



Summary of the Global Preparatory Meeting for the 2012 Annual Ministerial Review

“Promoting inclusive growth with jobs”

Panel discussion: “Promoting the implementation of the Global Jobs Pact”

3 April 2012 – New York, UN Headquarters

INFORMAL SUMMARY

The official summary of the President of ECOSOC provides a synopsis of the discussion held at the Global Preparatory Meeting of ECOSOC and presents substantive recommendations on practical measures and policy options proposed at the meeting, with a view to turning existing commitments into concrete and effective action on the ground.

Opening session

Chair	H.E. Mr. Miloš Koterec, President of the ECOSOC
Keynote address	Mr. Erik Brynjolfsson, Massachusetts Institute of Technology, Sloan School
Presenter	Mr. Jose Antonio Alonso, Member of the Committee for Development Policy

The opening session featured a keynote address highlighting the challenges and implications of technological change for employment and a presentation on issues and policies to promote employment creation as discussed in the Committee for Development Policy in March 2012.

While productivity growth has increased due to technological innovations, job creation has stagnated while income and wealth distributions have become uneven. In the US, for example, median income is lower compared to ten years ago. In contrast, the growth in real income for the top one per cent of the population has increased close to 300 per cent since 1979. The reason for this is that the benefits of rising productivity are accruing to capital with very little of the benefits going to labour in the form of wages. The result is that the income of workers have stagnated and even declined leading to greater inequality.

At the same time, digital technologies are rapidly encroaching on lower skills that used to belong to humans alone and as a result the creation of new jobs is slowing. The beneficiaries of the restructuring of the economy are high-skilled, technologically competent workers. Entrepreneurial business models, new organizational structures and different institutions are needed to ensure that the average worker is not left behind by cutting-edge machines. Governments are encouraged to foster organizational innovation and invest in human capital as ways to create new employment opportunities and growth.

The presentation by Professor Alonso focussed on the factors that promote job creation, including the rate of growth which should be high and stable; the pattern of growth which should be inclusive and have a diversified base; the appropriate functioning of the labour market (maintaining the balance

between protection for workers and market flexibility determined by social contracts); and, continuous skill development that ensures the employability of workers against the backdrop of continuous technological change.

A number of desirable features of economic policy were also highlighted, including: (i) creation of the fiscal and monetary space to put in place effective counter-cyclical policies; (ii) industrial policies that promote a diversified productive base featuring small and medium enterprises while addressing the looming threat of climate change; (iii) for the poorest countries policies that promote the use of better seeds, credit facilities and subsidies to farmers for inputs; and, (iv) the use of social protection and public works programmes directed at cushioning the impact of the crisis. It was also emphasized that employment and growth issues must be addressed within an internationally coordinated framework, with a focus on LDCs which do not possess sufficient capacity to adapt to rapid technological advancements.

Presentation by panellists: “Promoting the implementation of the Global Jobs Pact”

Chair	H.E. Mr. Miloš Koterec, President of the ECOSOC
Panellists	Mr. Aurelio Parisotto, Senior Economist, Policy Integration Department, ILO Ms. Eve Crowley, Deputy Director, Gender, Equity and Rural Employment Division, FAO Mr. Degol Hailu, Senior Adviser, Poverty Practice, Bureau for Development Policy, UNDP

A panel discussion on “Promoting the implementation of the Global Jobs Pact” with representatives of several agencies (ILO, FAO and UNDP) followed. A number of themes and policy recommendations emerged during the presentations and discussions relating to technological change, the stability and regularity of growth, youth unemployment, policy coherence and coordination of efforts.

Stability and regularity of growth required for job creation

Along with other factors, stable and regular growth plays a central role in creating jobs.

Recommendation: Devise new discretionary measures for countercyclical purposes and for building future productive capacities, which can trigger long-term broad-based economic transformation. The government must take a balanced approach and reforms of the international monetary system could be necessary.

Addressing youth unemployment should be given priority

The importance of creating employment for youth was stressed. The financial crisis has especially affected this group of the population. Addressing youth unemployment would be an investment in future productive capacity. Technical support to strengthen institutional capacities to address decent employment for youth in the agro-sector and other value chains should be considered.

Policy coherence as paramount to increase job creation

There is no one single solution to the challenge of employment. There was a broad consensus that

better global policy coherence on the fiscal, monetary, labor, social protection and education fronts is needed to increase job creation. Increasing education and training opportunities to enhance productive capacity was in particular emphasized. The agricultural sector in LDCs was another area of focus. Employment-centred agricultural and rural development that is “climate smart” could be key to reducing poverty and achieving food security.

Coordination and joint efforts vital to stimulate productive employment

There was a call for greater global coordination and joint efforts to stimulate productive employment and decent work. For greater coherence, it was suggested that the UN system and the ECOSOC should play a supportive role although it would need to be developed further. The need for greater UN cohesion was reiterated. The ILO Global Pact is a starting point but interagency initiatives would be crucial. The setting up of a UN-wide task force at a global level and promoting more strategic UN collaboration at country level was recommended.

Closing Session

Speaker Mr. Sha Zukang, Under-Secretary-General, DESA

The closing plenary featured a closing statement by the Under-Secretary-General of DESA, who outlined some of the key policy issues for the AMR. He called for more coordinated global action to stimulate employment and decent work. In particular, better policy coherence on the fiscal, monetary, labour, education and social protection fronts, focused on growing economies and creating jobs, especially for the youth. He also called for governments to take a balanced approach, by building momentum for growth, while repairing their finances. He stressed the need to tackle rising inequality if we want lasting social and political stability. He also reiterated the need to prioritize increasing education and training opportunities to enhance productive capacity, decent work and social protection, which must also be part of the post-2015 UN development agenda. As engines of growth and job creation, small and medium-sized firms need a favourable business climate with the right regulations, respect for their property rights and support for employee training. SMEs must be empowered to pursue entrepreneurship. The agricultural sector in developing countries and greening our economies deserves greater attention. The three pillars of sustainable development – economic, social and environmental – should be the foundation of the UN development agenda. ECOSOC’s Annual Ministerial Review will play a central role in sustaining momentum after Rio+20.