

**President's Summary<sup>1</sup>: Informal Preparatory Meeting for the 2006 ECOSOC High-Level Segment on “Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development”, 4-5 April 2006.**

## **Overview**

The preparatory meeting was chaired by H.E. Mr. Ali Hachani, Permanent Representative of Tunisia to the United Nations and President of the Economic and Social Council (ECOSOC), and heard opening remarks from Mr. José Antonio Ocampo, Under-Secretary-General for Economic and Social Affairs. The event also heard keynote addresses by Ms. Jacqueline Coke-Lloyd, Executive Director, Jamaica’s Employer’s Federation, on the role of enterprise development in promoting decent work; Dr. Arjun Sengupta, a leading Indian economist and Independent Expert of the United Nations Human Rights Commission, on social protection for the working poor; and Ms. Sharon Burrow, President of the International Confederation of Free Trade Unions and of the Australian Council of Trade Unions, on human rights in the work place. The statements are at: [www.un.org/docs/ecosoc/meetings/2006/hls2006/Preparatory/Statements.htm](http://www.un.org/docs/ecosoc/meetings/2006/hls2006/Preparatory/Statements.htm).

As on previous occasions, the informal preparatory event precedes the High-level Segment of the substantive session of ECOSOC for 2006 on the theme: "*Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development.*"

The choice of this theme was timely as there is now consensus that productive employment and decent work must be placed at the centre of economic and social policies designed to achieve the central Millennium Development Goal of halving poverty by 2015. This view was endorsed by the Heads of State and Government at the 2005 World Summit<sup>2</sup>.

The current global situation regarding productive employment and decent work remains dire. Globalization has so far not led to the creation of sufficient and sustainable decent employment opportunities around the world. According to ILO, half of the world’s workers still do not earn enough to lift themselves and their families above the US\$2 a day poverty line, and global economic growth is increasingly failing to translate into new and better jobs that can help reduce poverty. There are over 88 million unemployed youth around the world, together comprising nearly half of the world’s total unemployment. This situation is economically and socially untenable. For this reason, urgent action has to be taken to find ways of implementing the commitment of the Heads of State and Government on employment, and to put full and productive employment and decent work at the center of global policy debate.

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<sup>1</sup> This summary is a non-negotiated text prepared under the authority of the President of the Economic and Social Council (ECOSOC) and represents the views of the participants in their individual capacity.

<sup>2</sup> A/60/RES/60/1

Throughout the preparatory meeting, the importance of productivity and economic growth as a primary condition for the creation of full and productive employment was underscored. This in turn called for attention to a number of parameters and policy concerns, including:

- Capital-investment, including human capital;
- Productivity growth, involving upgrading the knowledge and technological base; and
- The need for a conducive national environment supportive of entrepreneurship and foreign investment by ensuring sound macroeconomic conditions, good governance and institutions, and adequate infrastructure that support development, and a clearer understanding of these concepts in different country situations and allowing national space in the determination of suitable national standards within acceptable limits.

It was noted that for many developing countries the informal economy was a major employer, especially of women. This inevitability brought with it certain in-built disadvantages that need to be factored into employment and decent work strategies, as for instance the characteristically low wages paid to, and the unpaid labour provided by, women. Attention to rural and urban development through such instruments as improved access to credit and title were emphasized as key to improved rural and urban productivity, especially in agriculture and in the informal economy.

The peculiarity of countries facing crisis or in conflict, was singled out as examples of situations where business-as-usual strategies might prove either impractical or unsuitable. The development institutions were especially requested to take this into account when proffering advice on macroeconomic policies, and other institutional and regulatory standards.

The detailed discussions in the individual Roundtables are summarized below. The programme of the event, detailing participants and organizers, is in the annex.

### **Roundtable 1: Growth and employment: creating a national environment conducive to full employment and decent work**

#### **Issues and discussion points**

Full and productive employment and decent work have been identified as national and global goals without which the internationally agreed development goals, including the Millennium Development Goals (MDGs), cannot be achieved. It is now imperative to initiate a dynamic process for achieving these goals. The implementation of this vision, it was stressed, was primarily a national challenge.

Roundtable 1, while recognizing that policies have to be tailored to the specific needs of each country, other than a ‘one-size-fits-all’ approach, identified some of the key policy areas and concrete steps needed to make full employment and decent work central to economic and social policies.

Economic growth was considered a necessary condition for favourable employment outcomes, but it was recognized that this was not an automatic outcome. The evidence suggested that the employment content of growth had declined in most countries and regions- that is the employment elasticity of growth was in some cases declining. This was partly the result of technological change which is labour saving. This made it all the more imperative to identify and remove perverse incentives that biased investment towards capital intensive techniques. A sectoral approach, not in the old sense of ‘industrial targeting’, but through creating conditions for investment in employment intensive sectors, could also help in this regard. The need to define a broader ‘growth agenda’ which ensured the creation of employment and decent work was thus underscored.

Macroeconomic policies have an important impact on employment. Aggregate demand played a critical role in determining the level of output and hence employment in the economy. While economic stability is important for creating a favourable investment climate, there was need to carefully define stabilization policies keeping in mind trade-offs between inflation and stability, and growth and job creation. Sufficient fiscal space was necessary to give countries the flexibility to tailor public expenditures according to their needs, especially for education and health, if national and international goals are to be achieved. Reforms of the social security system were also critically linked to macroeconomic stabilization policies and impacted policies to create a conducive environment for decent work. In this regard, the recent moves in the IMF to acknowledge the role of flexible inflation targeting specific to particular country situations was welcomed.

There was consensus that investment in human capital is a critical element for growth and employment creation, and for equity considerations. New approaches to public policy were needed, for example in health, which go beyond the sector and address all social and environmental determinants of health. Improving health conditions must be seen as more than a sectoral policy of access but determined by more general social conditions including general work conditions. Investment in skills development was essential for productivity growth and to ensure competitiveness to take advantage of emerging markets. At the same time policies, including monitoring of demand for skills, was important to reduce skills mismatch and ensure better balance between the demand and supply of skills.

