

Informal Summary
2011 High-level Segment of the Economic and Social Council
Annual Ministerial Review
National Voluntary Presentation of Ecuador and Ukraine
5:00 pm – 7:00 pm
2 July 2012, New York

The National Voluntary Presentation session was chaired by **H.E. Miloš Koterec**, President of the Economic and Social Council. The moderator for the session was **Mr. José Manuel Salazar Xirinachs**, Executive Director, Employment Sector of the International Labour Organization (ILO).

National Voluntary Presentation of Ecuador

H.E. Mr. Fander Falconi, Minister of National Planning for Development of **Ecuador**, delivered his country's national voluntary presentation. Mr. Falconi initiated the presentation by highlighting Ecuador's National Plan for Living Well, which contains goals that include the promotion of economic equity, decent jobs, and human development. He stated that the Plan has been well-received by the international community. In addition, the new Constitution, adopted in 2008, contains principles of decent work, eradication of child labour, and the right to social security.

H.E. Mr. Falconi stated that in April 2011, public consultations found that a majority of people believed that failing to register workers for social security should be considered an offence. Efforts have been made in that regard and an active policy of social security has been established. A minimum wage also has been set. Between December 2006 and December 2011, social security coverage increased by 49 per cent. Similar gains were also seen in the recognition of unpaid work, for example, and in policies to reconcile public and private considerations, such as maternity leave. He said that an outcome of these efforts has been a decrease in strikes by workers. Further, an agreement between Ecuador and Spain guaranteed social security for workers employed in the other country.

The Minister argued that since 2008 poverty in Ecuador dropped by 9 per cent and society had become more equitable. Child labour in rural areas dropped by 20 points and in urban areas by six points. He also noted that employment levels have been growing, even during the crisis, and that underemployment has been decreasing steadily.

Regarding the challenges faced by his country, the Minister noted that Ecuador is being transformed, both economically and socially. He mentioned that for this transformation, there is support from the Government and all stakeholders determined to make a reality the rights established in the Constitution and the principles of the National Plan for Living Well.

The first NVP friend, the representative of the **Russian Federation**, noted Ecuador's significant progress in combating unemployment, inequality and in expanding the coverage of social services. He voiced support for employment reforms and the creation of the so-called "people's economy". The representative mentioned that a priority for creating new, efficient jobs, which is a key factor for sustainable development, was a propitious business climate. Consequently, he asked about efforts to stimulate investment activities and entrepreneurship.

The delegation of **Spain**, another NVP friend, drew attention to the importance of having a solid legal framework, as was seen in Ecuador's Constitution. He also underlined

Ecuador's national plan for "Living Well", which included considerations of minimum wage and recognized activities like working at home and home care. He also commended improvements in labour and wage conditions through a rights-based approach, as well as the agreement between Spain and Ecuador for reciprocal social security rights for immigrant workers. He asked for more detail about remuneration for family care and care of dependent persons, as well as examples of South-South cooperation. He also wondered how Ecuador would incorporate recommendations from the ILO "Bachelet report" on establishing a social protection floor.

The delegation of **Bolivia**, the third NVP friend, drew attention to the fact that some of Ecuador's economic trends had inverted: underemployment had declined while employment had increased to 40 per cent. He mentioned that Brazil and Ecuador are good examples of how focusing on social policies could bring good economic outcomes. The representative mentioned their interest in learning more on the employment policies of Ecuador in order to implement them in their own country. He asked for information on programmes focused on indigenous peoples of Ecuador and persons of African descent, who often suffered in poverty.

In response, **H.E. Mr. Falconi** emphasized that Ecuador has a new Constitution and thus many of their rules have changed, including the new rules that prohibit the precarious employment conditions that existed under the earlier neoliberal economic model. He stated that today, "Man comes first." At the Rio+20 Summit, the principle of living well had been much discussed and, in that context, Ecuador's objectives implied public policy changes.

Regarding investment and capacity-building, he said Ecuador's economy had grown by 7.8 per cent in 2011, the third-highest growth rate in Latin America. He also mentioned that growth was fostered by increases in domestic demand and in public and private investment. He noted that Ecuador recognizes the importance of public, private, and mixed investment.

With respect to programmes for vulnerable groups, he discussed a programme for persons with disabilities (Misión Solidaria Manuel Espejo). In that programme, Ecuador carries out socio-economic status studies of potential participants and then provides vouchers to those with severe disabilities living in rural or marginalized urban areas. One of those transfers could be through a human development voucher (a conditional cash transfer), for people living below a certain income level. Such transfers have helped mothers send their children to school.

On the situation of indigenous peoples and people of African descent, he cited statistics showing improvements in the education levels of those groups which has helped their overall empowerment and development.

The delegation from **Nicaragua** said that the various reforms that had taken place across Latin America had different features, but several common elements. Ecuador, for its part, had an agenda for productive change, a social agenda, and an agenda for living well. Redistributive policies for wealth and income were helping to reduce disparities in that country, he said.

