

ECOSOC 2012 High Level Segment

United Nations Headquarters, New York

**Monday, 2 July 2012
10:00 a.m. – 12:00 p.m.**

Summary

Opening of the High-level Segment

The high-level segment of the substantive session of the 2012 Economic and Social Council (ECOSOC) was opened by **H.E. Ambassador Miloš Koterec, President of ECOSOC**. He opened the session by alluding to the plight of the world's 205 million unemployed for whom finding decent employment was an insurmountable task in the midst of a difficult and slow economic recovery and rigid labour markets. The situation was most dire for women and youth who were disproportionately affected. He stated that the prevailing conditions offered an opportunity for the Economic and Social Council to sharpen its focus on youth, integrate its development efforts and advocate for a decisive multilateralism that benefited the most marginalized.

Ambassador Koterec stated that while globalization has resulted in transforming the lives of millions of people by bringing them out of poverty, it had not necessarily resulted in creating jobs and sustaining growth in many parts of the world; even in many of the rich economies the natural rate of unemployment is now significantly higher than only a few years ago. Instead of sharing benefits equitably, the intensely competitive environment has led to the creation of a "thriving minority" of top performers who command vastly higher incomes than the average worker. As a result, sustainable growth and job creation must rise to, and remain at the top of, the United Nations agenda.

In the regional meetings held in preparation for ECOSOC's 2012 Annual Ministerial Review, he stated that although the quest for sustainable growth, job creation, and decent work is universal, all countries nevertheless face unique employment challenges. He highlighted that:

- Numerous obstacles continue to impede the growth of Africa's small and medium-sized enterprises, which are crucial to job creation;
- Asia faces considerable challenges to boost productive capacity among its fast-evolving economies; and
- Latin America's continuing efforts to design more comprehensive social safety nets and protection floors.

Regarding sustainable development, Ambassador Koterec welcomed the commitments made at the United Nations Conference on Sustainable Development, Rio+20, and stated that the Council would embrace the responsibility for both the Rio+20 follow-up and for shaping the post-2015 framework. The ECOSOC Bureau had begun preparing for a further review of GA resolution 61/16 in 2013, stating that identifying ECOSOC's role, while incorporating crucial outcomes of 'The Future We Want', will merit serious consideration during ECOSOC's session this month.

He observed that the universal intergovernmental forum was meant for political engagement, a function which was not meant to create "supra structures" nor a parallel system. He emphasized the need to improve the current system and urged the Council to consider a future Substantive Session spread out across the year and more focused and

impactful. He also urged the Council to examine priorities for aligning the work of all subsidiary bodies and to be bold in rethinking agendas and working methods.

The **Secretary-General of the United Nations, Mr. Ban Ki-moon** emphasized the crucial importance of job creation and economic growth and called for bold and swift action to achieve these goals. He warned that a modest recovery in some countries should not disguise the precarious state of the world economy and that recovery should not be considered as just a matter of macroeconomic adjustment, but a development issue. He stated that the long-term solution was to pursue a new model of growth within the framework of sustainable development and enhanced international cooperation that would be more sustainable, inclusive and equitable.

In referring to the 2012 Millennium Development Goals Report, he said that there was considerable reason for encouragement given that the number of people living in extreme poverty had been reduced by half, well ahead of the Millennium Development Goals schedule of 2015. Furthermore, millions of lives had been saved thanks to improvement in child survival, the expansion of HIV treatment and other strides in the area of health, access to improved sources of water, and better living conditions for more than 200 million people in slums.

However, success remains uneven within countries and regions, and projections indicate that in 2015 more than 600 million people worldwide would still lack access to improved water sources, almost 1 billion would be living in dire poverty, and hunger would remain a global challenge. Meanwhile, biodiversity loss continues apace and greenhouse gas emissions continue to pose a threat to people and ecosystems.

The Secretary-General stated that he was nevertheless heartened by the renewed commitments made by Governments in Rio to sustainable development, and applauded their agreement to launch a process to establish universal Sustainable Development Goals (or SDGs), which would build on advances made under the Millennium Goals.

The President of the General Assembly, H.E. Mr. Nassir Abdulaziz Al-Nasser said that in the wake of the global financial and economic crisis and the related jobs crisis, it was appropriate for the Council to focus on productive capacity, employment and decent work. He stated that it was not only important for the well-being of societies but also for the stability of political systems. Unemployment, especially of women, youth and disadvantaged groups, was among one of the biggest challenges.

