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PROVISIONAL SUMMARY RECORD OF THE 13th MEETING

Held at the Palais des Nations, Geneva,  
on Tuesday, 4 July 2006, at 9.30 a.m.

President: Mr. HACHANI (Tunisia)

later: Mr. MÉRORÈS (Haiti)  
(Vice-President)

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CONDUCTIVE TO GENERATING FULL AND PRODUCTIVE EMPLOYMENT AND  
DECENT WORK FOR ALL, AND ITS IMPACT ON SUSTAINABLE DEVELOPMENT

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The meeting was called to order at 10.40 a.m.

CREATING AN ENVIRONMENT AT THE NATIONAL AND INTERNATIONAL LEVELS CONDUCTIVE TO GENERATING FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL, AND ITS IMPACT ON SUSTAINABLE DEVELOPMENT (E/2006/15 and Add.1, E/2006/33, E/2006/50/Rev.1, E/2006/52, E/2006/55, E/2006/NGO/1-36, E/2006/CRP.2, E/2006/CRP.6 and E/CN.6/2006/CRP.4

Mr. OCAMPO (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General (E/2006/55) and the World Economic and Social Survey 2006 (E/2006/50/Rev.1-ST/ESA/306), said that the goal of full employment had been one of the central concerns of the United Nations since its inception. The 1995 World Summit for Social Development had focused global attention on employment, while world leaders at the 2005 World Summit had agreed to make full and productive employment and decent work for all a central objective of their national and international policies. Such commitments, however, were at odds with the reality of trends in employment generation and the quality of work, which were analysed in detail in the report of the Secretary-General. Six such trends deserved to be highlighted.

First, despite the robust growth in the global economy over the past decade, unemployment had risen, attesting to the weak link between job creation and global economic growth. Economic growth alone could not ensure that the target of reducing extreme poverty contained in Millennium Development Goal 1 would be achieved. Second, the quality of employment worldwide had deteriorated, and in most developing countries poverty resulted less from unemployment than from workers' inability to earn enough from their hard labour. Underemployment appeared to be on the rise, especially in the agricultural sector and the urban informal economy, which together accounted for most employment in developing countries.

Third, while young people accounted for only 25 per cent of the world's working population, they made up half of its unemployed. Not only was it difficult for them to find jobs at all, but the jobs they did find were rarely decent or productive. Fourth, income disparities were widening - especially between skilled and unskilled workers - as a result of globalization, technological change and related economic processes. Fifth, structural change and labour-market adjustments were quasi-permanent features of national economies. While major policy transformations brought efficiency gains, that was cold comfort to those who lost out in

the process, especially when effective social protection systems were lacking or weak. The pressures to increase labour-market flexibility had resulted in a growing sense of socio-economic insecurity.

Lastly, international migration was having some negative effects on low-skilled workers in receiving countries, albeit relatively small effects as lowly-paid migrants tended to complement rather than compete with local workers. Despite the salutary effects of migration on growth in receiving countries, the rise of xenophobia and increasing restrictions on labour mobility generated asymmetries in the mobility of factors of production and of goods in the global economy. It was possible that such factors generated a bias in world income distribution that was particularly unfavourable to the mobility of unskilled labour, which was sometimes the only factor of production that enabled the poor to rise out of poverty.

The creation of conditions for full and productive employment must be the main goal of all areas of national economic and social policy and should be central to all macroeconomic policies. The emphasis in monetary and fiscal policies on maintaining low inflation had led to the pro-cyclical adjustment of economies, which had undermined long-term growth and therefore employment creation. Countries needed to pursue counter-cyclical macroeconomic policies when necessary and to ensure adequate public spending on infrastructure and human development if they were to achieve employment goals.

Competition in the global economy had made it more difficult to maintain both job security and market flexibility. That problem was compounded for developing countries by the fragility of their social protection systems and the size of their informal sectors. Governments must therefore provide social protection through fiscal mechanisms not tied to social security contributions while building institutions that would enable employers and workers to adapt to market conditions and an unstable macroeconomic environment.

More concerted action was needed in the area of rural development, where employment generation and productivity growth must be pursued simultaneously. The reduction of poverty in rural and urban areas alike called for the promotion of micro and small enterprises, as well as strong linkages between small firms and dynamic sectors of the economy. At the same time, a comprehensive strategy was needed to promote youth employment through a focus on education

and vocational training. Targeted measures must be adopted to overcome the specific disadvantages encountered by young people, although such measures were unlikely to pay dividends without an enabling international environment. Such an environment could only be developed with the support of a coherent international system, which should be coordinated by the International Labour Organization (ILO) and which must address the employment implications of global macroeconomic conditions and the international trading system. The International Monetary Fund (IMF) should play an important role in facilitating international cooperation in macroeconomic policymaking in order to guarantee high levels of demand while redressing existing imbalances and ensuring that employment goals became the main focus of attention. To ensure that employment policies were more prominent in national strategies, ILO decent work country programmes should become an integral part of the United Nations Development Assistance Framework (UNDAF).

Mr. PANIĆ (Vice-Chairperson, Committee for Development Policy), introducing the relevant part of the report of the Committee on its eighth session (E/2006/33, chap. II), stressed the central importance of productive employment in the fight against poverty. The challenge facing Governments was to reconcile economic growth and employment generation. To that end, they should give priority to institutional capacity-building as a way to build up human capital. The Committee had stressed the importance of creating sufficient fiscal capacity to enable Governments to invest in education and training and to implement counter-cyclical policies. Such policies were essential to mitigate the adverse effects of fluctuations in long-term growth and employment creation. Governments also needed to explore alternative ways of expanding the reach of institutions in the formal sector with a view to promoting opportunities for access to land, finance and essential services.

