

PROVISIONAL

E/2006/SR.14

21 October 2008

Original: ENGLISH

ECONOMIC AND SOCIAL COUNCIL

Substantive session of 2006

High-level segment

PROVISIONAL SUMMARY RECORD OF THE 14th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 4 July 2006, at 4.30 p.m.

President: Mr. HANNESSON (Iceland)
(Vice-President)

CONTENTS

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
(continued)

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In the absence of Mr. Hachami (Tunisia), Mr. Hannesson (Iceland),
Vice-President, took the Chair.

The meeting was called to order at 4.30 p.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
(continued) (E/2006/15 and Add.1, E/2006/33, E/2006/50 and Rev.1, E/2006/52, E/2006/55,
E/2006/56, E/2006/NGO/1-36, E/2006/CRP.2, E/2006/CRP.6 and E/CN.6/2006/CRP.4

Mr. SENEVIRATNE (Sri Lanka) said that, while access to work was the surest way out of poverty, the experience of various countries had shown that supportive public policies in health, education and gender empowerment, together with an enabling environment for entrepreneurship, were a sustainable investment for growth and employment generation.

Despite Sri Lanka's relatively low level of per capita income, its achievements in the areas of health and education were indisputable, and it was well on its way to achieving the Millennium Development Goals. Yet, despite continued high annual growth rates, an unemployment rate of 7 per cent, affecting mainly women and young people, underlined the importance of initiatives such as the United Nations sponsored Youth Employment Network. Remittances from migrant workers represented an important source of foreign exchange for Sri Lanka, and his Government was concerned with the promotion of employment opportunities as well as ensuring safe migration for its workers, who now represented one seventh of the labour force.

As a developing country, Sri Lanka was faced with many challenges in creating a conducive environment for full and productive employment and decent work. They included payment of a fair wage and social protection by domestic enterprises struggling to compete in the global economy; ensuring decent employment for the large numbers of people employed in the informal economy; and pursuing market-driven economic growth within a social framework of rights, protection and participation. Many argued that that protective regulation undermined enterprise flexibility and productivity. His Government believed, on the contrary, that decent work could pay for itself through improved productivity and resultant social and economic stability.

It was imperative to encourage economic initiatives compatible with sustainable development by promoting more sustainable consumption and production patterns. The productive and economical use of resources was an important aspect of sustainable development. There was also a need to integrate environmental best practices into employment and development programmes.

His Government hoped ECOSOC would ensure that the ILO message of decent work was mainstreamed throughout the United Nations system and that the Economic and Social Commission for Asia and the Pacific would develop synergies in that regard with the larger United Nations family.

Mr. SAKHAN (Observer for Ukraine) said that since independence Ukraine had faced difficulties with regard to the creation of productive and decent employment, and living standards in the country remained relatively low. Restructuring of the economy was taking place and the number of jobs was increasing. At the same time, the informal economy was growing, as in many countries in transition, and there were difficulties in providing salaries that would attract workers back to industry. The country was confronted by problems both of unemployment and underemployment. His Government had launched a programme aimed at creating a million jobs annually as well as developing job training, skills development and lifelong education.

A reform of work practices was under way in Ukraine involving formalization of the relations between workers and employers, the development of pension systems and the promotion of dialogue in the workplace. Many workers had emigrated to different countries of the European Union, and at the same time there was an inflow of migrants to Ukraine that gave rise to problems. The United Nations and ILO should encourage the legalization of worker migration, which was advantageous to the sending and the receiving countries alike. It was important to regularize the situation of migrants, since placing obstacles in their path often caused them to turn to crime. In conclusion, it was a matter of satisfaction that ECOSOC should be debating the important issues relating to the topic of productive and decent employment.

Mr. CIAVARINO (Observer for Argentina) said that promoting decent work was important for achieving the Millennium Development Goals (MDGs) and fostering sustainable development in the developing world, particularly in the least-developed countries. Sustained

economic growth, though important, was not by itself sufficient to achieve the MDGs, particularly the eradication of poverty. Growth must be conceived in terms of the potential for generating work, which must be understood in the sense of decent work. The concept, as developed by ILO and defined in paragraph 2 of the Secretary-General's report, involved four strategic objectives: securing labour rights, increasing opportunities for decently remunerated work, ensuring social protection for all, and strengthening tripartite arrangements and social dialogue. The eradication of poverty was central to attainment of the Millennium Goals, and decent work was a key means to that end.

The capacity of our societies to generate productive jobs was also a crucial factor in social integration and participation in public life, which were in turn central to democratic governance. Rejecting macroeconomic policies that had in the past resulted in poverty and marginality, Argentina was today making the generation of decent work a central plank of its economic and labour policies. While much remained to be done, unemployment had been reduced by 50 per cent, and policies for integration in the workforce and skills development were being actively developed. Yet, to be successful, the efforts of the developing countries must be able to count on a favourable international environment. It was vital that the Bretton Woods institutions and WTO should support initiatives to that end, and ECOSOC had an essential function to play in promoting such initiatives.