The private sector was recognized as the major engine of job creation in a market driven economy. There was need to create a conducive environment to support enterprise and entrepreneurship development. Policy measures, especially to encourage the growth of small and medium enterprises, were needed at different levels – at the national, sectoral, regional levels and at the work place. Ensuring the provision of credit, skills and

infrastructure for SMEs was essential to increase productivity and incomes, and to improve working conditions, including in the informal economy.

There was a lively debate on the definition and the necessary conditions for a well functioning labour market. Consensus emerged that labour markets need to be built on strong labour market institutions and a regulatory framework that lowers the barriers of adjustment for firms and the economy while ensuring income and employment security for workers. The importance of tripartite dialogue to promote labour market reforms was recognized. Enforcements of fundamental workers' rights needed to be strengthened. There was debate on whether evidence supported the notion that labour market flexibility leads to increased employment, and on how the labour market regulatory framework affected the business climate.

The need to develop an integrated policy framework for full employment and decent work was emphasized. It was recognized that this meant having to act on many fronts simultaneously and well. Developing simplified models with a few variables was not enough – a ‘highly’ complex collective effort bringing in all stakeholders was needed. The right policy mix, priorities and the sequencing of policies had to be determined at the national level based on social dialogue. High quality institutions and good governance was needed to ensure favourable outcomes. At the same time policies that had consistently shown poor results or had negative outcomes on employment, poverty reduction and decent work needed to be discarded or fundamentally altered and new approaches developed.

All key ministries and agencies have to be involved to make full employment and decent work central in economic and social policy-making. Finance, Planning and Development Ministries have to explicitly recognize these goals in their policy frameworks. The Ministries of Labour had a critical role to play, but for effective implementation of the decent work agenda, one needed to go beyond and involve the other key ministries.

### **Key conclusions and recommendations:**

The following concrete outputs, steps and measures were recommended to assist national policy makers in mainstreaming employment and decent work in national policy-making:

- The development by the ILO of a policy framework and a checklist of key policy areas and sub-areas, and policy tools to operationalize the Global Employment Agenda.
- The use of the multisectoral approach and framework developed by the World Bank ('MILES'), that include the identification and removal of binding constraints on employment growth, was seen as a way forward.
- The 'Growth Agenda' proposed by the IMF should explicitly embed employment goals.

- The PRSP process and implementation strategy should increasingly mainstream the full employment and decent work agenda.
- The benchmarking of national experiences and learning from experiences on the implementation and identification of what works and what does not work at the national level and peer-partnership was seen as good approaches to promoting the Decent Work Country Programmes.
- The need to develop tools for conducting more rigorous impact assessments of economic and social policies on employment and decent work including the setting up of a peer review process.
- Agreement to encourage and support innovative approaches to public policy which go across sector boundaries and address the multi-dimensional nature of the development challenge.

## **Round Table 2: An Integrated Global Agenda to Achieve Full and Productive Employment and Decent Work**

### **Issues and discussion points**

Discussion in this Roundtable built on several of the themes raised in Roundtable 1. Participants asked for greater clarity and precision in policy recommendations. For example, what is required when policy makers and international institutions call for sound macroeconomic policies and increased labour market flexibility. It was therefore important that all international organizations involved with economic issues, and not just the Bretton Woods institutions, refine their view on what constitutes an appropriate macro-economic framework including the labour market. This would help governments arrive at appropriate macro-economic policies suited to their circumstances.

The importance of both the national and international dimensions of stabilization and wage policies was stressed because domestic reforms in these fields can have negative ramifications for other countries and the global economy. Reforms designed to enhance international competitiveness in one country could lead to repercussions in other countries. For example, reforms designed to boost the international competitiveness of a country through wage flexibility or wage restraint can undermine the international competitiveness of trading partners and, at the same time, lead to lower domestic demand. If this forced competitor countries to also restrain wage demands, a reduction in global aggregate demand or deflation could be the outcome, and this could force a slowdown in global growth, with negative consequences for employment growth and decent work.

One participant argued that in the debate on labour market flexibility macro and micro aspects should be separated carefully. For example, labour mobility had enabled China to enhance its international competitiveness. Although wages were increasing in China over the last decade, such increments were closely linked to the national productivity trends. Consequently, unit labour costs have been contained and this has preserved China's international competitiveness. On the other hand, wage levels are still significantly lower than in the richer countries. This has induced many companies to

export their high productivity to China, which has additionally increased China's competitiveness without violating the international division of labour. One therefore observes the "law of one price" on the labour market in China and a rather low micro flexibility in the traditional sense despite a good labour market and growth performance. Centralized or coordinated wage outcomes were thus an important factor encouraging FDI to China. Centralized wage bargaining helps promote structural change and enhances long term growth by creating incentive structures that increase profitability of investment in the most dynamic and successful sectors of the economy. The same forces facilitate "creative destruction" in the less successful sectors.

Further and priority progress in reducing and canceling international debt was urged. The level of resources required to service international debt remained excessive in many developing countries with negative consequences for economic and employment growth. Excessive international debt remained an obstacle to achieving the MDGs. In addition recent promises to expand official development assistance to developing countries had to be implemented rapidly. Increased external finance would have a positive impact on employment and decent work if channeled into investments in education, skills development and physical infrastructure.

Increased engagement in international trade, if properly harnessed, could positively contribute to global economic and employment growth by raising productivity, increasing exposure to new technologies, disseminating knowledge and creating employment opportunities, thereby assisting in poverty reduction and human development. Unfortunately current patterns of trade liberalization and globalization had exacerbated inequalities both within and among countries. It was, therefore, imperative that the Doha Round should lead to an expansion of trade and economic growth, which particularly benefits developing countries and their more vulnerable population groups.

The 2005 World Summit emphasized that the development dimensions of the Doha trade round had to be honored. However, hardly any progress was recorded at the recent Hong Kong WTO Ministerial Conference on the major negotiating issues. If the Doha Round is to keep its development promise, significant progress from a developmental perspective must be rapidly achieved in at least five areas which were of vital interest to developing countries, such as agricultural subsidies, including cotton subsidies, industrial tariffs, services-especially the short-term movement of people, special and differential treatment, and aid for trade.