At the international level, development partners needed to ensure that employment objectives were built into growth-enhancing and poverty-reducing strategies. It was particularly important for the international community to pursue a more balanced and coordinated strategy for sustainable global growth and full employment. That strategy should be based partly on an equitable sharing of the responsibility for maintaining high levels of demand in the global economy. Carefully-phased trade liberalization could offset the job losses and economic vulnerability that might ensue from greater integration into the world economy.

The promotion of clean technologies and the efficient use of natural resources would prevent undue pressure on the resource base or ecological systems and so contribute to the sustainable long-term growth needed to generate full and productive employment and decent work. Another factor that could be highly beneficial for development was international migration, which, if supported by the right policies in both sending and receiving countries, need not necessarily result in an excessive brain drain from developing countries.

Mr. MADLALANA (South Africa), speaking on behalf of the Group of 77 and China, said that the recent failure to reach agreement in the Doha Round of trade negotiations meant that trade distortions and unfair agricultural subsidies would continue to jeopardize the creation of an international environment conducive to full and productive employment. While labour laws could be corrected, they were unlikely to have a lasting effect on the attainment of sustainable development without such an environment, which was crucial to reducing the unprecedented levels of unemployment. Unemployment was not necessarily a problem of the labour market, and increasing the flexibility of labour markets did not automatically lead to a more efficient economy: the focus of the debate should be on reconciling the imperatives of job creation, flexibility, efficiency and worker security. The primary importance of economic growth should not be overlooked, for it was better for people to work than to be dependent on aid.

The impact of globalization on employment and the root causes of unemployment needed to be addressed holistically and equitably. Certain facts needed to be faced up to: the fact that most economic and job opportunities favoured the developed world, while the rich-poor divide in the developing countries was widening; the fact that migration in search of a better life was leading to a brain drain from many developing countries; the fact that people living in rural and agricultural regions were too often neglected; and the fact that unequal access to information and communication technology had prevented the developing world from availing itself of technological advances, resulting in further marginalization and the concomitant inability to generate employment. The impact of monetary and trade policies, the role of international organizations, international migration and corporate social and environmental responsibility were other matters in need of urgent consideration.

The Group of 77 and China wished to stress the indispensable need for a universal rules-based multilateral trading system and for the complete implementation of the Doha work programme so as to ensure that trade played a full part in promoting economic growth, full and productive employment and decent work for all.

Ms. FILATOV (Observer for Finland), speaking on behalf of the European Union the acceding countries (Bulgaria and Romania) the candidate countries (Turkey, Croatia and The former Yugoslav Republic of Macedonia), the stabilization and association process and potential candidate countries (Albania, Bosnia and Herzegovina, and Serbia) and, in addition, Ukraine and the Republic of Moldova, said that the European Union was fully committed to promoting productive employment and decent work for all in conditions of freedom, equity, security and human dignity. The time had come to put such commitments into practice, especially in the poorest countries, through the incorporation of decent work country programmes into national poverty reduction and growth strategies and development cooperation policies. The four pillars of the ILO Decent Work Agenda - employment opportunities, workers' rights, social protection and social dialogue - were all equally important. Labour being often the sole asset that poor people possessed, poverty reduction policies must provide for action in those areas, as well as for the promotion of gender equality and skills development. In that context, she stressed the close links between decent work and economic growth and the need for the core ILO conventions to be implemented.

Nearly half of the world's workers - many of them women - were either underemployed or earned too little to lift themselves out of poverty. Many poor people were entrepreneurs in the real sense, earning a living from a combination of agricultural and other work. While every society had entrepreneurs, the situation in developing countries required special courage to become one. Poor households often engaged in low-productivity and barely profitable activities or sent family members - especially females - to work away from home to boost the household income. Reliable social protection instruments would increase growth because it would encourage people to take risks in pursuit of higher profits.

National tripartite partners - the Government, employers' associations and trade unions - should seek reliable ways to invest in human capital for the benefit of all three partners, the unemployed and the national economy. Decent work country programmes must, among other

things, strengthen policy coherence and facilitate cooperation with donors. Also, labour-market institutions should develop “flexicurity” systems, which in many developing countries would benefit workers in both the formal and informal sectors.

In sub-Saharan Africa, where women contributed the bulk of the labour force engaged in food production, efforts should be focused on rural development, with a view to expanding employment, productivity and market access, including access to cross-border markets. As recommended by the Youth Employment Network, a comprehensive strategy to give young people a real chance to find decent and productive work should focus on employability, equal opportunities, entrepreneurship, and placing employment creation at the heart of macroeconomic policy.

The problems caused by changes in labour-market institutions, such as the wage gap between skilled and unskilled labour, were symptomatic of the greater attention paid by policymakers to economic outcomes rather than social ones. The success or failure of economic policies must be measured not only in terms of economic growth and inflation figures but also in terms of their impact on employment. Such policies needed to recognize the potential benefits of corporate social responsibility as a tool that was complementary to legislation and enforcement.

Decent work enabled people to participate fully in their communities, facilitated social integration and cohesion and contributed to the long-term recovery of countries emerging from conflict. The Economic and Social Council should strive to achieve greater policy coherence on decent work, in close collaboration with ILO.

