

CHECK AGAINST DELIVERY

ILO Director-General Juan Somavia address to ECOSOC High-Level Segment Annual Ministerial Review

Monday 6 July

Under-Secretary-General Sha,

Panelists:

Pascal Lamy, Director-General, WTO

Supachai Panitchpakdi, Secretary-General, UNCTAD

Murilo Portugal, Deputy Managing Director, International Monetary Fund

Joy Phumaphi, Vice President, Human Development Network, World Bank

Excellencies,

Ministers,

Ladies and gentlemen,

Dear Friends,

Two weeks ago the tripartite International Labour Conference unanimously adopted a Global Jobs Pact negotiated by national

representatives of governments, business and trade unions of the member countries of the ILO.

The Global Jobs Pact is an urgent call to put employment and social protection at the heart of recovery policies.

It is a portfolio of practical, operational policy options. Tried and tested policies that have worked well in many of your countries.

Not a single recipe nor a one size fits all solution. Policies and measures countries can tailor to national situations.

In a nutshell, the Global Jobs Pact is the productive response of the real economy actors to the excesses and mismanagement of the financial economy that underlies this crisis.

Why the urgency? Because we have a global jobs crisis in our hands, with all the ramifications so well described in the recent General Assembly discussion.

Too many people are anxious, many angry, most insecure. With differences among countries but present everywhere.

Workers, families and communities need to be reassured that their concerns – the people's agenda – is both a national priority and the object of intense international coordination and cooperation.

But we all know that although many efforts are underway, we can certainly do better.

The Global Jobs Pact proposes actions that can be carried out immediately nationally and internationally.

The central objective is to shorten the usual lag time of several long years between growth recovery and employment recovery.

Unemployment will continue to grow into 2010.

Up to 50 million jobs this year.

Historical data and experience of past crises point to a 4 to 5 year lag time between growth and employment recovery.

So, if we do not act decisively now, we are looking at a potential jobs crisis of between 6 to 8 years. Can you imagine the impact on human health of these years of increased uncertainties (Congratulations to Margaret Chan ECOSOC Bureau and Secretariat) (Commission on Social Determinants of Health)

This is an extremely worrying prospect. With all its accompanying social, political and security implications.

We cannot let this happen. Let me mention some of the policy areas covered by the Pact:

Among them,

- Promoting tripartite consultations on recovery policies,
- Reinforcing active labour market policies,
- Safeguarding viable jobs,
- Supporting job-seekers through training and skills development,
- Expanding employment guarantee schemes,
- Special attention to young people and vulnerable groups,
- Support to sustainable enterprises, especially small and medium-sized;
- Protecting workers' rights, acting against discrimination at work, promoting international labour standards, particularly collective bargaining to address wage deflation,
- Job-intensive investment in infrastructure and public goods, among them health, education and social services,
- Investing in tomorrow's green economy,
- Investment in food security and rural development,
- Extending social protection and supporting pensions systems,
- Restructuring of enterprises through social dialogue.
- Dealing fairly with migrant workers,

On each one of these issues there is a variety of ILO and United Nations policy tools and practices, as well as multiple national examples of successful implementation.

Already many countries have taken important action in these fields to confront the crisis. But we need more nationally and better internationally.

What are the salient features of the Pact?

First. It is a collective policy commitment by ILO's tripartite constituency put at the service of governments and international policy coherence to make employment creation and social protection a central element of all economic and social policies, and of extraordinary stimulus and recovery packages; underpinned by the tool of social dialogue and the respect for rights at work.

This would give urgent effect, in a crisis context, to the existing commitment of the 2005 United Nations World Summit and the recent General Assembly statement on the crisis.

Second. It is a comprehensive approach:

[A portfolio of tried and tested policies, available to all parties wanting to adopt them. It is not a one size fits all solution – But a set of practical policy options to choose from, for national and international decision-making.]

Adopted in a comprehensive and coordinated fashion, these policies can reduce social tensions, protect people in the downturn, stimulate investment and aggregate demand and prepare the growth of tomorrow.

Third. The Pact is a productive vision to tackle the crisis through investment and enterprise promotion. (As we know, the financial system lost its way. We cannot go back to business as usual.)

For this, we need a financial system at the service of the real economy – A financial system that is well regulated, manages risks appropriately and is at the service of the real economy so it can create sustainable enterprises and decent work.

