

**Informal Summary**  
**2012 High-level Segment of the Economic and Social Council**  
**Annual Ministerial Review**  
**National Voluntary Presentation of Algeria and Brazil**  
**03:00 pm – 05:00 pm**  
**02 July 2012, New York**

The National Voluntary Presentation (NVP) session was chaired by **H.E. Mr. Miloš Koterec**, President of the Economic and Social Council. The moderator for the session was **Ms. Conny Czymoch**, Phoenix Television, Germany.

**National Voluntary Presentation of Algeria**

**Mr. Rabah Hadid** of the Ministry of Foreign Affairs, Algeria, gave Algeria's NVP on behalf of **H.E. Mr. Abdelkader Messahel**, Algeria's Minister of African Affairs. Mr. Hadid stated that for more than a decade Algeria had been implementing a national strategy focused on four key areas: macroeconomic stability, structural reforms, development of infrastructure, and diversification of the country's productive sector. Imbalances prevalent at the beginning of the last decade had been reversed, and much of the country's external debt had been reimbursed early, meaning that debt no longer undermines development in Algeria. Meanwhile, the tax, financial and banking systems, as well as the judicial system and other key sectors, had also adapted the national strategy in their various arenas.

Mr. Hadid underlined that, improvements had been made in both the country's public and private sectors, and that new life had been given the Algerian economy. Public investments were part of the country's 2001-2009 programme, and focused on infrastructure, rural development, habitats and other related areas. Excluding the fossil fuel sector, there had been an average annual 6 per cent growth rate for 2001-2009, and unemployment had been reduced from 30 per cent in 2001 to 10 per cent in 2009. A new public investment programme for 2010-2014 was now being implemented, which seeks to modernize infrastructure and large public industrial bodies, update small and medium-sized enterprises in the public sector, and create some 200,000 such enterprises by 2014. The target was the creation of 3 million new jobs, half of which would be sustainable, by 2014.

Speaking more specifically about the struggle against poverty and unemployment in Algeria, Mr. Hadid underscored that the social dimension was an integral part of the country's strategy. About fifty per cent of public investments from 2001-2011 were aimed at improving the living conditions of the Algerian people, from increasing access to drinking water and sanitation to improving housing to linking households to electricity. The country was also working to improve the purchasing power of its people, he said. He informed that Algeria's action programme for combating unemployment and poverty represented a comprehensive approach for tackling the root causes of the problems. The main focus was improving access to the economy; meanwhile, the State was involved in job training and the promotion of youth employment. A series of measures had been taken to improve the labour market, including, plans for the creation of a coordinating body.

The NVP friend, **H.E. Mr. Khandker Mosharraf Hossain**, Minister of Labour and Employment of **Bangladesh**, mentioned that Algeria's presentation was quite enlightening as it offered a challenging but successful development context. The Government of Bangladesh,

which had reviewed Algeria's submission, was pleased to note that Algeria had been making its best efforts towards sustaining economic and human development in the long term through the diversification of sources of economic growth and job creation. Algeria had also been able to meet several Millennium Development Goals ahead of the 2015 deadline.

H.E. Mr. Hossain commented that in implementing its two economic support plans and the current five-year plan, Algeria had pursued a holistic economic development strategy with a special focus on the development of basic infrastructure. Algeria's pragmatic policies had helped create many jobs by boosting many sectors of the economy. It had laid the foundation for a private sector-friendly economic development with an aim to improve private enterprises' productive capacity and potential for job creation.

H.E. Mr. Hossain asked several questions, including what special measures had Algeria taken in assisting job seekers and helping unemployed young people to access the job market. He also wondered about Algeria's success in reducing the jobless rate by 20 percentage points. How was that rate maintained, particularly for vulnerable social groups, like women and young people at a time when unemployment was on the rise almost everywhere? He also asked about the challenges that the Government faced while enacting active national labour market policies following the ratification of ILO Convention 122. Finally, he sought Algeria's advice to least developed countries, like Bangladesh, for enacting policies and initiatives that would boost productive capacities and employment.

In response, **Mr. Hadid** said the Government of Algeria classified the unemployed work force into three groups – university graduates, those who had received secondary education and those who didn't have educational qualifications – and tailored measures to the specific needs of each group. The third group received apprenticeships for six months under local authorities. They were employed at the end of a vocational integration period.