Mr. Al-KAABI (United Arab Emirates), after associating himself with the statement made by the representative of South Africa on behalf of the Group of 77 and China, said that the increasing number of unemployed people and the low income of millions in the developing countries were a huge challenge to the maintenance of national and international peace, stability and security, and that unemployment and poverty undermined economic and social conditions in developing countries and impaired sustainable development. Achieving full employment and decent work and reducing poverty were therefore clearly a responsibility of the entire international community.

The Constitution of the United Arab Emirates recognized the right to work as a fundamental right of every citizen, and the Government had enacted laws to provide and regulate employment for its citizens and to provide them with social security and protection against discrimination in employment. The country had achieved an advanced level of development, with a high ratio of employed nationals and a high per capita income. That had been achieved through an economic development strategy based on the rational and efficient use of oil revenues, diversification, the creation of infrastructure for the non-oil sectors, economic freedom, encouragement of the private sector, the promotion of national and foreign investment and the use of information and communication technologies.

The Government had paid particular attention to the provision of resources for education and training in order to make sure that members of both sexes could join the labour market, while taking into consideration the special nature of women and their role in the family. It had supported cooperatives, small businesses and industries, for example in the agriculture and fisheries sectors, and assigned a high percentage of public revenues to fund development projects and support investment. It earmarked 3.6 per cent of gross domestic product for development assistance, mostly in the form of grants. In addition, contractual workers came to the United Arab Emirates under temporary employment contracts to perform certain jobs, after which they returned to their home countries, with positive results for both the host and sending countries. Foreign labour accounted for 90 per cent of the total workforce, and in 2005 had sent more than \$20 billion in remittances to the sending countries.

Mr. ONDONGO (Observer for the Congo) said that employment was undoubtedly one of the elements that contributed most to human well-being. Nothing could bring about a more positive, important or lasting change in citizens' lives than ensuring full employment, and even more so, decent work. However, seeking full employment - meeting the pressing needs of the present - must not serve as a pretext for negligence of the environment or for irrational resource management on the part of the developing countries. In practice, of course, every Government carried out policies aimed at full employment, or at least at combating unemployment. However, unemployment remained prevalent in nearly all countries, which demonstrated the limits of such policies.

The Congo had a national environment that was conducive to full employment and decent work: it had reliable, high-performance physical infrastructure, good schools and training opportunities and political stability. The international environment required to ensure full and productive employment depended on facilitated trade and on international peace and security. The United Nations and its specialized agencies were the right institutions to promote such an international environment, but to do so they must take care that national self-interest did not undermine efforts to ensure the common good.

Making full employment an objective in a world with billions of able-bodied workers would mean spreading the production of goods and services, and thus making more intensive use of machine tools, natural resources and other inputs. That would inevitably have adverse consequences both for the environment and for the balance between jobs and resources. The world was far from enjoying full employment, yet the environment had already suffered enormous damage as a result of industrial activities. With the rise of the emerging economies, it was expected that certain natural resources would be depleted in a relatively short time, since the world's production was organized in such a way that it could not ensure sustainable development. However, that was not to say that the situation was irreversible: human resourcefulness could be applied to the challenge of reconciling full employment with sustainable development.

Mr. DULLOO (Mauritius) said that development was a human-centred process, and that the economy was a tool of human development. During a time of full employment, Mauritius had put in place a welfare state with a system of extensive worker protection, a public and universal social security system, free health care and education and a strong taxation system. However, it had recently been hit by a triple shock: the Multifibre Agreement had been dismantled; there had been a reduction in the price of sugar paid on the preferential market of the European Union; and oil prices had risen, resulting in factory closures, a high budget deficit and reduced growth. Unemployment had reached 10 per cent, and the Government was under pressure to consider cuts in the welfare state. It had recently adopted painful and politically risky economic and trade reforms in an attempt to stop deindustrialization, encourage investment and create an environment conducive to job creation.

At the same time it had introduced free transport for students and pensioners. There was some question as to whether such measures were socially and economically sustainable.

The pursuit of full and productive employment and decent work implied the existence of healthy public finances, social harmony, law and order and good governance. To establish those conditions would often require deep and sometimes painful reforms, but even such reforms could fail if the international environment was unfavourable, especially in small economies, which were more dependent on the international environment than on anything else. He therefore expressed special concern at the failure of the Doha Round of trade negotiations. Many countries like Mauritius had undertaken bold liberalization reforms specifically to benefit from the new multilateral trade regime. At the WTO negotiations, he had personally pleaded on behalf of the African, Caribbean and Pacific countries for a fair, equitable and balanced liberalized trade regime; he now called for an early revitalization of the Economic and Social Council in order to harmonize and coordinate development efforts. International factors could not be ignored. The availability of international markets, international investment flows and competition from bigger and more established economies were some of the factors that had to be taken into account when considering the sustainability of economic activities and social policies in small developing countries. It was important to adjust international trade and finance rules to make the pursuit of full employment and decent work possible for the developing countries.

The Government of Mauritius would need to recycle workers from its sugar industry, textiles and other declining sectors into higher value-added activities with better-paying jobs, such as services and information and communication technologies. It had set up a workfare programme for the unemployed and was taking measures to facilitate and attract foreign investment, talent, know-how, technology and resources. But it must be remembered that small countries with fragile ecosystems faced a risk of overexploitation of their limited resources to meet global competition. International solidarity would be necessary if irreversible damage to their environment was to be avoided.