It was imperative that policy makers consider the impact of policy proposals and reforms through a gender lens. Stabilization policies that inhibit economic growth and increased labour market flexibility did not necessarily have gender-neutral impacts on employment, incomes and living standards of the population. Labour markets do not operate along the lines postulated under perfectly competitive market models. Otherwise, equal pay for equal work would prevail, with no form of discrimination at the workplace. Unfortunately this was not the case in the real world. In fact, female workers were more likely to suffer from unemployment, underemployment, unpaid work, disrespect for worker rights and the absence of social security. Such biases in the labour market repeated and reproduced group poverty from generation to generation. Consequently

international labour standards – including those concerning discrimination and equal pay – have an important role to play in making labour markets both more efficient and equitable. The ILO experiment with a “global social trust” that attempts to promote solidarity between developed and developing countries was highly desirable and should be expanded. Cultural factors also mattered.

Far-reaching reforms are required in the governance structures of the international financial institutions to improve the representation of developing countries. Best practice at national level in respect of private sector bankruptcy procedures should be adapted and implemented in respect of unsustainable international debt. Tax evasion and avoidance continued to expand and was undermining national tax systems. Measures to eliminate tax havens and make national tax systems progressive and efficient were required if governments were to have the resource base to finance infrastructure, education, training and other public policies that support full employment and decent work. Further research was required on the range of international policies and institutions that affect the policy space available to sovereign governments to pursue full employment and decent work. This notwithstanding, there was need to focus on more immediate and practical reforms at the national level. For example, reduction of the regulatory burden in starting business in many developing countries would facilitate the expansion of small and medium sized enterprises, and expands employment opportunities.

It was recognized that considerable debate had already taken place in recent years and consensus on some important issues in the trade, investment and international finance fields had already emerged. Although the Doha trade negotiations were proving difficult important progress was being made on some issues like trade facilitation.

Government representatives sought greater clarity on the policies necessary to encourage FDI into labour intensive sectors in developing countries, and the effectiveness of ODA and the capacity of some countries to absorb additional aid. They suggested that more attention should be focused on the role that all international organizations, including ECOSOC, can play in assisting the ILO implement the 1998 Declaration of Fundamental Principles and Rights at Work. Others strongly supported steps being taken to enhance policy coherence between international organizations and offered specific support for the policy coherence initiative launched by the ILO, and indicated that the July ECOSOC meeting should reaffirm the need for policy coherence at the international level and sought greater role for ILO and ECOSOC in this respect.

### **Key conclusions and recommendations:**

- The down-side risks for the international economy of stabilization policies and wage restraint should be more carefully considered.
- The term “labour market flexibility” should be used more carefully; some forms of labour market inflexibility can facilitate desirable structural change and encourage foreign direct investment.
- Further progress in canceling international debt is urgently required.

- To be successful, the Doha trade round must deliver a development-oriented outcome in areas of particular concern to developing countries.
- International economic policies were not gender neutral and have exacerbated labour market problems faced by female workers.
- Far-reaching reforms are required to the governance structures of International Financial Institutions that improve the representation of developing countries.
- Priority national action, such as reducing regulatory burdens that increase the cost of starting business in many developing countries, could enhance economic and employment growth, and should be implemented without precondition.
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**Roundtable 3: Increasing employment opportunities and productivity of labour for low income groups in rural and urban areas**

**Issues and discussion points**

Roundtable 3 addressed policy issues that affect the productivity of the working poor, their employment opportunities and income in the rural and urban economies.

It was noted that 50% of the global labour force of over 2.8 billion earn less than two dollar a day. Amongst these the extremely poor workers - over 5 hundred million people - earn less than a dollar a day and represent almost three times that the total world population of the unemployed. Sixty percent of the latter are women.

More importantly, a feature of past and current development trends is that four out of every five new jobs created in the world are in the informal economy, and lack the basic conditions of decent work in terms of remuneration, social protection and rights at work.

It was pointed out that policies of governments, such as taxation system, land tenure systems or trade liberalization, did not always work to help the poor in the informal urban and rural economies. International trade agreements, for instance, infringe on development particularly in the agricultural sector where many low income workers are employed. Local industries, and small and medium scale urban and rural producers, were sometimes competing against large multinationals, with little chance of success. Much of Latin America had experienced a certain level of economic growth, but this was not reflected in job growth based on the decent work paradigm nor in the shrinking of the informal economy. In addition, there was lack of formal protection for agricultural workers, with those lucky enough to find jobs often forced to work for low wages in deplorable working conditions.

Amongst the low income groups, those whose livelihood depended on forestry resources had been bypassed by development and employment promotion. Governments were thus urged to promote forest tenure reform, whereby small farmers and local communities gain access to the land and are better able to create more jobs. It was suggested that subsidies must be redirected to activities that improve rural development; laws and regulations must promote participatory approaches to make forest management more sustainable; micro-enterprise development projects must be promoted; and that all levels from grassroots to government must be involved in this effort. The importance of reflecting all these points in Poverty Reduction Strategies as a way of mainstreaming concrete measures to help these groups was emphasized.

In order to promote equitable economic development, a profound reform of the tax system was urged. Governments should also redistribute resources so that communities that are excluded from development can access public services and create jobs for themselves. Serious agrarian reform and secure land tenure would help the working poor.

The decent work agenda had not been fully integrated into the development strategies of countries in most need. Governments should invest in infrastructure development through road construction, housing, and education and health facilities, which boost productivity and market access, thereby facilitating income and job creation.

Policy makers should consider establishing programmes for and incorporating the promotion of small and medium sized enterprises, given their proven development potential, into their development frameworks. The ILO programmes on enterprise development and on skills training and community empowerment have shown successes in a variety of countries in garnering support for poor, and deserved replication.

Much more needed to be done in providing micro-finance to help the poor escape the poverty trap, through enabling legislation that promote access by borrowers and better funding.

Cooperatives, that works by enabling workers to help themselves by pooling resources, skills, funds etc, should be encouraged and supported. Trade unions, farmer and artisans organizations could be used for this purpose. Skills improvement and the promotion of core labour standards were seen as fundamental towards empowerment of the poor. There is a big challenge to ensure legal protection, voice and the enforcement of labour laws in the rural and urban economies.