He urged the Council to work in close collaboration with the General Assembly to tackle issues of inclusive and equitable growth and full employment. At the Rio+20 Conference, he said that international consensus had emerged and agreement was reached in important areas of sustainable development. He reiterated that these agreements must inform future actions.

The Council was an important forum for implementing the Rio outcome document, and well-placed to integrate the pillars of sustainable development. It was also best-suited for building partnerships, especially with the private sector, academia and civil society. With that, he expressed hope that the high-level segment would send a strong message about the commitment to the creation of quality jobs and decent work, productivity development, and the strengthening of international cooperation.

Keynote Addresses

H.E. Mr. Erkki Tuomioja, Foreign Minister of Finland, speaking on behalf of H.E. Mr. Sauli Niinisto, President of Finland, stressed the need to secure strong and balanced economic growth, but emphasized that growth alone is not enough and that it should generate development within the boundaries of nature's carrying capacity. He called attention to several environmental crises stemming from the current growth model's inability to respect nature.

Although these issues were addressed at Rio+20, he stressed that a great deal of work was left to be completed, making the follow-up to the Conference vital. It is also vitally important for the Sustainable Development Goals process to become an essential part of the larger post-2015 framework.

Citing the example of the European Union's concept of green economy, Mr. Tuomioja stated that an economic system aimed at strengthening human well-being and social equality was compatible with the sustainable use of natural resources and secured the provision of ecosystem services. As the success of the Nordic model demonstrates, it is not only possible to have a strong and comprehensive social welfare model combined with ecological responsibility and economic competitiveness, but it was also their inclusive social model which was the key to any Nordic success.

Turning to the topic of decent work, Mr. Tuomioja stated that economic growth should enable everyone to participate in society, but that currently the world economy was not able to create a sufficient number of decent employment opportunities for all, leading to economic and social inequality and exclusion. He cited progressive taxation, public services and social protection as necessary permanent social institutions that have a strong capacity to sustainably reduce poverty and inequality.

He also stated that foreign investment was crucial to achieving development goals, but urged the need for clearer and more transparent rules for foreign investment; in the absence of a global agreement, bilateral investment agreements are proliferating without the full participation of developing countries. He further underlined the importance of the rule of law to create an enabling environment for economic growth and the creation of productive capacities and decent jobs. He said that legal frameworks would not only provide a good basis for entrepreneurship and business but also a more stable and less corrupt environment for both domestic and foreign investors. He stressed the need for women's equal participation in achieving common goals and sustainable development, and for more attention to least developed countries, which suffered from low average productivity and limited productive capacities.

He concluded by calling for a well-functioning and efficient United Nations development system to promote sustainable development on a global scale.

Mr. Juan Somavia, Director-General of the International Labour Organization, highlighted three main issues. First, he said that the political consequences of unacceptably high levels of unemployment were tearing societies apart in both the developed and developing worlds, with high levels of youth unemployment rising to over 50 per cent in some countries. Such a situation demanded that the old growth model should be replaced with a new model that was based on fair, sustainable and inclusive growth. He alluded to the current situation as a prolonged period of uncertainty but one that could also be characterized as a potential moment for policy leadership by the United Nations.

The second issue he focused on was the timeliness and relevance of the theme of the 2012 Annual Ministerial Review. He mentioned that work was central to people's lives everywhere and that global political concern over jobs could be a unifying theme for international cooperation. Since all countries were united in this concern, their common need should be a rallying cry for stronger policies to boost productive capacities, to create opportunities for decent jobs and to safeguard the incomes of working families.

Furthermore, he said that the Global Jobs Pact called for countries to draw on a basic social protection floor as one of the economic responses to the crisis. He mentioned that last month, ILO Recommendation 202 was adopted unanimously by the agency's constituents to develop a strategy for building nationally-defined social protection floors. Mr. Somavia hoped that the recommendation would provide impetus to major national and international initiatives.

On his third and last point, he stressed the need for improved coherence and coordination to achieve a pro-jobs sustainable growth, requiring a blend of macroeconomic and employment policies, trade and development policies, and social and environmental policies. Country experiences confirmed that such policies had reduced the damage done by the crisis and had sped recovery. He urged that the process towards the establishment of Sustainable Development Goals should be seen as an opportunity to build a growth and globalization framework that was more coherent and better integrated the critical economic, social and environmental dimensions. An integrated approach on both policy formulation and policy implementation was essential for progress towards inclusive, equitable and sustainable economic growth and development.