Mr. EL ABED (Mauritania) expressed support for the statement made by the representative of South Africa on behalf of the Group of 77 and China. The creation of an environment conducive to full employment was an indispensable condition for poverty

reduction, social development and the promotion of human rights. Recent initiatives taken by the international community in the areas of debt reduction, sustainable development, good governance and the fight against poverty had highlighted the urgent need to find appropriate responses to the challenges facing developing countries, and the least developed countries in particular. The 2005 World Summit had established full and productive employment and decent work as a global objective that must figure in national development strategies. Although Mauritania had failed to meet the employment objectives set out in its poverty reduction strategy paper for 2001-2004, it had given higher priority to employment in its five-year plan for 2006-2010, emphasizing job creation, vocational training and improvements in the labour market and working conditions. The Government was working with employers and workers to draw up an employment strategy, strengthen employment management and regulation, and bolster programmes for job-seekers, in particular young unemployed people and women. Special attention would be paid to small enterprises, microfinancing and labour-intensive activities.

Mauritania had undergone significant political reforms, including the adoption of a new constitution with a view to ensuring democratic pluralism and reforming the judiciary. State finances had improved and reforms were being carried out to set up a transparent and effective system to manage income from natural resources. The country's second poverty reduction strategy paper would emphasize diversification and high-potential economic sectors. While there was reason for optimism, achieving the Millennium Development Goals would require more international solidarity. The Economic and Social Council could play the role of a genuine catalyst in that respect.

Mr. RAMÍREZ (Paraguay) said that the World Summit Outcome had recognized the importance of full employment and decent work for all in achieving the Millennium Development Goals. It was now for Member States to translate that recognition into a tangible response to the labour needs of the developing world, and in particular of the most vulnerable countries, such as island States, the least developed countries and landlocked developing countries. It was worrying that worldwide unemployment had reached a historic high in 2005 despite global economic growth. While the Monterrey Consensus stated that trade was one of the most necessary and effective tools for development and the Doha Ministerial Declaration

recognized the need for all peoples to benefit from the increased opportunities and welfare gains generated by the multilateral trading system, scant progress had been made in eradicating poverty and improving living conditions. The recent World Trade Organization (WTO) ministerial meeting had only demonstrated the lack of will and political commitment to move the Doha Round forward.

The developing countries needed a global system of transparent, fair and equitable trade, which could only be ensured if distortions and subsidies in agriculture were eliminated and markets made accessible to their products. Such a trading system would benefit all countries, but above all the poorest and most vulnerable developing countries, as the rural sector accounted for half of the workforce of such countries. Trade must not be limited to material goods alone; it must also have a social and human dimension, so that it could be an engine for the creation of decent work.

To build a fair society demanded fair treatment of all its members. The role played by women as creators and instigators of social change must be recognized, and their dignity and rights must be respected. Young people too had the right to enjoy the benefits of full employment, and Member States had a moral obligation to establish the legal and material bases to give them access to the labour market. The Economic and Social Council should concentrate its efforts on reducing the poverty gap between the developing countries and the developed countries so as to establish a climate of trust in which decent work could be ensured for all.

Mr. YAKOVENKO (Russian Federation) said that 10 years after the World Summit for Social Development had been held in Copenhagen, the employment situation was unfortunately still deteriorating. Nearly half of the world's 192 million unemployed people were under 24 years old, and about 1.4 billion people, almost half of the entire workforce, were living below the official poverty line. The turbulent market reforms of the 1990s in the countries of Eastern Europe and the former Soviet Union had produced an enormous upsurge in unemployment, which could potentially undermine confidence in democracy.

To ensure full employment and decent work would require the joint efforts and effective interaction of the entire United Nations system and development partners, including WTO, the international financial institutions, civil society and business. The United Nations agencies,

funds and programmes should take a comprehensive approach, paying attention especially to three key needs: to formulate an appropriate national policy; to ensure opportunities for the poorest population groups in order to eradicate poverty; and to create favourable conditions at the international level for job creation in trade, finance, investment, technology transfers and international migration.

Discrimination in employment was a serious problem in many countries, including those that considered themselves to be fully democratic. ILO and international human rights bodies should carefully monitor such cases and actively respond to them.

All United Nations agencies involved in the field of employment should take practical measures to further improve the international regulatory framework, with an emphasis on the protection of the basic social rights of the unemployed. They should develop targeted employment strategies and specific projects to raise standards and bridge gaps in the field of employment. ILO should ensure better coordination of actions between United Nations bodies. Lastly, his delegation supported the proposal of the United Nations Secretary-General to hold a decade for full and productive employment and decent work for all.

Mr. SAJDA (Czech Republic), having associated himself with the statement made by the representative of Finland on behalf of the European Union, said that in recent years the Czech economy had been performing well, with continuous growth of 3 to 5 per cent annually and a relatively low proportion of the population living below the poverty line. After meeting the challenges of the break-up of its traditional markets and a fundamental shake-up of its political and economic mechanisms, his Government was currently addressing pressing issues brought about by globalization, including greater competition and an ageing population. After consultations with stakeholders, it was progressively introducing new legislation to promote a more liberal environment for labour and industrial relations: a new employment act had been adopted in 2004 and a new labour code had recently been approved by parliament.