It was emphasized that strategies to realize the MDGs must incorporate the Decent Work agenda and targets based on Decent Work, such as employment generation, rights, social protection, including in their monitoring progress, were important. Public social expenditure and social services, employment intensive growth and ratification and implementation of core labour standards were central to the realization of MDG goals.

It was noted that recent trends showed an increase in urbanization and informalization of the labour market. Accompanying these trends have been an increase in slums or squatter settlements in urban populations. As such, there is an important linkage between urban population, informal economy and slum dwellings. A variety of occupational groups make up the urban informal workforce, both visible (workers on the street) and non-visible (home-based workers).

The urban informal workforce faced a lack of legal and social protection, uncertain tenure and poor infrastructure and services. They have few or no legal rights to their assets, other than their own labour. There was also fierce competition for urban public space and limited access to technical or business skills training, while they were expected to operate in highly competitive markets with limited access and bargaining power. Therefore, there is a need for legal recognition and appropriate policies to help those operating in the urban informal economy to improve their quality of life.

The need for regulation of public space; specific zoning rules that affect home-based workers for example, a framework for legalizing private property, provision for basic infrastructure to improve living standards and productivity, regulations to enforce commercial transactions so that buyers and sellers operate with legally binding contracts and inclusive urban planning where employment relations are taken into account.

It was pointed out that most people who work in the informal sector do not want to be informal. They want to improve their life so that they can work and live in dignity. A multi-layered commitment is required for realizing their decent work aspiration. A review of the education system to focus on training and re-training, support services, funding, networking and information sharing, is necessary. It was suggested that red tape should be removed, tax amnesties and formalization incentives granted, farm and non-farm activities should be promoted, cooperatives must be revisited, innovation rewards granted, and entrepreneurship and access to markets must be supported.

It was noted that the expanded definition endorsed by International Labour Conference (ILC) in 2002, including both informal enterprises and those employed informally by the formal sector, was important, as the majority of small producers in rural and urban areas may lack legal recognition, but deserve to benefit from legal and social protection. Policies that upgrade the informal sector to the formal sector should be encouraged and should provide a legal framework that promotes Decent Work to improve the conditions of work for all.

The importance of concentrating on urban as well as rural development, while recognizing that the dramatic increases in urbanization pointed to the need to better manage this influx, through for example developing small cluster cities or small towns.

## **Key conclusions and recommendations:**

- The decent work agenda should become a central concern of national development priorities, especially in the poverty reduction strategies (PRSs and PRSPs), including national strategies to achieve MDGs;
- Improving the employment intensity of growth, investing in sectors where the majority of the small producers are concentrated; rural farming and off-farm activities; the informal rural and urban economy, and small and micro enterprises to move from low to high productivity growth are especially important;
- Creating the enabling environment for formalizing and upgrading the informal rural and urban economy call for a mix of coherent and context specific policy measures that address governance issues; the questions of legal recognition; access to land and property; removing discrimination based on gender, ethnicity or other criteria; an adequate regulatory framework on taxation, business registration and services; enforcement of rights and application of labour law as well as availability and access to public services and infrastructure, technology and the promotion and encouragement of entrepreneurship. It also requires extending services and integrating in enterprise clusters, and improving the position of small producers in the value chain productions;
- Major push is needed to invest in local development, reinvigorate decentralization reforms with adequate attention to allocation of resources, democratic decision making power, community empowerment and capacity development;
- Create the conditions for local producers' fair and improved access to local and global markets; and invest in human and social capital to exploit the opportunities; and
- Invest in the diversification of the rural economy that promote a virtuous cycle of employment and incomes for on-farm and off-farm and forestry related activities.

## **Roundtable 4: Working out of Crisis**

### **Issues and discussion points**

Roundtable 4 looked at crisis related aspects of the employment and decent work agenda. It explored the implications of crisis situations on poverty, assessed how job creation could play a critical role to bridge the phases of humanitarian support and longer term rehabilitation and sustainable development.

Employment generation is even more important in poverty reduction in a post-crisis situation as it can provide important peace dividends, reduce conflict and catalyze the monetization of the economy. Employment can, however, in this situation be slow to bounce back because of people's displacement, destroyed assets, high risk to investment and destroyed social capital.

There was general agreement that employment is a key factor for countries and communities in recovery from crisis situations, be it conflict or natural disaster.

Prevention, disaster risk reduction and early warning systems were essential elements, and required more prominent planning and funding. In doing so, special attention must be given to the most vulnerable populations, particularly the women and youth. Livelihood and job creation must be placed at the centre of post-crisis recovery strategies, including in Disarmament Demobilization and Recovery (DDR) programmes. This consideration should start early on, and should be demonstrated by a coordinated, coherent and integrated approach, with predictable financing, and bringing together all relevant actors; in particular local communities, the private sector and national state structures. The United Nations, especially at the country-level, should overcome the long prevailing compartmentalized approaches between political, humanitarian and development concerns, and instead emphasize- both in planning and implementation - the continuum between relief, recovery and reconstruction. Employment should be addressed in ECOSOC's High-level Segment (HLS) as well as in the Humanitarian Segment.

It was suggested that consideration could also be given to expanding the mandate of the Peacebuilding Commission to address relevant elements of the post-crisis response, including disasters as they are closely linked.

