

ECOSOC Integration Segment: Closing Comments by the ILO Director General

I would like to once again thank the Economic and Social Council for focusing the Integration Session this year on the relationship between decent work and sustainable development.

I also wish to thank Ambassador Drobnjak for guiding our deliberations and all the speakers, who are far too numerous to mention by name, for their contributions.

We have had three full days of work. Our discussions have been both broad and deep. With nine panels, a number of keynote addresses, special reports side events and a general debate. The agenda has been packed.

This debate has generated a rich exchange of views from various government ministries, international organisations, academics and think tanks, which underscores the premise of this Integration Segment – that an integrated approach is needed to be successful in addressing decent work and sustainable development.

We had the pleasure of hearing from several national leaders.

The President of Tanzania reminded us that robust economic growth is not sufficient to deliver sustainable development or decent work. After a decade of growth in the 5 to 6 % range the impact on formal sector job creation was minimal. The President, and many that followed, was particularly concerned about youth unemployment, and the link to social and political instability.

The Prime Minister of The Bahamas articulated the concerns of all Small Island Developing States with his graphic description of how a 5 foot rise in sea levels will submerge 80% of his nation. The combination of climate change, the global economic crisis and enhanced global political tension are having a devastating impact.

The Prime Minister of Sweden outlined his plan for a new global pact involving business, trade unions, governments and key international institutions to promote growth, jobs and decent work. A global pact that would lead to joint solutions and joint responsibility for greater economic efficiency and social justice.

Some of the key points to emerge from the 9 panel discussions were:

- The need to boost global aggregate demand, including through wage increases that will boost consumption and increased public investment on infrastructure that can currently be financed at very low interest rates.
- Structural reforms are also required to encouraging competition in product markets and ensure labour markets balance efficiency and equity considerations.
- Rising income inequality is a major factor inhibiting economic growth, increasing social tensions and exacerbating political instability. Income inequality also has long term negative consequences for productivity and human capital development. Mitigating the widening gap between rich and poor will require a greater focus on living wages, collective bargaining and the social protection floor.
- The special circumstances of large urban populations, informal sector workers, indigenous people and cooperative members must be incorporated into our concept of decent work and the SDGs. The transition from informal to formal employment will boost taxes and provide increased resources for public policy. This should be addressed in the Addis Accord on Financing for Development.
- New academic studies and recent practical experiences has demonstrated that tackling climate change is compatible with maintaining strong economic growth and a positive net impact on employment. We do not need to choose between decent work and saving our planet. This is a clear message for the Climate Change talks in Paris.
- Implementation of International Labour Standards is critical for ensuring the dignity of workers. This can be done without any adverse impact on employment levels. In fact one of the most profitable multinational companies, Coke-a- Cola, incorporates these norms into its business model. Despite this trade unions in many parts of the world face massive barriers when they try to organise workers and unfortunately economic growth has not eliminated abuses of core international labour standards. In implementing the Post 2015 agenda, greater emphasis will be required

on implementing the norms and labour rights we have previously adopted.

- Africa requires a major focus on infrastructure and industrialisation. The region needs to diversify economic activities and expand the manufacturing sector which is relatively job intensive. Building a stronger industrial base will require significant investments in energy (including renewable energy), water, transport and other forms of physical infrastructure. African Governments are implementing plans to promote closer economic integration in the region. The region now requires greater international support in international trade arrangements, fiscal frameworks and closer policy coordination between the ILO, IMF and World Bank within Africa.
- Private sector groups delivering training for potential entrepreneurs in developing countries find that investing in female participants results in higher economic and social returns. For example, female headed SMEs tend to be more employment intensive than male headed enterprises. Similarly up to 90 % of the income made by female entrepreneurs is invested in their families compared to roughly 10 % for male entrepreneurs.
- Combining hard skills in particular trades and professions with soft skills, such as creative thinking and team work, is essential and should be a key feature of all programmes tackling youth unemployment. Additional resources and better quality investments in apprenticeships, entrepreneurship training, direct employment creation and other active labour market policies are urgently required to reduce youth unemployment and underemployment.

All the issues I have just mentioned, and many others raised in the last three days, are relevant for the three major UN negotiations taking place this year – on the SDGs, Financing for Development and Climate Change .

Your proposals and comments are equally relevant to the ongoing work of the ILO and will help shape our future work on the economic, social and environmental aspects of sustainable development.

Thank you.