With regard to productive employment and decent work for all, he recalled that the International Labour Conference, at its 95th session in June 2006, had provided clear evidence of the role productive employment could play in poverty eradication. Employment promoted

personal freedom and security and was an important factor in tackling many serious social problems. Poverty was a threat to prosperity everywhere; the vicious cycle of poverty must be broken through training, skills development, job creation and support for micro and small enterprises. The ILO Decent Work Agenda was a significant contribution to international efforts in that direction.

Purely national strategies for sustainable pro-poor and pro-job growth policies were unlikely to succeed in a world in which economies were increasingly integrated. Accordingly, the International Labour Conference stressed the need for international partnerships to combat poverty, address inequalities, help create a better future and in particular promote full and productive employment and decent work. At the national level, his Government recognized the importance of listening to and cooperating with employers' and workers' associations with a view to ensuring sustainable success. Such an approach, based on consensus, encouraged stability, created favourable conditions for economic and social progress and, most importantly, could be just as successful in the developing countries as in the developed countries.

Ms. HERNANDEZ (Observer for the Bolivarian Republic of Venezuela) said that work was an essential part of both individual and collective development, and the right to decent and productive work was a basic human value. The issue of employment was therefore of primordial importance on the international development agenda. The workers of the world had struggled long and hard to win the employment benefits and conditions that they currently enjoyed and she deplored the threat to those hard-won advantages posed by the proponents of a liberal economic philosophy that focused on increased flexibility and labour markets. It was all very well to speak of decent work, but there was also a need for decent employers, Governments, businesses, laws and salaries. Currently there was too much emphasis on increased productivity and the unbridled pursuit of profit.

Her Government had taken the groundbreaking step of adopting legislation which required employers to certify that they provided basic benefits to their employees, such as social security, food, health and housing benefits. It was also promoting microcredit schemes and cooperatives, with the result that the number of cooperatives had increased from 600 in 1999 to more than 14,000 currently. As a result of the success of Government-sponsored programmes,

the private sector had realized that there were business opportunities in microcredit and the Central Bank had recently approved the establishment of 12 private banks whose purpose was to loan relatively small amounts to small enterprises in local communities. As a result, many individuals and businesses had access to credit and job creation had been stimulated, improving the living conditions of the newly employed and their families.

In addition, her Government had eliminated the discriminatory probationary employment period required of young workers, who currently enjoyed the same working conditions as adults. It had also promoted laws which helped women balance the roles of worker and mother and parent, believing that women should not have to choose between work or motherhood. Likewise, in the spirit of fairness, it had implemented legislation to enable men to spend more time caring for their children and to share family responsibilities more fairly with their wives.

Ms. SOSA de CALLEJAS (Observer for El Salvador) stressed the importance of employment as a source of income and tool for empowerment. It bestowed dignity on individuals and helped them become effective and active participants in society. Men, women and young people must have unfettered access to productive work opportunities and economic growth must benefit all segments of the population, including rural populations and marginalized urban groups. Fiscal policies could play a role in government efforts to promote job creation, and national programmes and resources must be strengthened through international cooperation in order to eradicate poverty and achieve the Millennium Development Goals. Bilateral and multilateral development institutions must work in a coherent and coordinated manner, giving priority to employment issues and to facilitating migration, which could be beneficial to both the host country and the country of origin. Science and technology could make a vital contribution to economic growth, poverty eradication, job creation, the expansion of basic services, information-sharing and digital connectivity, thereby increasing social well-being.

Her Government was focusing on achieving sustainable economic growth in order to be in a position to provide financial resources for eradicating poverty, with a view to promoting peace and social stability, democracy and security. It gave priority to the equal sharing of the benefits of progress; the creation of employment opportunities for all was seen as the main catalyst for poverty eradication.

Her Government's plan of action for 2004-2009 sought to transform El Salvador's economy by identifying potential productive activities which would contribute to growth and job creation. In recognition of the important contribution women could make to the national economy and poverty eradication, policies had been implemented to eliminate discrimination against them and to provide them with more and better job opportunities. Given the importance of small and medium-sized enterprises for job creation, credit schemes for micro and small businesses, including in the agricultural sector, had been prioritized. El Salvador's Multisectoral Investment Bank (BMI) had thus launched an aggressive strategy to increase the availability of microcredit in the poorest communities. Her Government's main social programme, the Opportunities Plan, included a microcredit component for the most disadvantaged families and workers and had granted 8,000 new microloans for a total of \$24 million over two years.

Meanwhile, the National Commission for the Promotion of Exports and Investments (CONADEI) had encouraged foreign businesses to locate in El Salvador and had contributed approximately \$1 billion in direct investment. As a result, some 4,000 jobs should be created directly in the coming months, and some 8,000 indirectly. Her Government was also working to promote new technology and ensure all sectors of society benefited equally from that technology.

She noted that at the subregional level, the first subregional tripartite forum on employment had been held in 2005 in Tegucigalpa, Honduras. At the forum, the heads of State of the subregion had made a commitment to promote decent employment as a priority in their respective development policies and programmes.

She expressed her support for ILO efforts to promote decent and productive work for all. Her Government remained committed to fair globalization but she stressed that full, productive and decent employment for all, in particular women and young people, must be a priority for national and international development strategies.

Mr. BANKOV (Observer for Bulgaria), having associated himself with the statement made by the representative of Finland on behalf of the European Union, said globalization meant that developed and developing countries shared many of the same

problems and challenges. In every country, employment was a factor which influenced social stability, competitiveness and national wealth, and without full, productive and decent employment, it would be impossible to achieve the Millennium Development Goals.