### **Key issues and recommendations:**

- Political security and stability, and sound political governance, are key to achieving economic prosperity and social harmony, and to creating an enabling environment for employment and decent work; this implies that one should not inflate expectations about the impact of policies aimed at creating employment and livelihood recovery. Response strategies should address both the supply and the demand of labour markets and gear interventions to rebuild and rekindle a moribund economy.
- Member states should be prepared to support proposals that would enhance the capacity of the United Nations to promote an enabling environment for economic recovery, including in political and security capabilities.
- The best use should be made of existing institutions and mechanisms to promote job creation, including the Peace Building Commission (PBC).
- The respective roles of the Humanitarian and the High-level Segments of ECOSOC, and their mutual interaction and coherence, need to be further explored, including also the role of the Interagency Standing Committee (IASC), specialized agencies and their respective contributions to ECOSOC.
- To address the employment problem in post-conflict situations, it is important to introduce special measures which; (i) do not require fully functioning markets or sophisticated infrastructure, (ii) place no heavy administrative burdens on the government, (iii) have simple decision making mechanisms. Due attention must be given to the informal economy.
- Post-conflict employment policies must be incorporated at an early stage of the peace mediation and negotiation process as a pre requisite for post conflict reconstruction. At the same time, immediate and short term interventions,

- including also the assurance of financial support, must be compatible with long term economic recovery concerns.
- Employment analysis must be incorporated into the Post Conflict Needs Assessments, Post Disaster Assessments, and post-conflict sensitive employment creation programmes must be incorporated in mobilization efforts.
  - Recovery strategies, including those that promote employment creation should be integrated in overall development partner country support plans such as United Nations Development Assistance Framework (UNDAF) and Poverty Reduction Strategies.
  - Member states should translate their support for disaster risk reduction and early warning systems, which will require substantial resources. This may imply some reorientation of development priorities to incorporate disaster reduction.
  - Human practices and development patterns can be altered to prevent natural hazards from becoming full blown disasters and conflicts.
  - Prevent youth unemployment and armed violence feeding into each other reciprocally. Job creation - investing in public and physical infrastructures and building on the role of the private sector - combined with sound governance, sustained investment and economic efficiency, and a balanced approach from the international community, are key priorities in this regard.
  - Donor support should promote local solutions: while there is value in bringing in international technical capacity, especially to bring about quick results in the short term, efforts should focus on building local capacities at the earliest possible time, and doing so on different levels- promoting governance, recognizing the vitality of the private sector and NGO's in post conflict situations. Initiatives such as Global Compact can make important contributions.
  - Governments affected by natural disaster or recovering from conflict should promote inclusive and accountable economic development efforts, and the United Nations has a significant role in encouraging such policies, under national leadership.
  - Participation of people, and involvement of civil society and the private sector, including workers and employers representatives, in the identification of needs and programmes, will ensure that recovery leads to sustainable development.
  - Considering the critical concern of national and local authorities of post-conflict countries to absorb/integrate displaced people, development and poverty reduction programmes should give due attention to areas and communities hosting displaced persons.
  - The creation of a more just and equitable societies, taking into account the needs of women and the youth should be a key priority.

**Roundtable 5: Promoting full and productive employment and decent work for women and youth**

**Issues and discussion points**

The Roundtable focused on ways to improve opportunities for women and youth in the labour market. Panellists were asked to comment in response to the following three questions:

- i. What national policies and initiatives are more effective in eliminating all forms of gender discrimination and promoting gender equality in the workplace? How can commitment to this be strengthened at the national and international levels?
- ii. What national policies and initiatives are more effective in enhancing productive employment for young people while ensuring protection and rights at work? What action is required to strengthen ongoing efforts in this area both nationally and internationally?
- iii. How can partnerships among Governments, NGOs, private sector, employers' and workers' organizations be enhanced to promote quality jobs and workers rights for both women and men of all ages, particularly young people? What should the role of the different stakeholders be?

There was general agreement that access of women and young people to productive employment and decent work is a serious challenge for current economies and societies worldwide. On average more women than men are unemployed, and young people are more than three times as likely as adults to be out of work. Women accounted for 60 per cent of the 520 million working people living in extreme poverty in 2005.

In industrialized and developing countries alike, there is an enduring trend of gender segregation in both formal and informal labour markets due, *inter alia*, to socio-cultural attitudes and gender inequality in education, training and recruitment. Informal employment is generally a larger source of employment for women than for men in the developing world. Within the informal economy, there is a hierarchy of average earnings: (i) informal employers; (ii) "regular" informal wage workers; (iii) own account workers; (iv) "casual" informal wage workers; (v) industrial outworkers; and (vi) unpaid contributing family workers, with women disproportionately represented in the segments with lower average earnings. Women's average earnings also tend to fall below those of men in identical employment status in the formal economy. Women are also more likely than men to be home workers; and they are less likely than men to be employed in the private sector and to be informal employers. Women are also the first to lose jobs in times of recession.

Globally, young people are more likely than adults to be trapped in a cycle of temporary, involuntary, part-time and casual employment that offers little or no labour protection and limited prospects for advancement. One in five of all working youth in 2004 lived in households with an income of less than US\$ 1 a day and were engaged in unproductive work, not earning enough to lift themselves out of poverty. There is no strong evidence to support the argument that lower minimum wages are an effective means of increasing employment especially for young people. Also, the assumption that minimum wages are irrelevant for informal economy workers needs to be challenged. They constitute a minimum floor and a reference point (for bargaining purposes) to

achieve in the long-term, even though they may not be enforced for the majority of informal economy workers.

Education is an effective means of improving the employment prospects of young persons and women and for reducing poverty. It is essential to provide more opportunities to acquire basic skills. Measures are needed to link education and training with the world of work, and to anticipate skills that will be required in the labour market.

### **Key conclusions and recommendations:**

- Women and young people make valuable contributions to economic development, including through productive wage and non-wage employment, entrepreneurship, and reproductive work in households and communities.
- The centrality of decent work for poverty reduction and sustainable development calls for a life-cycle approach to employment promotion. It is critical that women's and men's employment opportunities, risks and vulnerabilities are considered through a life-cycle approach since they may vary at different points in time their lifetime.
- Macroeconomic policies should be employment-centered and gender-sensitive, and all employment policies and programmes need to incorporate gender and youth perspectives.
- Efforts to increase the quantity of jobs available to women and youth should go hand in hand with those to enhance their quality. Precarious jobs and involuntary part-time work are not the solution: the ultimate objective should be the promotion of full-time jobs that take into account work-life balance.
- Further progress in formalizing informal enterprises and jobs is urgently required. Policies and interventions to formalize informal enterprises should be geared to creating commercial incentives and simplifying registration procedures. The formalization of informal jobs should focus on enhancing worker benefits and providing more protections against risks and vulnerabilities. International labour standards – including those concerning non-standard forms of employment such as the Home Work Convention (N° 177), 1996 – have an important role to play in promoting opportunities for decent work for women and youth.
- Measures focused on increasing assets, market access and competitiveness, improving terms for doing business and terms of employment, securing legal rights to property and worker benefits and providing protection against risks and vulnerabilities, are important in redressing the plight of women and youth.
- Efforts have to be made to identify biases against women in the pension contribution systems, including the lower retirement age of women.
- Minimum wages can help in combating poverty and for achieving more equitable labour markets.