Issuing a final question, **Mr. Salazar-Xirinachs** wondered about natural resources and exports. He asked what types of policies were being put in place to diversify Ecuador's exports.

Mr. Falconi responded that there were three specific strategies relevant to his country's diversification: ensuring that the State maintained control of the resources gained

from the extraction of natural resources; strategic diversification in the field of technology and innovation; and increasing the essential “oil” of national human resources.

Mr. Salazar concluded that the progress in the Ecuadorian social indicators and labour market figures shows that when there is political will positive results can emerge.

National Voluntary Presentation of Ukraine

Mr. Vasyl Nadraga, First Deputy Minister for Social Policy of **Ukraine**, delivered the national voluntary presentation. He began by outlining various macroeconomic achievements, noting that between 2010 and 2011 the economy had shown an upward trend, thanks to economic reforms for the 2010-2014 period and a pragmatic policy aimed at stabilizing the post-crisis economy.

In the context of the employment situation, Mr. Nadraga said that in 2011, employment of people aged 15 to 70 years had increased significantly to 59.2 per cent, almost reaching its pre-crisis level of 59.3 per cent in 2008. Women’s employment had not seen significant changes in the last decade. In 2011, men’s employment increased to 64.4 per cent, versus 63.1 per cent in 2010. The number of unemployed persons, using ILO methodology, had decreased by 3 per cent in 2011 versus 2010. Ukraine was working to increase the competitiveness of unemployed people by modernizing the provision of employment, improving the quality of vocational training, and expanding access to information on the labour market, which involved coordination among all labour market actors.

Regarding poverty reduction, Mr. Nadraga said the simultaneous decline in relative and absolute poverty had been observed for the first time since 1999. During 2010 and 2011, absolute poverty had fallen by half, registering 1.4 per cent in the first nine months of 2011, versus 2.9 per cent for the corresponding period in 2010, which gave him hope that extreme forms of absolute poverty would be eliminated in the coming years. Other data showed, however, that the proportion of the population spending more than 60 per cent of their income on food had increased. The national programme for combating and preventing poverty through 2015, approved in August 2011, identified key poverty reduction measures, especially those for employment, wage improvement and pension increases.

The delegation of **Hungary**, first NVP friend, stressed that the country’s macroeconomic data from 2010-2011 were very positive. He asked about the reduction of Ukraine’s foreign debt. He also wondered what the HIV prevalence rate was in Ukraine, and whether there were any recent trends that Mr. Nadraga wished to share in that regard. He also asked about environmental sustainability, and particularly access to water, requesting further information in that respect, and about changes in CO2 emission in Ukraine in the coming years.

The representative of **Brazil**, second NVP friend, said that they would welcome more information, including on projects aimed at promoting decent work with a special focus on youth. She described important areas that Brazil had identified, such as investments in infrastructure that eliminated transportation bottlenecks, and the reduction of administrative barriers, and welcomed comments in those areas.

The delegation of **Kazakhstan**, third NVP friend, complimented Ukraine for the significant strides achieved so far to ensure social integration, and to protect the rights of vulnerable groups. In light of those positive outcomes, she wished to learn more about measures undertaken to launch Ukraine’s national economic reform process in the context of the long-term consequences of the financial crisis. Ukraine maintained a constructive

dialogue with trade unions, she said. In a similar vein, she was interested in knowing more about partnerships between Ukraine and ILO, and lessons for other countries in that respect.

The delegation of Kazakhstan also congratulated the Bureau of ECOSOC for hosting this successful way of sharing experiences between Member States on the progress towards the MDGs.

In response, **Mr. Nadruga** said that, regarding efforts to reduce the country's sovereign debt, a number of factors were at play. The trend indicated that Ukraine was enhancing trust amongst foreign investors, and domestic efforts were under way to improve the country's credit rating. HIV remained a major challenge, he said, and a national road map was in place to meet the needs of those infected with the virus. Mother-to-child HIV infection had dropped six fold in recent years and Ukraine was enhancing the protection of those living with AIDS. It had signed new agreements with the Global Fund to Fight AIDS, Tuberculosis and Malaria, and he hoped that by 2015, Ukraine would meet its obligations for responding to the virus.

Regarding the questions of the representative from Brazil, he replied that a new draft of the Ukrainian law on employment was on the table. It highlighted key issues, including ways to reduce unemployment among young people. A new national agreement on employment and jobs had also been signed with the country's major employers. Particularly positive had been the work undertaken with the ILO, including recommendations on what should be included in the new laws and agreements. Ukraine had also drawn up laws to reduce administrative barriers to business and was working to make registration and related laws comprehensible to businesses.

The delegation of **Belarus** welcomed the improvement of the investment climate, the creation of jobs, and measures to improve social protection. Belarus endorsed Ukraine's approach to the relationship between the State and business, and welcomed the fact that the country was moving on to a new level of social assistance, including the provision of assistance to the most vulnerable groups.

In closing, **Mr. Salazar Xirinachis** highlighted the fact that the presentation showed that good policy matters.