Bulgaria had undertaken radical changes during its transition from a centrally-planned to a liberal market economy. The transition had been successful, but at the cost of increased poverty and unemployment, diminishing incomes, poor social services and lower living standards. His Government had therefore prioritized the reduction of social tensions and the promotion of improved economic conditions and social justice, and was currently focusing on building up an educated and well-trained workforce, increasing employment and meeting the goals of the European Union's Lisbon Strategy.

Higher incomes contributed to better living standards, economic growth, improved competitiveness and greater social justice. Accordingly, steps were being taken to increase incomes, as well as to reduce taxes and improve the conditions for private enterprise. Measures to regularize undeclared work activities had already had a positive effect on the economy.

In order to overcome social exclusion and boost low incomes, his Government had implemented measures to promote both permanent and temporary employment and to provide skills training. Those measures were aimed mainly at unemployed young people, the poorly educated or long-term unemployed, persons with disabilities and the unemployed above the age of 50. Thanks to such efforts, employment levels were rising. Efforts to promote job creation and quality employment nonetheless required the active cooperation of social partners, as described in the European Employment Strategy, the ILO Global Employment Agenda and the Millennium Development Goals.

His delegation was willing to share its experience in social and economic reforms with developing countries. The Economic and Social Council provided a forum for the sharing of such experiences, and the planned reform of the Council would enable it to play an even greater role in resolving global social and economic challenges.

Mr. Mérorès (Haiti), Vice-President, took the Chair.

Mr. HAMAYETUDDIN (Bangladesh), having associated himself with the statement made by the representative of South Africa on behalf of the Group of 77 and China, stressed that poverty, which posed a clear and present danger to all societies, was a malaise which must be remedied.

Bangladesh had enjoyed sound macroeconomic performance. The Millennium Development Goals of gender parity in primary-school enrolment and access to safe drinking water had been attained and significant strides had been made towards reducing infant mortality rates and ensuring minimum dietary levels. Bangladesh was the only South Asian country on track to meet the target of reducing poverty by half by 2015. The unemployment rate in South Asia of 4.7 per cent masked the reality of underemployment. Rural and agricultural activities were the main sources of employment but such work was often seasonal and workers needed to seek employment in other economic activities. To address that problem, opportunities must be created in sectors such as manufacturing and services by promoting the growth of a competitive private business sector with meaningful access to markets.

His Government's reliance on aid had fallen from nearly 7 per cent of gross national product in the early 1990s to less than 2 per cent in 2004 and, while there was a continued need for assistance in capacity-building and infrastructure development, the most urgent need was for trade and foreign direct investment. His Government's investment policy was one of the best in the region and he was confident that its policies for achieving full and productive employment would succeed, with support from the international community.

He was less than optimistic about the prospects for concluding a development-friendly trade agreement during the current Doha Round. Systems of preferences that gave the least developed countries duty-free access for certain exports to markets in, for example, the European Union and the United States must be made more comprehensive, secure, predictable and accessible. Although he welcomed the agreement by the developed countries at the Sixth WTO Ministerial Conference to allow duty free market access for at least 97 per cent of products originating from the least developed countries, he feared that the remaining 3 per cent would include most of the items the least developed countries wished to export. He stressed

that full employment and sustainable development would remain elusive for the least developed countries if the Doha Round concluded without ensuring unfettered market access for their products.

Noting that Bangladeshis working overseas sent over \$4 billion a year in remittances to their home country, he said that labour mobility made economic sense; numerous studies had shown that labour mobility could improve economic efficiency in both countries of origin and host countries. The problems of stringent entry laws, xenophobia and the political backlash against migrants must therefore be addressed and mindsets changed. Noting that labour mobility was a component of the trade debate relating to services, he welcomed the breakthrough in the current round of trade negotiations with regard to the movement of unskilled and semi-skilled labour and stressed that the international community should focus on facilitating labour mobility on terms acceptable to all.

His Government's development and poverty reduction strategy had focused almost entirely on job creation and, while poverty was far from eradicated, State investment in developing human resources had produced positive results. His delegation took pride in the fact that Bangladesh, one of the world's largest functioning democracies, had achieved self-sufficiency in food and a GDP growth rate of over 6 per cent, so that it was currently calling for trade rather than aid.

Mr. RODRÍGUEZ VERA (Spain) said that his country had already taken important initiatives to fulfil the commitment made by world leaders at the 2005 World Summit to make the goals of full and productive employment and decent work for all a central objective of national and international policies. Spain's prompt response was due to the fact that the Government had set as its top priority, on assuming power in April 2004, the creation of more and better jobs, particularly for those communities most disadvantaged in terms of the job market. Every individual aspired to productive and dignified employment, and Governments should make every effort to satisfy that aspiration.

In July 2004, employers' organizations and trade unions had joined with the Spanish Government in signing a declaration in favour of social dialogue on competitiveness, stable

employment and social cohesion. The ambitious nature of the ensuing programme of social dialogue was apparent in the common aim underlying the declaration, which was no less than to ensure that Spanish society attained the highest levels of economic development, quality of employment, social well-being, territorial cohesion and environmental sustainability. The process of social dialogue was also inclusive in the sense that it sought to leverage, in pursuit of its objectives, all those public policies that could influence their attainment. It set out in that way to encompass, in addition to work and employment policies, policymaking in the fields of education and training; infrastructure and public investment; research, development and innovation; industry; and the environment. The policies concerned also attempted to address challenges related to economic globalization, environmental protection, the knowledge society and migratory flows.