- Expanded access to quality primary, secondary and tertiary education and investment in vocational training and lifelong learning are essential throughout the working life. Measures are needed to link education and training with the world of work, and to anticipate skills that will be required in the labour market. Targeted interventions to improve access to education and training for women and youth may be necessary.
- More attention should be given to increase the visibility of women and youth in national labour force statistics and national poverty assessments. More systematic use is needed of the expanded definition of informal economy (i.e informal enterprises and informal employment), as defined by the International Labour Conference in 2002 and the International Conference of Labour Statisticians in 2003.
- Strengthening voice and participation of women and youth – especially those in the informal economy – in policy-making and rules-setting institutions through organization and representation is essential for ensuring ownership and good governance, and is critical for developing practical and sustainable solutions. Social dialogue between governments, employers' and workers' organizations through well functioning national institutions is a central element in managing change affecting women and young people in the world of work.
- These issues, highlighting good practices and success stories, should be featured during the High-level Segment of ECOSOC in July 2006, and be broadly disseminated.

## **Roundtable 6: The Challenge of Globalization: Labour Migration**

### **Issues and discussion points**

It was suggested that globalization had failed to generate sufficient job opportunities in many developing countries and had also widened income disparities between rich and poor nations. Moreover, based on a study undertaken by UN-HABITAT and the University of Venice on “International Migrants and the City”, international migration had acquired a significant intra-developing country dimension. Migrants are heading more and more towards cities in search of job opportunities. Consequently, globalization was seen as both an important “push and pull factor” encouraging labour migration. Ageing populations in developed countries and high rates of population growth in developing countries were also factors encouraging labour migration. Discussions evolved around the three issues of labour migration and development linkages, the protection of migrant workers and international cooperation in this regard.

The asymmetrical nature of economic liberalization was pointed out. Globalization had promoted the cross-border movement of capital, goods, services and technology. Yet the movement of labour across national borders remained highly restricted.

In developed countries tightening labour markets, because of ageing, meant that increased labour migration could help sustain economic growth and social security systems. In developing countries; remittances, return migration and technology transfer, could promote economic growth and development. To maximize these benefits, mechanisms had to be found to reduce the transaction costs associated with remittances and promote the transferability of pensions and other social security benefits across borders.

On the other hand, the “brain drain” was a significant and immediate problem for development in many developing countries, particularly in the health care sector. On the balance, the brain drain appeared to trump the remittance gain. Therefore, it was suggested that an appropriate compensation mechanisms should be considered. It was generally agreed that the challenge facing policy makers was how to generate “win-win” solutions for both sending and receiving countries, and for migrant workers themselves.

In order to reap the full benefits for development, policies for return migration and for the reintegration of returnees in labour markets and societies of countries of origin were needed. These policies should include measures to make productive use of savings, acquired skills and networks of returning migrants.

The potential role of temporary labour migration schemes received considerable attention. On the positive side they increased legal migration channels and thus discouraged irregular migration while promoting the circular movement of workers. The potential expansion of temporary migration through the General Agreement on Trade in Services (GATS) Mode 4 was particularly interesting and could be highly advantageous for developing countries if it led to increased remittances and technology transfers. Developed countries should make commitments so that the agreement becomes operational. However, increased temporary labour migration gave rise to concerns about downward pressure on wages and working conditions in migrant receiving countries. At the same time, migrant workers risked mistreatment as less than equal workers - earning poor wages, subject to poor working conditions and physical abuse, and having little access to vital services such as health, social security and legal representation. Women and young migrant workers were particularly vulnerable to abuse. The roles of both receiving and sending countries in ensuring the success of temporary schemes were, therefore, emphasized.

Most migrants, increasingly made up of very different groups of skilled and unskilled workers, are attracted to urban centers where employment opportunities exist. International migration, therefore, raised the essential issue of urban inclusion, including adequate representation and participation in local decision-making processes (such as on the “right to the city”, the right of access to housing and to basic services and jobs). Successful migration strategies must therefore focus on the urban dimension and on promoting social inclusions within large cities. UN-HABITAT’s Global Campaign on Good Urban Governance, focuses attention on the needs and the involvement of the excluded urban poor, including the migrant workers. The campaign theme – “inclusiveness” – reflects both the campaign’s vision and strategy. The vision is to

realize the “Inclusive City,” a place where everyone, regardless of origin, wealth, gender, age, race or religion is enabled to participate productively and positively in the opportunities cities offer.

As a result of decentralization policies, local governments are increasingly responsible for addressing urban issues and issues related to international migration, but most local governments have little capacity to meet these responsibilities. Urban policies must respond to migrants’ diverse needs.

The integration of migrant workers in workplaces, and in the societies where they live, and respect for the principles of equality of treatment and non-discrimination were emphasized as instrumental in promoting their contributions and ensuring their rights.

Measures could be taken to protect the rights of migrants before, during and after migration. For example, IOM's pre-departure orientation services include information on migrant rights. Information campaigns conducted in home countries could be used to raise migrants' awareness of the availability of legal migration channels, and the dangers of irregular migration and trafficking.

Better dissemination of the vast body of existing international migration law would also contribute to improving both knowledge and understanding about the rights of migrants and better treatment of migrants. In this respect, IOM has recently launched its database of international, regional and national migration law (see <http://www.iml.iom.int/section.do>) and has started training sessions in this regard.

The importance of fighting criminal aspects of international migration, such as smuggling and trafficking, was underscored.

Monitoring activities of private agencies engaged in recruiting guest workers for temporary migration was of great significance for ensuring equal treatment. Where temporary migrant workers were used as a substitute for increased permanent migration, and where they were concentrated in specific sectors and occupations, social cohesion was sometimes at risk and tensions increased, thus undermining the prospects for multicultural integration.

