products; removal of subsidies in developed economies; protection of migrant workers; and rules and regulations to make the financial sector more responsive to the needs of the real economy. He suggested that the ILO should prioritize capacity building for the social partners to engage in constructive social dialogue. He particularly welcomed the section of the paper addressing the question of the lack of fiscal space for developing economies in launching major policy drives along the lines of the Pact.
44. The Employer Vice-Chairperson noted that the debate had set a good ground for the discussion at the next meeting of the Working Party in March 2010 and for the discussion that would probably take place in June 2010. He regretted that several issues that had been raised by the Employers in other Governing Body committees were not reflected in this debate and asked the Office to take them into account. They related in particular to the Human Resources and Information Technology Strategies. For the future, he requested a better organization of the work of the committees and suggested that they meet after the political debate that would usually take place at the meeting of the Working Party. He asked the Office to keep this in mind in preparing the March 2010 session, as well as the G20 meeting, where he hoped a tripartite perspective could be presented.
45. In his conclusion, the Worker Vice-Chairperson pointed to the fact that, despite some differences in the positions of the three benches, a constructive spirit of dialogue had prevailed throughout the meeting. He recalled that, in its interventions, the Workers' group had sought to show contradictions which had led to greater inequalities, reduced opportunities, and global friction and intolerance. He reaffirmed the need to establish a better world which required the contribution of all groups while acknowledging that adjustments in prevailing ways of thinking would be needed. He reiterated his call for greater consideration for the most vulnerable and for the provision of adequate policy and fiscal space. He noted the requests from governments to the Office for advice and guidance in implementing the Pact, and urged for an agreement on initiatives to implement the mandates assigned to the ILO by major international institutions with regard to the crisis.

46. The Director-General clarified that the Office would respond to the various requests of the G20 leaders including with support to the meeting of ministers of labour. He indicated that the Office had been asked to prepare technical inputs at the request of the host country. On the training strategy, the Office was currently preparing an inventory of good training and skills development practices in G20 and other selected countries with the involvement of the Turin Centre. Reviewing the discussion, he saw little divergence in views. Because of the unprecedented nature of the crisis, we were all in a learning process. He acknowledged that the bulk of the knowledge on crisis response resided with the constituents, and that the Office stood ready to collect this wealth of information and deepen it in order to become a knowledge bank on crisis response, with a solid understanding of regional and national realities. Considering that the key risk would be a jobless rebound, he reiterated that it was imperative to boost creativity and do away with the policies that created the crisis. In doing so the ILO should exert its right to have a say on the desired new global order; the right to ask for a strong, sustainable and balanced framework for global growth, a financial system at the service of the real economy. G20 leaders had expressed the challenge of creating a global framework for strong, sustainable and balanced growth. G20 ministers of finance were developing this framework for a transition from crisis response to recovery and growth. Alongside the IMF, the G20 had asked the ILO to contribute to this process. The Pact was a powerful instrument to support policy responses within the framework of the ILO Declaration on Social Justice for a Fair Globalization. In addition to the knowledge challenge, he alluded to the inevitable resource challenge constituents and the Organization were confronting and considered that constituents could be effective advocates in addressing this issue, particularly to G20 members. In conclusion, the Director-General re-emphasized that the ILO had to continue its work and ensure that it could respond not only to the job crisis but to thinking creatively about how to ensure long-standing structural issues were addressed to create a fair globalization.

Conclusion

47. The Chairperson concluded the meeting by thanking participants for their comments and contributions. She congratulated the Director-General for his visionary closing remarks and invited all participants to reflect on the message conveyed by him.

Geneva, 19 November 2009.