Spain's policies also reflected the emphasis placed by the European Union on the need to incorporate the objective of promoting productive and decent work into national employment policies and strategies. Moreover, the European Union and its member States conceived the promotion of productive and decent work not simply in domestic terms but as an objective in their relations with other countries in the framework of poverty reduction strategies or development cooperation policies.

A noteworthy initiative relevant to the promotion of productive and decent work was the tripartite agreement reached in May 2006 between the Spanish Government and its social partners on improved growth and employment, providing for measures to foster job creation and strengthen job security, including initiatives to promote stable employment and to limit the use of successive temporary contracts. The agreement, which reflected the belief that greater employment stability represented the best way to improve productivity and competitiveness, was the culmination of a series of agreements reached in the social dialogue on such topics as immigration, minimum wages, collective bargaining, unemployment benefits and the extrajudicial settlement of disputes.

Another outcome of the social dialogue was a comprehensive law on gender equality, which provided for increased participation of women in the job market, equality in the workplace and measures making it possible to reconcile personal, family and professional life. The

legislation in question was an ambitious attempt to move towards genuine equality for women in the field of employment. It should also be said that many of Spain's programmes of technical cooperation with Latin American and North African countries were focused on the promotion of decent work for both sexes and were designed to create an environment conducive to the creation of full and productive employment.

The Spanish economy was currently prospering, showing a growth rate twice that of the average for the European Union, as well as more buoyant job creation. Yet it was hoped that the initiatives described would bring further gains. Spain's good performance in the areas of economic growth and employment was undoubtedly due not only to appropriate policies but also to a long tradition of social dialogue, which was the key to addressing the problems of the labour market and to ensuring the social, democratic and territorial cohesion of Spain.

Mr. FRANGIALLI (World Tourism Organization) said that employment in the tourism sector, or in tourism-related activities, could be one of the answers to the challenge of promoting productive and decent work for all in a world marked by the effects of globalization and the liberalization of trade. The number of international tourist arrivals had risen from 25 million in 1950 to 800 million in 2005. The revenue generated by those arrivals - excluding the sale of air tickets and income from domestic tourism - had increased in real terms over the same period by 11 per cent annually, representing a growth rate higher than that of the world economy as a whole. Revenues from tourism, amounting to \$682 billion in 2005, almost equalled those deriving from oil exports and were greater than those produced by the export of foodstuffs.

In the United States and the European Union, tourism accounted directly for over 7 million jobs, representing 4 per cent and 6 per cent respectively of the employment total. Over a period of 15 years, the developing world's share of international tourism had doubled to almost 30 per cent of the total, so that the developing countries and those in transition now had a positive tourist trade balance in relation to the countries of the Organization for European Cooperation and Development (OECD). Tourism - which offered great scope to private initiative and the market economy - was a labour-intensive activity that created, directly or

indirectly, a large number of skilled and unskilled jobs, including jobs for young people, women and indigenous communities. In many developing countries, tourism was helping to reduce foreign debt and dependency on a single export sector, generating in the process stable and productive employment.

The growth of tourism was part of a movement away from sectors such as agriculture towards the service industries. The fact that tourist-related employment was largely indirect and to some extent seasonal reinforced the need to measure its scale more accurately. The “tourism satellite account”, developed by the World Tourism Organization in association with OECD and EUROSTAT and validated by the United Nations Statistical Commission in 2000, was now being used by WTO and ILO as a tool to evaluate what had become one of the main sources of employment in the modern world.

While tourism was not without its environmental impact, it could be considered a “smokeless industry” in comparison with traditional industrial or agricultural activity. In social terms, the state of the tourist sector was far from perfect: poor working conditions, low pay and the employment and sexual exploitation of children were some of the blights that affected it. The World Tourism Organization had been at the forefront since 1993 of the international movement to combat the sexual exploitation of children and, in association with its international partners and private operators, was continuing to fight organized sexual tourism under the Global Code of Ethics for Tourism.

Employment in modern economies was pre-eminently generated in small and medium-sized enterprises and tended to be in decline in rural areas because of productivity gains in the agricultural sector. Tourism was well placed to take advantage of that situation: small-scale enterprises and independent workers in the tourist sector constituted a largely unexploited resource for the creation both of new jobs and new enterprises; while rural areas often offered a very rich environment for the development of ecotourism as well as for cultural or sporting activities.

Mr. MASCOLL (Observer for Barbados) said that his Government was committed to pursuing the goal of full employment within a people-centred development

paradigm. He endorsed the view expressed in the report of the Secretary-General (E/2006/55, para. 2) that employment in itself was not sufficient to attain the Millennium Development Goals if it did not generate sufficient income for individuals and households to move out of poverty, or if work was under precarious and hazardous conditions.

His Government's vision of development was anchored in its commitment to integrity in all areas of governance and its belief that sustained social and economic progress depended on the commitment of every sector, community and citizen to a philosophy of good governance characterized by democratic engagement and the subordination of sectoral and individual interests to the national good. That recognition of mutual interests had found expression in Barbados in the Social Partnership arrangement, a tripartite social compact between the private sector, labour and government aimed at promoting collaboration and consultation on all aspects of national development. The Social Partnership, which provided a platform for dialogue on key labour issues and challenges facing the country, had contributed to the steady decline in the unemployment rate in Barbados from around 25 per cent in 1993 to a record low of 8.5 per cent at the end of 2005. His Government commended the example of the Social Partnership to the international community as a model for social dialogue and good governance.