These threats could be mitigated if the key principles contained in ILO international standards on labour migration and in the International Convention of the Rights of all Migrant Workers and Members of their Families were implemented. In particular, the extension of the principles of equal treatment and equal opportunity to all migrant workers, including temporary migrant workers and those moving under GATS Mode 4 type arrangements, would help prevent any downward pressure on terms and conditions of work and reduce resistance to temporary migration.

Considerable attention was devoted to the recently adopted ILO Multilateral Framework on Labour Migration. It was acknowledged that States have the sovereign right to determine the scale and process by which they manage migration. However, this

innovative non-binding framework, which is based on best practices, could provide governments and relevant international organizations with valuable guidance on ways to expand and manage legal labour migration in ways that maximize benefits for both sending and receiving countries as well as for migrant workers.

The appropriateness of categorizations as sending, transit and receiving countries was discussed. Most countries were at present sending, transit and receiving countries at the same time. It was, however, pointed out that current United Nations usage recognized all three categories.

The importance of progressive migration policies, visa regimes and border management was signaled.

In addition to the International Convention, the ILO standards and framework, and the International Agenda for Migration Management of the Bern Initiative, international cooperation can also take the form of bilateral and regional agreements on labour migration. These can regulate labour migration in ways that are beneficial for growth and development in receiving and sending countries, and ensure the protection of migrant workers. At the country level, coherent policies, formulated with the participation of different Ministries, business groups and trade unions were called for. Employment should be created in countries of origin in order to meet the supply of labour and to alleviate pressures on countries of destination.

International organizations can contribute to building capacities in sending countries for managing labour migration, generating information, promoting migration-development linkages and exchanging experiences and best practices between regional consultative processes.

The High-level Dialogue on International Migration and Development should be an opportunity to lay the foundations of increased international cooperation on issues of facilitating legal labour migration, strengthening its development linkages and reinforcing the protection of migrant workers.

### **Key conclusions and recommendations:**

- Creating employment in countries of origin is necessary so as to promote development in sending countries and reduce pressures on receiving countries.
- Developed countries should make commitments under GATS Mode 4.
- Temporary migration schemes should be encouraged; however, protection of temporary migrant workers and the principles of equality of treatment and non-discrimination should be observed.
- Successful migration strategies must focus on the urban dimension and on promoting social inclusions within cities.
- Governments should accelerate fiscal decentralization and the empowerment of local authorities through specific measures designed to enable municipal governments to promote employment generation at the urban level.

- States have the sovereign right to formulate and implement their migration policies, but should endeavour to make such policies progressive and pro-development..
- Labour migration policies should include measures for reducing the transaction costs of remittances and their productive use.
- Policies for return migration are needed: they should include measures for the productive use of savings, acquired skills and networks of returnees.
- Policies should include measures for the transferability of social security benefits of migrant workers.
- Consideration should be given to setting up compensating mechanisms for the brain drain suffered by developing countries of origin.
- The protection and integration of migrant workers are instrumental in promoting their contributions and ensuring the respect for their rights.
- Women and young migrant workers are especially vulnerable and in need of special protection.
- Fighting criminal aspects of international migration, such as smuggling and trafficking, is necessary.
- Pure migration policy, visa regimes and border management are important policy areas.
- The principles of ILO and other international instruments and frameworks should guide international cooperation in labour migration.
- In addition to international cooperation, bilateral and regional agreements can be effective in regulating labour migration and in promoting growth and development in receiving and sending countries.
- Capacity-building is necessary to assist countries formulate and implement labour migration policies; and international organizations are called upon to contribute to building this capacity.

## Annex



### United Nations Economic and Social Council

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#### **PROGRAMME**

#### **Informal Preparatory Meeting on the Theme of the 2006 High-Level Segment of ECOSOC**

**"Creating an environment at the national and international levels conducive  
to generating full and productive employment and decent work for all,  
and its impact on sustainable development"**

*4-5 April 2006  
United Nations Headquarters  
New York*

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#### Tuesday, 4 April 2006

MORNING	ECOSOC Chamber
10:00-10:30	<b>Opening Statement by H.E. Mr. Ali Hachani, President of the Economic and Social Council, Ambassador and Permanent Representative of Tunisia to the United Nations</b>
	<b>Statement by Mr. José Antonio Ocampo, Under-Secretary-General for Economic and Social Affairs</b>
10:30 – 1:00	<b>Roundtable 1: Growth and employment: Creating a national environment conducive to full and productive employment and decent work</b>  This roundtable will address national-level experiences and policy recommendations to achieve the right trade-offs between equality and growth, between productivity and employment and between the quality and quantity of work.

**Chair:** H.E. Mr. Hjálmar W. Hannesson, Vice-President of ECOSOC, Ambassador and Permanent Representative of Iceland to the United Nations

**Moderator:** Mr. José Manuel Salazar-Xirinachs, Executive Director, Employment Sector, ILO.

**Organizers:** ILO, DESA, World Bank, WHO

**Participants:** Mr. Helmut Schwarzer, Secretary of Social Affairs, Ministry of Social Affairs of Brazil; H.E. Dr. Hernán Sandoval, Ambassador of Chile to France, and Member of WHO Commission on the Social Determinants of Health. Mr. Milivoje Panic, Fellow of Selwyn College, University of Cambridge; Mr. Robert Holzmann, Sector Director, Social Protection, Human Development Network, World Bank; Mr. Peter Fallon, Deputy Division Chief, Policy Development and Review Department, IMF; Mr. Peter Bakvis, Director, Washington Office of the International Confederation of Free Trade Unions (ICFTU);

**Discussant:** Dr. Irfan ul Haque, Consultant to South Centre.

## AFTERNOON    ECOSOC Chamber

**3:00 – 3:45**    **Keynote address on the role of enterprise development in promoting decent work** by Ms. Jacqueline Coke-Lloyd, Executive Director, Jamaica Employers Federation

**3:45 – 5:45**    **Roundtable 2: An integrated global agenda to achieve full and productive employment and decent work**

This roundtable will address policy coherence issues, in particular with regard to trade, aid, investment, debt relief and technology that could lend support for the effective implementation of national policies to ensure full, productive employment and decent work.