Women were also a key area of focus and the proportion of women in the work force had increased to 20 per cent. This was significant given where Algeria had started. He stated that the aim was for gender parity, adding that Algeria also had made it easier for disabled people to participate in the work force. He noted that Algeria had ratified all labour conventions and reworked policies over a 20-year period to resolve problems broadly.

He advised Bangladesh and other least developed countries to adopt a holistic approach, not piece-meal policies, given the interconnectedness of markets. For instance, macroeconomic policy should be complemented with structural reform. If parts were not working, the whole would not work. Algeria studied both African and global experiences. For instance, his Government studied how capitalism worked in certain countries.

### **National Voluntary Presentation of Brazil**

**Ms. Czymoch** then introduced **Mr. Mario Barbosa**, Special Advisor to the Minister of Labour and Employment of **Brazil**, who delivered Brazil's National Voluntary Presentation.

Mr. Barbosa referred to Brazil's National Plan on Employment and Decent Work, whose goal was to reduce poverty and social inequality, saying that it articulated and monitored programmes related to several main priorities, including creating more and better jobs and eradicating forced labour and child labour. Brazil was working to strengthen policies to support employment and increase income transfer. As a result, it had faced the recent crisis from a better place than past crises. Average economic growth between 2003 and 2011 was about 4 per cent a year, and in that time an unprecedented number of formal jobs,

approximately 17 million posts, were created. He stated that nearly 30 million people were lifted out of poverty during that period.

Mr. Barbosa highlighted that Brazil's Acceleration and Growth Programme worked by investing in infrastructure, improving the country's investment environment, putting in place long-term fiscal measures, improving the tax system, and implementing stimulus credit and financing. The Programme had made several important advances, including the creation of new jobs, the expansion of bank credit, the maintenance of inflation rates within the targets set by the National Monetary Council, and a decline in unemployment. The country had also implemented a national minimum wage appreciation policy and several social support policies, including, a family grant programme (Bolsa Familia) and a "Brazil without Extreme Poverty" plan. The latter had as its goal to eradicate extreme poverty, which still affected 16.2 million people across Brazil. Some 300,000 new families were now benefiting from the family grant programme.

However, Mr. Barbosa informed that challenges for the period 2012 to 2015 included increasing investment and infrastructure, the growth of the domestic market, expansion of credit, improving social programmes, increasing fiscal strength, and improving currency stability, among others. He said the Government of Brazil also faced the daunting challenge of hosting the football World Cup (2014) and the Olympic Games (2016). He stressed that the development that Brazil desired must be sustainable. While economic growth was essential for generating new job opportunities, the Brazilian experience suggested that it was the development of social policies that contributed to boosting gross domestic product growth.

The NVP friend, **H.E. Mr. Baso Sangqu**, Permanent Representative of **South Africa** to the United Nations, underlined that it was important that increased investments were balanced with the promotion of macroeconomic stability. He asked how the Brazilian Government planned to balance its efforts towards productive growth, on the one hand, with macroeconomic stability on the other. How did Brazil intend to attract foreign direct investment and preserve, at the same time, the rights of workers, while maintaining social protection floors?

**Mr. Barbosa** responded that in times of high inflation, resources were diverted that could otherwise be channelled to public investment. The lack of predictability that macro-instability entailed affected both public and private sectors. Brazil was committed to keeping public expenses below tax revenues and to focusing expenditures on social programmes. He stressed that those efforts contributed to macroeconomic stability in the long run. In order to keep growth at a sustainable level, increased domestic demand must be met by increased domestic supply, and that the country needed to avoid another inflationary spiral.

Mr. Barbosa added that adopting measures to make labour rights more flexible was a fallacy. The Secretary-General's report noted a World Bank survey that had found that labour regulations were rarely cited as a major concern. However, the protection of workers, their continued training and improvement, and the establishment of social protection floors must be seen not as a burden, but as an investment in economic growth. He emphasized that Brazilian social policies also incorporated civil society voices through the results of national thematic conferences.

Another NVP Friend, **Mr. Eduardo Porretti**, Counsellor at the Permanent Mission of **Argentina** to the United Nations, commented that there must be a balance between the social, environmental and economic dimensions of all human actions. Jobs were at once an end and a means. He noted that the "Zero Hunger" report had been replicated successfully in some regions of the world through South-South cooperation mechanisms, and asked what Mr. Barbosa thought about replicating that programme in Brazil. With regard to the country's

family grant system, Mr. Porretti also wished to know more about the role played by tax system improvements.