While globalization had resulted in economic growth and employment generation around the world, it had also had negative short-term effects on employment that had helped to create a "decent work deficit". The international community should seek to devise measures to decrease and eliminate that deficit wherever it existed. National action to create an environment conducive to full and productive employment and decent work for all must be complemented by a supportive international system. An enhanced supportive international system would require improvements in global governance - including far-reaching institutional changes - to ensure that the benefits of globalization were more equitably distributed. There was a need for greater coherence in the United Nations system, with particular reference to strengthening operational activities at the country level to ensure more coordinated and timely delivery of development assistance. A revitalized Economic and Social Council could help to create an enabling international system conducive to sustainable development at the national level.

Mr CHOI Hyuck (Republic of Korea) said that, while economic integration and external openness had had positive effects on world economic growth, employment growth had weakened in recent years as a consequence of globalization. His country shared the view that employment policies should be fully integrated into national development and growth strategies. In the experience of his country, addressing labour-market challenges and generating rural employment were important factors in promoting productive employment and decent work.

Like other economies integrating into the global economy, his country had had to contend with the problems of structural change and labour-market adjustment. The Asian economic crisis in the late 1990s had resulted in decreasing employment generation, and the number of industries producing jobs impervious to the economic cycle had substantially diminished. At the same time, his country had experienced a large increase in demand for informal workers and greater youth unemployment, largely as a consequence of measures to enhance labour-market flexibility. To overcome those negative social repercussions, his Government had adopted policies to balance greater labour-market flexibility with improved social protection. It had found that sound macroeconomic policy required that a balance be struck between the competitive need for flexibility and the provision of a social safety net that did not hamper job creation.

His delegation also believed that more emphasis should be placed on youth employment. In that context, his Government had made consistent efforts to establish a sound infrastructure in its labour market by providing appropriate education, expanding social employment networks and strengthening the vocational training system for young people.

In the context of a rapidly shrinking agricultural sector, the Korean Government had established various training programmes for rural community leaders, covering development skills and leadership training. It had also focused on the improvement of infrastructure in rural areas, including the expansion of rural transportation, the development of housing construction projects and the improvement of sanitary systems.

Having reaped the fruits of its own policies, his country was eager to join international efforts aimed at generating employment and decent work in developing countries. Under the Republic of Korea's Initiative for Africa's Development, it planned to receive 1,000 trainees

from Africa to share its experience in combating poverty and underdevelopment and to dispatch officials to African countries to assist them in the formulation of their own development strategies. However, development aid could not ensure sustainable development in the long run. As trade was the best way to achieve sustained growth, his Government would expand duty-free and quota-free market access for the least developed countries, increase its contributions to the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and expand its training programme on WTO rules and regulations.

While national Governments should play a primary role in creating environments conducive to employment and decent work, enhanced international cooperation in addressing macroeconomic and trade-related issues was essential. The coordinated and concerted efforts of Member States to that end should accordingly be pursued within the multilateral system.

Ms. BLOEM (Conference of Non-Governmental Organizations in Consultative Relationship with the United Nations (CONGO)) said that her organization, which facilitated the participation of non-governmental organizations and civil society organizations in the work of the United Nations, had recently organized a forum on employment and decent work which had been attended by 400 participants from intergovernmental and non-governmental organizations from all parts of the world. The forum represented a further important step towards strengthening relations between the United Nations and non-governmental organizations and building a partnership between civil society, Governments and the United Nations. She urged members of the Council to take account of the forum's recommendations when finalizing its ministerial declaration.

While grateful that CONGO had been given the opportunity for the first time to speak at the high-level segment of the Council, she hoped that the Council would provide in future for a more institutionalized interaction with civil society that would permit a truly interactive dialogue that could impact on the Council's deliberations.

Ms. MOLINA (World Federation of United Nations Associations) called on Member States, United Nations agencies, employers and civil society to work together to alleviate world poverty, hunger and disease, to promote human rights, women's equality and environmental protection, to create fair rules of trade and to increase development assistance.

She stressed the urgent need for more effective rules and greater coherence within the United Nations system to address development-related issues such as migration and decent work: migrants tended to suffer serious violation of their rights, and their families and children were particularly vulnerable in matters of education and health.

The World Federation endorsed the recommendations of the Civil Society Forum held recently at ILO headquarters, where the subject of full and productive employment and decent work for all had been discussed. The Federation's national associations were ready to work closely with the United Nations Development Programme in the promotion of the Millennium Development Goals and to cooperate more closely with it in specific development programmes. For example, the United Nations Association in Uganda was working on a project to enable African women to establish businesses that could help to provide the services necessary to achieve the Goals.

Mr. CUI Jian Jun (China NGO Network for International Exchanges), speaking on behalf of 26 Chinese national NGOs, thanked the Secretary-General for his vision and courage in advocating more interaction between United Nations institutions and civil society on an increasing number of vital issues, including that of employment. Employment was one of the keys to lifting people out of poverty, pursuing sustainable development and maintaining social harmony. He appealed to the Council to pay careful attention to the recommendations of the Civil Society Forum, which reflected the considered views of the people the United Nations existed to serve and on whom it ultimately relied. Non-governmental organizations in China were working in partnership with government, the private sector and other social actors to address the issue of employment: however, while China had experienced sustained economic growth and social progress as a result of a quarter of a century of reform, it still faced formidable and urgent tasks in that area.

The meeting rose at 1.05 p.m.