Fourth. It is an ILO contribution to stronger policy convergence and coherence, in the decisions taken by the governance bodies of the UN System and with the Bretton Woods institutions and regional organizations and banks. It will also help us respond to the important request of G20 countries, “calling on the ILO, working with other relevant organisations, to assess the actions taken and those required for the future” on employment and social protection issues. We have a similar mandate from the Chief Executives Board of the United Nations.

On resources. It is not just about how much more governments may need to spend, but how they concentrate policies on the issues that people care for, Each country will have to decide how many resources to put behind it in a fiscally responsible way. At the same time, Bretton Woods institutions, development cooperation and the United

Nations system must play a reinforcing role. It will be essential to maintain development cooperation commitments and provide additional concessional credit lines to enable Africa and least developed countries and countries without the fiscal space to cushion the crisis and apply these policies as called for in the recent GA statement.

Finally, the Pact is not an international legal obligation. It is an agreement on common policy approaches – eventually leading to national and international programmes and stronger multilateral coordination. It gives added support to the Toolkit to mainstream employment and Decent Work you approved two years ago.

Nine heads of State and Government, six Vice-Presidents and a large number of ministers of Labour and heads of employers and workers organizations came to the ILO Conference to say: the human, employment and social dimensions had to be central to our responses to this crisis and to recovery efforts.

They gave strong support to the Global Jobs Pact. World leaders came to the ILO Conference to tell us that business as usual is not an option.

Secretary-General Ban Ki-moon told our Conference:

“I will carry the Global Jobs Pact with me – just as the Pact carries with it the hearts and hopes of people around the world.”

These are very important messages.

The Global Jobs Pact identifies several key follow-up areas where an active system-wide response is needed. These could include:

- Moving forward in tandem with the nine joint initiative on the crisis, approved by the CEB under the leadership of the Secretary-General, the Global Jobs Pact being one of them
- further strengthening country coordination on job creation through UNDAF
- Developing cross-system collaboration on key policy issues, eg. Social protection floor, green jobs, employment-intensive infrastructure investment, food security and others.
- Facilitating intergovernmental policy coordination through the General Assembly, ECOSOC, G8 and G20 and regional bodies such as EU, AU, ASEAN, OAS, Arab League, Islamic Conference

My last point is about the future. Shaping tomorrow today.

The Global Jobs Pact recognized that the crisis has ushered a change of area.

Not an end to globalization, but a different, better globalization, a fairer, greener, and sustainable globalization; without the imbalances that have led to this crisis with a moral compass.

This spans several issues.

- Policies shaped by a “People first approach”. Social justice as a guiding concept.
- Priority to the real economy with macro economic policy mixes. Placing jobs and sustainable enterprises at the heart.
- Trade and market regime that is open and fair, that recognizes the need for complementary employment and social protection policies; and the special situation of African and the least developed countries and those with limited fiscal space;
- An approach to development that is more than just economic growth, a greener growth that targets jobs and social protection, and strengthens institutions and state capacity.
- The progressive adoption of a floor of social protection in every country as a priority for national and international decisions, not just safety nets in crisis time. For the poor and marginalized,

crisis is a daily experience. (ILO and WHO working together with the CEB).

- A gradual and fair transition to a low-carbon economy.

What needs to be done to give effect to the Global Jobs Pact?

The Pact can inform national discussions and decision-making. You can give it life! Take it home with you. Draw inspiration from it. Adapt it to your national situations! Many of you are certainly moving in this direction.

You can promote it internationally. For example the objective of the Global Jobs Pact could be endorsed by the Representative of your governments in the IMF, the World Bank, and Regional banks in order to support those governments that want to implement its policy approach.

This would have a major impact and reflect respect for national ownership of development policies. This is a most practical policy coherence measure.

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If we all decide to address head on the global jobs crisis, if we act in a coordinated manner, if there is a quantum jump in cooperation across multilateral bodies, then **yes** we can accelerate recovery, shorten the length and depth of the jobs crisis and protect the most vulnerable from long term damage. And in doing this we can build a world which is economically, socially, environmentally and politically sustainable.

It is our choice to act.

The Global Jobs Pact together with many other UN initiatives is, we believe, an important contribution to leading us in that direction.

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