

Conclusions concerning the recurrent discussion on employment

International Labour Office

The following statement is the conclusion reached at the end of the discussion by the Committee for the Recurrent Discussion on Employment at the 99th session of the International Labour Conference (ILC) where it discussed the ILO's report Employment policies for social justice and a fair globalization. The discussion is required as a follow up to the Declaration on Social Justice for a Fair Globalization which stipulates that the Organization introduces a scheme of recurrent discussions in the ILC, the first of which is on Employment. The report addresses the contribution that employment policies, as part of an integrated decent work approach, can make to social justice for a fair globalization. The full discussion of the Committee can be read [here](#).

Introduction, trends and challenges



1. The world is emerging from its worst global recession in 70 years, a recession triggered by a crisis in global financial markets. It has set back progress towards shaping a fair globalization based on the goal of social justice.

The recession has exacerbated a crisis of poverty and underdevelopment that preceded it, and contributed to immense global unemployment, underemployment and employment insecurity. It has damaged

people's lives, reduced incomes and living standards for many, threatened the sustainability of enterprises and undermined productive investment.

2. Many countries are now showing signs of growth following significant fiscal and monetary stimulus measures. Policy-makers are working to address the need for more effective supervisory and regulatory financial frameworks. Yet the recovery remains fragile and unevenly distributed, and many labour markets are yet to see jobs recovery match economic recovery. Recent turbulence in equity, bond and currency markets underlines the fragility of recovery.

3. Many countries face difficult policy choices. On the one hand, a premature winding down of the fiscal stimulus packages that served to mitigate the crisis impact could be a brake on the fragile recovery in the private economy. On the other, whilst a postponement of addressing the serious debt and deficit problems in which countries now find themselves could lead to the same outcome; reductions in government spending, where they result in decline in public services, jobs, wage levels, pensions or transfer payments could also impact on aggregate demand, growth and employment.

4. Many countries in both the developed and the developing world still suffer from the consequences of the crisis, and the current challenge of fiscal deficits in developed countries must be managed. Any reduction in global aggregate demand at this delicate stage in the recovery processes could seriously exacerbate problems such as underlying imbalances within and between nations, unemployment, underemployment and potential for further job losses, the numbers of working poor, social tensions, protectionist

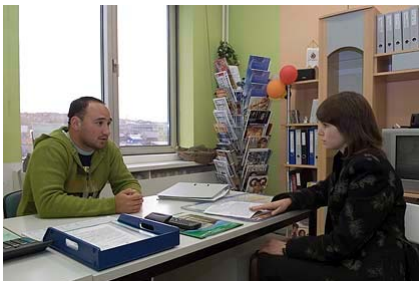
reactions and other factors that delay and make more difficult the global goal of achieving full, productive, freely chosen and decent work for all.

5. Experience from past recessions has shown that the recovery in employment lags well behind the pick-up in economic activity. Macroeconomic policies and frameworks designed to address the crisis must therefore seek to reduce or eliminate the lag between the recovery in output and a return to full productive employment and decent work for all. Employment creation and growth should be at the heart of all macroeconomic policy.

6. Employment recovery has to be based on productive investment and income.

7. A good investment climate should encourage both foreign and domestic investment and growth which can benefit both employers and workers through additional opportunities for decent work.

8. Equally, consumption is an essential component of aggregate demand. The crisis



shows that debt fuelled consumption became unsustainable. It is the incomes of working men and women that sustain aggregate demand; and productivity is the source of rising incomes. Before the crisis, average wage growth lagged overall behind returns to capital and productivity growth. The reasons for this are subject to debate; however, it is clear that a fair sharing of productivity gains between wages and profits is a solid basis on which to sustain demand.

9. There is a clear link between macroeconomic policy and sustainable enterprises. An enabling environment for sustainable enterprises allows them to generate the growth that creates decent jobs and provides the confidence to invest and employ. Policies that provide such an environment are necessary for the creation of decent work.