**Chair:** H.E. Mr. Ali Hachani, President of the Economic and Social Council, Ambassador and Permanent Representative of Tunisia to the United Nations

**Moderator:** Mr. Sergio M. Miranda-da-Cruz, Director, Strategic Research and Economics Branch, UNIDO

**Organizers:** ILO, UNCTAD, UNIDO, UNDP

**Participants:** Ms. Nilufer Cagatay, Associate Professor of Economics, University of Utah; Mr. Heiner Flassbeck, Officer-in-Charge, Division on Globalization and Development Strategies, UNCTAD; Mr. Kamal Malhotra, Senior Adviser on Inclusive Globalization, Bureau for Development Policy, UNDP; Ms. Jo Marie Griesgraber, Executive Director, New Rules for Global Finance Coalition.

**Discussant:** Ms. Ronnie Goldberg, Executive Vice President, United States Council for International Business.

**Wednesday, 5 April 2006**

**MORNING**

**10:00 – 10:45      Keynote address on social protection for the working poor by Dr. Arjun Sengupta, Member of Parliament of India and Chairman of the Centre for Development and Human Rights, New Delhi (**ECOSOC Chamber**)**

**10:45 – 1:00      SIMULTANEOUS ROUNDTABLES**

**Roundtable 3: Increasing employment opportunities and productivity of labor for low income groups in rural and urban areas (**ECOSOC Chamber**)**

This roundtable will look at ways to maximize the employment potential of the informal economy in rural and urban areas by addressing how microenterprises in agriculture, trade and services could be upgraded to small and medium enterprises, and ways of increasing the productivity and income of small farmers and agricultural and agroforestry labourers.

**Chair:** H.E. Mr. Léo Mérorés, Vice-President of ECOSOC, Ambassador and Permanent Representative of Haiti to the United Nations.

**Moderator:** Ms. Azita Berar-Awad, Director, National Policy Group, Policy Integration Department, ILO.

**Organizers:** ILO, FAO, UN-HABITAT, DESA, UNESCO

**Participants:** Mr. David Kaimowitz, Director-General Center for International Forestry Research (CIFOR), Indonesia; Ms. Leiria Vay García, President, Association of Farmers Development Committees (CODECA), Guatemala; Ms. Gemma Adaba, Representative to the United Nations, International Confederation of Free Trade Unions (ICFTU); Professor Martha Chen, Lecturer in Public Policy, Harvard University;

**Roundtable 4: Working out of Crises (Trusteeship Council Chamber)**

This roundtable will address recommendations on how best to foster social and economic recovery using employment in countries emerging from conflict and those recovering from natural disasters.

**Chair:** H.E. Mr. Dalius Čekuolis, Vice-President of ECOSOC, Ambassador and Permanent Representative of the Republic of Lithuania to the United Nations

**Moderator:** H.E. Mr. Augustine Mahiga, Ambassador and Permanent Representative of the United Republic of Tanzania to the United Nations.

**Organizers:** UNDP, ILO, OSAA, World Bank, UNHCR

**Participants:** Mr. Ahmedou Ould-Abdallah, Special Representative of the Secretary General for West Africa, UNOWA; Mr. Eric Schwartz, Deputy Special Envoy for Tsunami; Mr. Miguel Bermeo, Resident Coordinator, Sri Lanka; Mr. John Ohiorhenuan, Deputy Assistant Administrator and Senior Deputy Director, Bureau for Crisis Prevention and Recovery, UNDP

**Discussant:** Mr. Christopher Lamb, Special Adviser, International Relations, International Federation of Red Cross and Red Crescent Societies (IFRC).

## AFTERNOON

**3:00 – 3:45**      **Keynote address on human rights in the workplace by Ms. Sharan Burrow, President of the International Confederation of Free Trade Unions and President of Australian Council of Trade Unions (ECOSOC Chamber)**

### SIMULTANEOUS ROUNDTABLES

**Roundtable 5: Promoting full and productive employment and decent work for women and young people (ECOSOC Chamber)**

This roundtable will address recommendations on ways to improve opportunities for women and young people in the labour market.

**Chair:** H.E. Mr. Johan C. Verbeke, Ambassador and Permanent Representative of Belgium to the United Nations

**Moderator:** Ms. Mari Simonen, Deputy-Executive Director, United Nations Population Fund (UNFPA).

**Organizers:** ILO, DESA, UNIFEM, UNICEF, UNFPA, World Bank

**Participants:** Professor Martha Chen, Lecturer in Public Policy, Harvard University; Dr. Kanchana N. Ruwanpura, Assistant Professor, Department of Economics, Hobart and William Smith Colleges; Mr. Antonius Budi Tjahjono, Rapporteur for the Youth, Consultative Group (YCG) of the Youth Employment Network; Mr. Robert Holzmann, Sector Director, Social Protection, Human Development Network, World Bank;

**Discussant:** Ms. Barbara Byers, Executive Vice-President, Canadian Labour Congress.

**Roundtable 6: The challenge of globalization - labour migration  
(Trusteeship Council Chamber)**

This roundtable will address the challenges of the migration of labour in the context of capacity constraints of many developing countries and make recommendations that could contribute to the High Level Dialogue on Migration in September 2006.

**Chair:** H.E. Mr. Prasad Kariyawasam, Vice-President of ECOSOC, Ambassador and Permanent Representative of Sri Lanka to the United Nations

**Moderator:** Mr. Ibrahim Awad, Director, ILO International Migration Programme.

**Organizers:** ILO, IOM, UNITAR, OHRLLS, UN-HABITAT, UNCTAD, UNFPA, UNODC

**Participants:** Mr. Dirk Bruinsma, Deputy Secretary General, UNCTAD; Dr. Atif Kubursi, Professor of Economics, McMaster University; Prof. Marcello Balbo, Professor of Urban Planning, University of Venice; Mrs. Sharan Burrow, Member of the Global Commission on Migration.

**Lead Discussant:** Ms. Irena Omelaniuk, Migration Adviser, Development Prospects Group, World Bank

**5:45 – 6:00**

**Closing remarks by H.E. Mr. Ali Hachani, President of the Economic and Social Council (ECOSOC Chamber)**