In conclusion, he stated that it is time not only for a policy rethink, but also for reconstruction of the institutions of global governance and how they connect to national systems. He believed that the Council should be fully equipped, technically and politically, to take up the challenge of policy leadership.

Mr. Tan Sri Dato' Azman Shah Haron, President of the International Organization of Employers, stated that employers have no magic bullet to face the challenges posed by the economic and financial crises, but the international community had a chance to help decide which efforts would succeed in addressing the crises. The business community is used to confronting challenges and turning around failing enterprises. However, a business-as-usual approach will no longer lead to better outcomes in a changing world.

In that context, he issued a call to the Council, similar to one issued to the G20 and the International Labour Organization, to accord more recognition to the role that a robust private sector can play in realizing global development goals. He suggested that development programmes should include specific private sector elements in which businesses are able to grow, generate jobs and contribute to their communities. To that end, he recommended considering strategic short-term investments that could lead to long-term gains so that more countries would be able to benefit from the gains made by the private sector.

He referred to the annual *Doing Business* reports of the World Bank Group, which he said represented a wealth of ideas and related regulatory improvements. He suggested that those reports be reviewed by the United Nations system and be used for formulating policy in more countries. He urged that policy makers be more scrupulous in assessing and minimizing the impact on doing business and creating jobs, particularly when they consider imposing new costs on businesses. In that respect, he stated that policies claiming to be in the interest of working people could in fact have the opposite effect if they made businesses less confident in investing. He concluded by saying that sustainable, developing communities and developing economies could only be built on the foundation of sustainable enterprises.

Ms. Sharan Burrow, General Secretary of the International Trade Union Confederation, stated that the current economic model was not working, and leaving the market to fix itself would simply not work. She said that the growing informal economy in every country was leading to wider gaps in income, where young people were increasingly excluded from the labour market. While urging world leaders to focus on quality jobs, she cautioned not to place private sector and public sector growth in a false competition, since the infrastructure and services needed would not all be provided by the private sector.

In referring to the recent G20 meeting in Mexico, she said that while there had been a shift in the language in favour of job creation, the words had not been matched by commitments to action by the richest countries. The G20 leaders had expressed a priority focus on jobs with rights, efforts for youth, and assistance to low-income countries for social protection floors, but they left it up to the leaders in each country to heed those calls as they saw fit. Furthermore, there had been no specific reference at the meeting to actions to mitigate the damage caused by the financial sector or to combat speculation.

She expressed her distress at the sentiment that it was alright to attack basic labour market guarantees, saying that victimizing workers was not in anyone's interests, and stressed the importance of core labour standards. Polls taken in the lead up to Rio+20 showed that only 13 per cent of people believed that voters had real influence over the economic decisions of Governments and only 11 per cent of people had said their income had improved, with an overwhelming majority saying it had been reversed.

Ms. Burrow observed that it was unfortunate that Rio+20 had not led to a more hopeful outcome. While she was pleased that the Declaration had endorsed green jobs and human and trade union rights, there was no endorsement of immediate action, which she categorized as a missed opportunity. She expressed her dismay at the fact that the 114 Heads of State in attendance had not negotiated the document for even an hour, emphasizing that this was not the type of global governance needed.

She stated that some \$25 trillion of workers' capital was invested in the global economy and it should be taken out of the speculative economy and placed into patient capital. She added that workers had committed to put 5 per cent of that money into the green economy by 2015. But for that to happen, the green bond market must mature, and Governments and multilateral institutions need to work to make this a reality.

She further noted that the Global Jobs Pact must be integrated with a social protection floor, which would do more to deliver on the Millennium Development Goals than any other effort to date. Indeed, the Jobs Pact, underpinned by a social protection floor, would deliver an entirely different world. In concluding her statement, she urged the Council to provide leadership and make commitments to principles that have been lacking at other meetings.

Ms. Danielle Fong, Chief Science Officer and Co-Founder of LightSail Energy, addressed the Council also on behalf of the world's young people, whom she said sought a better relationship with their environment. She stated that youth were held back from achieving the future they desired, despite the fact that young people were better educated than previous generations, because the old systems are not working. She referred to the recent United Nations Youth Summit and reminded the Council that the Summit's participants had asked to be empowered in order to change the current system, requiring entrepreneurship, innovation and bottom-up impact.

She recalled her personal story as an example of working outside the present system of education and employment, and said that "entrepreneurship is the new education". After entering and graduating from college early, she moved to Silicon Valley where she created

her own business for a new system of energy storage. She said that since there was no job in that field, she had to make it herself.