10. In many countries, temporary, part-time, casual or other changing forms of work have increased as a consequence of factors on both the supply and demand sides of the labour market. Governments, the social partners and the International Labour Office (Office) are challenged to be more responsive to such employment to ensure decent work.

11. The benefits from increased trade and investment are spread unevenly. Some economies and workforces are disadvantaged and poorly prepared to enter the global economy. For many developing countries diversifying their economies and producing a wider range of goods and services is an important challenge. Policy options include industrial policies and sectoral strategies, which expand decent and productive employment opportunities.

12. Informal employment in urban and rural areas is a major problem for many labour markets throughout the world. The majority of poor people live and work in rural areas, where decent work deficits can be severe. Thus, increasing rural productivity and investment in agriculture and rural areas are essential to reducing inequalities and promoting more inclusive economies.

13. There is increasing concern that young people will not find the employment opportunities they need, and that a generation may be left behind. Many women also continue to be excluded from full participation in the labour market. This could lead to



significant increase in social tensions, further pressure on the road to recovery and long-term consequences for their social and economic well-being, as well as the development of nations. Ensuring that young people and women have the appropriate education, skills and opportunities to participate in the economy is important. This recognition does nothing to detract from the responsibility to address other long-term socially disadvantaged groups that are marginalized within and across our nations.

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14. In an ever more globalized world, information and technology increasingly drive the need for new skills and competencies at the workplace and put a premium on the knowledge economy. Promoting improved access to technology in developing countries will increase employment opportunities.

15. The movement of goods and capital across borders is one feature of globalization, but workers also cross borders and it is important to be cognisant that globalization has increased migration which also needs to be looked at from an employment perspective while ensuring protection of migrant workers, in accordance with national law and practice and applicable international labour standards.

16. Adaptation to climate change and the need to safeguard the natural environment will continue to impact on the world of work. The challenges are to seize the major opportunities for decent green job creation and inclusive development and to manage labour market transitions.

17. The International Labour Organization (ILO) has a particular role to play in the employment and social aspects associated with all these challenges.

18. The ILO has important policy tools to tackle the employment consequences of the crisis, and build a sustainable recovery: the [Global Employment Agenda \(2003\)](#), the [ILO Declaration on Social Justice for a Fair Globalization \(2008\)](#), and the [Global Jobs Pact \(2009\)](#). The Organization and its constituents can harness this policy framework to accelerate recovery and put productive employment and decent work at the heart of national and international policy frameworks to promote a world in which productive and decent work opportunities are maximized.

References

ILO. 2010. [Employment policies for social justice and a fair globalization \(pdf 1.55 MB\)](#),

Report VI, International Labour Conference, 99th Session, Geneva, 2010 (Geneva).

ILO. 2009. [Recovering from the crisis: a global jobs pact \(pdf 93 KB\)](#) (Geneva).

• [Français \(pdf 105 KB\)](#) • [Español \(pdf 108 KB\)](#)

ILO. 2008. [ILO Declaration on Social Justice for a Fair Globalization \(pdf 1.58 MB\)](#) (Geneva).

• [Français \(pdf 1.59 MB\)](#) • [Español \(pdf 1.59 MB\)](#)

ILO. 2003. [Review of the core elements of the Global Employment Agenda \(pdf 96 KB\)](#), Governing Body, 286th Session, Geneva, 2003 (Geneva).

• [Français \(pdf 110 KB\)](#) • [Español \(pdf 110 KB\)](#)

Further resources

ILO Publications

ILO. 2010. [Recovery and growth with decent work \(pdf 542 KB\)](#), Report of the Director-General, Report I(C), International Labour Conference, 99th Session, Geneva, 2010 (Geneva).

• [Français \(pdf 923 KB\)](#) • [Español \(pdf 761 KB\)](#)

ILO Events

["Real economy" leaders discuss policy responses to global economic and jobs crisis](#)

[English quotes from the panellists on: "The Role of Productive Employment and Social Protection in Realizing the Millennium Development Goals"](#)

[English quotes from the panellists on: "The Global Jobs Pact and Macroeconomic Policy"](#)