

## **PANEL ON EMPLOYMENT FOR GROWTH**

**European Commission, Department of Economic and Social  
Affairs and International Labour Organization**

**30<sup>th</sup> June 2005  
12:00-1:00 p.m.**

### **ECOSOC CHAMBER**

#### **Background and Issues**

The issue of employment was a central pillar of the Copenhagen Declaration adopted by the World Summit for Social Development in 1995, which declared that:

“Productive work and employment are central elements of development as well as decisive elements of human identity. Sustained economic growth and sustainable development as well as the expansion of productive employment should go hand in hand.”

This commitment was reaffirmed at the 24<sup>th</sup> Special Session of the General Assembly, held in Geneva in June 2000, which reviewed the implementation of the commitments adopted in Copenhagen. The Commission for Social Development in its Declaration on the tenth anniversary of the World Summit for Social Development reaffirmed that:

“...an employment strategy which aims to promote full, freely chosen and productive employment with full respect for fundamental principles and rights at work under conditions of equity, equality, security and dignity should constitute a fundamental component of any development strategy...that macroeconomic policies should, inter alia, support employment creation.”

This view of the pivotal role of employment was underscored by the International Labour Organization, in its 2004 report of the World Commission on the Social Dimension of Globalization.

The hope that a comprehensive vision of the contribution of employment to economic and social development would guide policymakers has not been realized. On the contrary, in the years since the Social Summit, a narrower role for employment has gained in popularity. The centrality of employment to economic and social development was not articulated in the Millennium Declaration, and the General Assembly merely resolved, “...to develop and implement strategies that give young people everywhere a real chance to find decent and productive work.”

There is an urgent need for economic and social policy to address not only the challenges for employment among young people but also those that face all sectors of society. The reality is that unemployment levels have been rising, rather than falling, over the decade since the Social Summit. In 2003, some 186 million people were unemployed around the world, nearly 50 million more than a decade earlier. Today, roughly half a billion people are among the poorest of the working poor, earning less than \$1 a day.

Some of the key factors that have shaped and will continue to shape trends in employment include globalization, competitive pressures, and national policy decisions. In particular, it is important for countries to make employment a central objective of macroeconomic and social policies, rather than as a hoped-for outcome of policies that may or may not directly address the employment challenge. It means focusing attention on the effects of economic growth on employment and productivity growth, and implementing active labour market policies that address the displacement of employment between sectors and within sectors because of structural and frictional changes. It also means making sufficient investment in education and training to ensure a skilled, adaptable workforce that is able to compete in an increasingly knowledge-based economy.

In his report for ECOSOC's High-Level segment, the Secretary-General called for redirecting global, regional and national policies to generate employment for unskilled and semi-skilled labour. He noted that enhancing the human capital of the poor, skills and healthcare, improvements in physical infrastructure, easy access to credit, and the creation of social safety nets produce results. He stressed that poverty reduction strategies should recognize the critical role of employment and the need to invest in human capital and called for taking steps to implement the ILO decent work agenda. Furthermore, in his report "In Larger Freedom", for the 2005 World Summit, the Secretary-General highlighted the importance of small and medium size firms in providing decent jobs that both provide income to and empower the poor, and emphasized that national strategies to meet the MDGs need to take into account the importance of promoting jobs in the context of urban development.

Finally, it is important to note that the draft outcome document for the 2005 World Summit contains a strong plea for making the goal of productive employment and decent work a central objective of national and international macro-economic policies as well as poverty reduction strategies.

The Panel may wish to address the following questions:

- What steps and measures should be taken to ensure that employment-intensive growth is a central objective of macroeconomic and social policies, particularly in developing countries? In particular, what can the international community do to promote and support such employment-intensive growth in developing countries?
- What steps should be taken to rectify the imbalance between the pace of globalization and the prevailing regulatory framework at the national and international levels? What specific steps can be taken to allow flexibility in national macroeconomic policies to counter the negative impacts of globalization on employment and growth?
- What can be done to maximize the growth and employment-creating effect of globalization? Given the centrality of employment to poverty eradication, what needs to be done to ensure that employment growth in developing countries is pro-poor?