**Mr. Barbosa** responded by describing the key priorities that framed Brazil's National Agenda for Decent Work, which, since 2003, had been set out in a Memorandum of Understanding between the Government and ILO. He also noted that the Zero Hunger project had grown stronger since 2003 with the country's increasing productive capacity and the increased production of food. He added that issues such as the tax system, were part of the ongoing dialogue in the business sector and a series of recent programmes were being designed and implemented with a view to identifying, and removing, the main obstacles to sustainable production.

The third NVP friend, **H.E. Mr. Marten Grunditz**, Permanent Representative of **Sweden** to the United Nations, mentioned that, thanks to significant political will on the part of Brazil's current and previous administrations, that country had made remarkable economic and social progress in the last decade. He underlined that Brazil was a rare case of a very large middle income country having combined economic growth with reduced inequality. The presence of a strong and efficient state had, in fact, stimulated economic growth, and the country had achieved very rapid social progress.

Reviewing possible future challenges for Brazil, H.E. Mr. Grunditz said that a key challenge was to accelerate economic growth and further strengthen resilience to international shocks. Another challenge was to further reduce inequality and offer human development opportunities to all, noting that despite recent progress Brazil remained among the 10 most unequal countries in the world. He asked for Mr. Barbosa's assessment of the possibilities to further reduce poverty and in which segment of the population could the highest impact of policy actions over the coming decade be expected.

H.E. Mr. Grunditz also stated that among other challenges was that of increasing domestic savings in order to finance Brazil's large investment needs. The funding of future increases in public investments would seem to call for slower current public expenditure growth and increased effectiveness and cost-efficiency of Government programmes. Finally, he asked Mr. Barbosa to comment on the further development of programmes regarding the eradication of extreme poverty.

In response, **Mr. Barbosa** said that his country's policies and programmes, especially those targeted at reducing social inequalities, were not only a moral imperative, but constituted the basis for a renewed and more sustainable economic model. Economic growth was not a precondition for the distribution of wealth. Instead, prioritizing social inclusion had resulted in increased domestic demand, more investments and economic growth that fed back into more and better jobs. With regard to the resilience to shocks, he mentioned that investment in the Brazilian people, such as the family grant programme, accounted for the stronger resilience that had been seen during the recent crisis. People were able to take advantage of better work opportunities, thereby breaking the cycle of poverty. He added that it would take time to eradicate extreme poverty and to leave the list of the most unequal countries in the world. This was why programmes must aim directly at the long-term transformation that Brazil needed.

### **Further Discussion**

Touching on the theme of the third Millennium Development Goal, **Ms. Czymoch** asked the panellists which of their country's programmes dealt with gender equality and the empowerment of women.

In response, **Mr. Hadid** said that the number of female deputies in the Algerian National Assembly had increased, and the Government had introduced a strategy intended to ensure gender equality and the empowerment of women. It included advocacy, the promotion of the rights of women and the promotion of an improved image of women. Algeria had implemented related programmes with the United Nations Development Programme, along with other international agencies, and had created gender focal points in all sectors. Women were increasingly attracted to business, and Algeria had over 150,000 women heads of business, both in agriculture and industry, which he said demonstrated a greater dynamism in the work of Algerian women.

For Brazil, **Mr. Barbosa** responded that, as part of its approach to the issue of employment, decent work and social protection, the gender issue was present, as were the similar issues of youth and persons with disabilities. Brazil had recently held its third National Conference on Women, whose resolutions would be considered in designing and implementing public policy. There was a national subcommittee on the issue of gender equality, which sought to monitor all the actions of the Government and their impact on gender equality. The country's data was disaggregated by gender and women also benefited the most from its microcredit schemes. In addition, it was usually the women of a family who had the capacity and responsibility to manage the funds received from national initiatives, such as the family grants programme.

The Representative of **Germany** asked where Brazil had encountered the most resistance to the implementation of its new programmes.

**Mr. Barbosa** responded by stressing the importance of the participation of employers and other social actors in implementing the National Plan for Decent Work. He stated that in the beginning there had been some resistance to the plan. It had been necessary to build mutual trust and to prove that the implementation of such proposed programmes did not just benefit the Government. Employers began to realize that the initiatives benefited all of society. He said it was therefore an ongoing process of mutual learning for employers, workers and the Government.