

**Commission for Social Development**  
**45<sup>th</sup> session, 7-16 February, 2007**

**Panel Discussion, Wednesday, 7 February 3–6 pm:**

**Macroeconomic policy for full employment and decent work**

Macroeconomic policy making over the last couple of decades has been overwhelmingly guided by the objective of attaining and maintaining macroeconomic stability. Contrary to expectations, such a stabilization programme, which was adopted by most developing countries at the urging of the Bretton Woods institutions did not yield higher private sector participation, and sustained levels of investment and growth. These stabilization programmes coincided with movement towards greater trade liberalization, market decontrols and privatization, and a roll-back of the role of the State.

Together with phenomenal growth in private trade in international capital, increased openness of trade, and growing significance of intra-firm trade, there has been global pressure on governments to conform in the conduct of economic policies which have severely restrained the autonomy of an individual country to pursue national macroeconomic policy. At the national level, there is the need for macroeconomic policies which have an appropriately designed and executed employment strategy at its core. But the creation of decent work goes beyond the use of macroeconomic policies to generate jobs. It speaks to the need to consider economic and social goals and policies together in an integrated approach; for instance, macroeconomic policy must take into account its social impact on work and employment.

The panel could address various policy choices to promote full employment and decent work for all, including macroeconomic policies to create an enabling environment for employment and decent work.

- Should employment creation become an explicit goal of central bank policy, as has been suggested by some?
- How realistic is this goal?
- What concrete policies need to be in place to achieve it? The social consequences of macroeconomic policies, in particular their impact on inequality, could also be discussed here.