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**Statement by
The Delegation of the Republic of Indonesia**

**at
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11 July 2011

Statement by the Delegation of Indonesia
on
"Recovering from the world financial crisis: a Global Jobs Pact"

at the general debate on agenda: Follow-up to the International Conference on
Financing for Development (item 6 (a))

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Mr. President,

At the outset, I would like to thank the Secretary-General and ILO for the report on the world financial crisis and the Global Job Pact. The report appropriately highlighted the fragilities in the current global recovery, which has yet to lead to the full recovery of the real economy and job markets.

Indonesia concurs with the main thrust of the report. Solid and adaptable labour market policies and strong labour institutions are needed to mitigate the adverse impact of the crisis to the real economy. We also note references made in the report to Indonesia's efforts to strengthen labour market policies and institutions by adapting relevant approaches of the global job pact at national level.

Mr. President,

Despite the recovery and growth seen in some macroeconomic indicators, the same recovery and growth is not being matched by the employment and jobs market. Today there are over 200 million people out of work around the world. This is tempered by increasing youth unemployment, both in developed and developing countries.

The situation is deepening the crises' impact on human and social development. What is at stake is not just the achievements made thus far on the MDGs, but also tremendous and cross-cutting pressures on society, ranging from social, health, environmental to security concerns.

Stimulating the employment and jobs market as well as addressing decent work must therefore be a priority. Indonesia's experience from the Asian financial crisis as well as the recent global crisis has shown that this requires a change on how we approach economic growth and development.

We should not pursue growth as an end itself, but rather as a means to achieve the ultimate goals of economic and social development. Economic growth should be coupled with adequate policies and strategies that generate employment opportunities and provision of social welfare. Allow me to highlight three policy approaches in this regard.

First, national and global development policies must be geared towards sustained, inclusive and equitable growth for poverty eradication and the achievement of the MDGs. It is therefore important to pursue a pro-growth, pro-job and pro-poor development policy. This will ensure that economic growth moves in concert with employment creation and social protection and development.

Second, we should imbue job creation policies and strategies with a vision of sustainable development. The pursuit towards green economy has opened new opportunities in many countries, including in Indonesia. Fostering entrepreneurship and self-employment in the green sector will enhance employment opportunity while contributing towards the achievement of sustainable development.

Third, partnership and cooperation at national and global level including with the private sector is key. This will allow better coordination among the stakeholders and related international forums. Most importantly it will also ensure pro-business policies, stimulating the private sector where jobs are ultimately created.

Mr. President,

Indonesia was among a few countries to have weathered the global financial crisis relatively well. In part this was due to the change in the growth and development policies and strategies adopted since the 1998 Asian financial crisis. Through a growth with equity strategy in which a pro-growth, pro-job, and pro-poor policy was promoted, a better balance was achieved in the growth, employment and social development. This strengthened Indonesia's economic and social fundamental in facing the 2008 financial crisis.

Also important to recognize was to the quick coordinated and synchronize implementation of a 7 point response, policies and actions between the central government, the local government, the private sector, and other related parties in the wake of the 2008 financial crisis. Three of these policies and actions were directly targeted to minimize the impact of the crisis to the labour and employment market, in line with the Global Job Pact framework.

In the context of the Global Jobs Pact, Indonesia has also launched its own Jobs Pact based on a tripartite model, involving governments, employers, and workers. The Indonesian jobs pact emphasizes the imperative of the new era of social justice in ensuring decent work for all.

It must be noted that the global job pact have provided important guidelines in Indonesia's crisis response and recovery policies in the labor sector which include: i) accelerating employment creation, jobs recovery and sustaining enterprises, ii) building social protection system and protecting people, iii) strengthening respect for international labor standard and iv) promoting tripartite social dialogue involving the government, corporations and labors through their union.

Also an important element in Indonesia's job pact framework is to enhance opportunities for workers to participate in democratic governance. We have a continued dialogue between the government, employers, and workers to ensure a win-win condition for all parties. We believe that the achievement of a balance between the need to protect welfare of the workers, the imperative to promote their rights in democracy, and the responsibility and obligation of the workers to maintain performance and productivity will bring us closer to the goal of full employment and decent work for all.

In closing, Mr. President, let me reiterate the importance of addressing unemployment in an effective and comprehensive manner. The global job pact provides a tool to achieving this in the interest of humankind and its future.

Thank you