In a similar vein, she urged the international community to do better in helping to create new jobs and in advocating an “entrepreneurial exchange programme”. This would be analogous to student exchange programmes that enabled the sharing of ideas and education, and allowed young entrepreneurs sufficient flexibility and mobility to go where they were most needed.

Policy Messages from Annual Ministerial Review Preparatory meetings

H.E. Mr. Joe Nakano, Parliamentary Vice-Minister for Foreign Affairs, Japan, presented the outcome of the Asia-Pacific Regional Meeting, held in Kyoto, Japan, on 7 December 2011. The meeting had identified both progress and challenges in the region’s achievements towards reaching the Millennium Development Goals (MDGs). Its key message was that policy shifts may be necessary in the region to reduce export dependence, increase domestic demand, and place employment and decent work at the core of policymaking. The meeting also suggested various concrete measures to be taken towards achievement of the MDGs. Additionally, it recommended encouraging global and regional institutions to support making decent work and full employment an important goal of macroeconomic policies; exploring a more inclusive job-rich growth model; and strengthening regional cooperation to best utilize the region’s experiences, practices and social capital.

H.E. Mr. Ahmed Shide, State Minister of Finance and Economic Development, Ethiopia, presented the outcome of the African Regional Meeting, held in Addis Ababa on 25 March 2012. A diverse group of regional stakeholders had considered how Governments, NGOs, and the private sector can work closely with small- and medium-scale enterprises (MSEs) to contribute to job creation. The meeting focused on four areas of work: strengthening an enabling environment for job creation; promoting productive and sustainable jobs; promoting a model of inclusive growth; and sharing best practices and experiences. One of the conclusions that emerged from the deliberations was that Africa’s solid growth had not been sufficiently inclusive to meet the needs of its growing population. Therefore, specific policies needed to be defined to capture the demographic dividend of Africa’s growing youth and women cohorts. Policymakers must carefully evaluate and implement strategies for encouraging SMEs.

H.E. Mr. Eduardo Brenta, Minister of Labour and Social Security, Uruguay, presented the outcome of the Latin America and Caribbean Regional Meeting, held in Montevideo, Uruguay, on 27 April 2012. He emphasized that in order to reduce social exclusion, decent work for youth must be sought. Despite some successes, inequality, low incomes and youth unemployment had persisted in the region in certain sectors. There was a need to pursue macroeconomic policies to promote growth with equality. Social protection was the key to consolidate growth. In Latin America, SMEs did not export their goods, and had generated insufficient productivity gains to sustain economic growth. Educational programmes needed to become more focused and relevant towards professional training, enabling youth to be better prepared to enter the job market. A high-level panel had been set up at the regional level to promote youth unemployment.

Presentation of National Consultation on Youth Employment in eleven European Countries

H.E. Mr. Faruk Çelik, Minister of Labour and Social Security, Turkey, delivered a presentation on the National Consultation on Youth Employment in eleven European countries. He noted that by the end of 2011, the average rate of youth unemployment in the 27 countries of the European Union had reached a level of 22.1 per cent, while in some countries

it had exceeded 50 per cent. Common problems related to this situation included a low level of labour demand, segmented national labour markets, a mismatch between education and skill levels required by the labour market, and difficulties experienced by young people in school-to-work transitions. Turkey had been able to decrease youth unemployment from over 25 per cent in 2009 to 17 percent in March 2012, supported by economic growth and social protection policies. He underlined that Governments should implement policies that prioritize youth employment in a way that meets the demands of the labour market.

Policy message from the ECOSOC 2012 Partnerships Event

Mr. David Arkless, President of Corporate and Government Affairs, Manpower Group, spoke about the ECOSOC 2012 Partnership Event on “Breaking New Ground: Partnerships for More and Better Jobs for Youth People”, held in New York on 27 February 2012. He emphasized that new partnerships should be created to stop the trend of rising youth unemployment, to supplement government policies and the strengths of civil society. A video presentation showed that young people were the workforce of the future, aiming to fulfill their aspirations through starting their own businesses. Mr. Arkless observed that while programmes to promote youth employment existed, there were simply not enough of them. Entrepreneurship needed to be coupled with mentoring and information exchange, and it should be made easier for new businesses to be created. Manpower Group made its own commitment to put one million young people into work in the next five years. His industry organization had committed to put 300 million people into jobs worldwide; train 70 million people; create 20 million new jobs; serve 13 million customers to give them better skilled staff for their enterprises; and help 75 million young people enter the job market, all within the next five years. He stated that these practical goals would eventually solve the problem of youth unemployment.