The developing countries had been hopeful that the Doha Round negotiations would offer them greater access to world markets, compatible with the principle of favoured and differentiated treatment. Unfortunately, those hopes had been dashed once again, although not through any failure of attitude or lack of political will on the part of the developing countries. Full and productive employment and decent work must become a central value for the international community, given their importance in the construction of fair and democratic societies. His delegation accordingly supported the Secretary-General's proposal for the launching of a world decade aimed at placing the goal of decent work at the centre of national and international policies.

Mr. FUST (Observer for Switzerland) said that access to decent work for all was essential for combating poverty and cementing social cohesion. The situation of young people,

who accounted for one out of every two unemployed persons, was a major concern: the employment of young people should be a political priority, and Switzerland was currently devising an institutional policy to integrate young people in its overall development activity.

The private sector, as the main employment creator, had obligations to society. Quality of employment was linked to respect for framework conditions in the economic, social and environmental fields. In that connection, Switzerland was delighted with the success of the United Nations Global Compact, whereby companies undertook to act on their own initiative in favour of social rights and thereby contribute to development. Such an approach was particularly important where legislative standards were not high or where the State did not have sufficient capacity to check their implementation.

The State's main role, rather than creating employment directly, was to establish a legislative framework that promoted productive employment and decent work for all. The ways in which it did so included political decisions on macroeconomic issues, anti-trust legislation, consumer protection in the fight against corruption, and the reduction of bureaucratic obstacles to enterprise creation. The dynamism of the private sector depended crucially on administrative procedures that were transparent, reliable and fair for all partners.

Another crucial function of the State was to ensure decent working conditions through legislation concerning social protection, working conditions, human rights, minimum wages, child labour and guarantees of the rights of freedom of association. Such provisions should aim particularly at improving the conditions of the most vulnerable population groups, which presupposed the existence of reliable institutions and mechanisms to ensure compliance with legal provisions.

The State also had responsibility for allocating the necessary budget and providing basic services such as education and health. Improvement in the level of education and the integration of vocational training in the national education system contributed directly to greater access to the labour market by young people. Experience in his own country had demonstrated the benefits to be derived from the sharing of responsibility for professional training with the private sector.

The key to development was to make markets work better for the benefit of the poor. In that regard, the informal labour market was a serious obstacle in view of its size and of the

vulnerability of those working in it. The increasing number of those earning their living in the informal sector, particularly in developing countries, and the poor quality of work it provided made regularization of the informal sector one of the main challenges for the State.

ECOSOC had an important role to play in highlighting the need for States to engage more with civil society, including the private sector and social partners, on the issue of employment and decent work. In that regard the tripartite structure of ILO could serve as a source of inspiration to strengthen the dialogue between the parties involved. As part of the United Nations reform process, Switzerland would like to see greater interaction between ECOSOC and civil society and its institutionalization so as to increase the relevance, visibility, effectiveness and impact of the Council's work.

Mr. KUBERSKI (Poland) said that globalization, although often associated with uncertainty and instability, offered a unique opportunity for economic development and modernization and thence the possibility of greater social cohesion. Polish experience provided a good example of how to solve the conflict between tradition and modernity brought about by globalization. Modernization represented the only possibility of moving beyond the traditional views of society, social roles and work that had prevailed in his country. Introduction of the democratic system, accompanied by extensive economic reforms, privatization and exposure to world markets, had produced a strong stimulus for development. However, those changes had come at a high social cost, calling for State intervention.

Employment was the key to maintaining social stability and individual dignity. His Government had therefore placed the main focus on economic development, with a view to opening up employment opportunities. It has stimulated investments and made the labour market more flexible by reducing labour costs and administrative burdens. While the effects of its measures had been positive, problems in the labour market remained. Polish unemployment was structural in nature, linked to the inadequate qualifications of employees, with the result that the creation of new jobs did not necessarily translate into a decline in unemployment. Better quality and greater mobility of labour was a prerequisite for economic growth. State intervention had therefore been concentrated on improving employability, particularly by upgrading the infrastructure for lifelong learning and offering equal opportunities in education for young people from different regions and social groups.

The changes that his Government was currently introducing were aimed at further reducing labour costs, removing obstacles to entrepreneurship and increasing flexibility in the labour market. They involved decentralization of salary decisions, removing the reliance on social security, greater flexibility in hiring employees as well as improved job brokering. Bold political decisions concerning the taxation system were also required. Decisions aimed at reconciling economic development with social guarantees could sometimes be seen as depriving workers of traditionally guaranteed social rights. Yet striking the right balance between activity and security did not imply the neglect of social rights. Rather it was an attempt to find solutions leading to sustained and durable development.

Dialogue was of the essence in the reform process, since if the development challenge failed social consensus and social disorders would ensue. His Government was currently negotiating an agreement with social partners aimed at reconciling the objectives of economic development, new job creation, family support and reduced unemployment. Its multidimensional approach to integrating economic development with social policy was consistent with the guidelines contained in the documents for ECOSOC's current session and with its practice of recourse to the expertise and best practices accumulated by international organizations, notably ILO, the United Nations and the European Union. His country, which could today make its own contribution to the international body of knowledge on good governance, believed that ECOSOC had the potential to offer support to both developed and developing countries in developing the values of decent government, an active society and social solidarity.

Mr. ABBAWI (Observer for Iraq) said that ECOSOC was at the heart of development efforts throughout the world in many sectors affecting the quality of human existence. Cooperation and exchanges of experience between nations could help eliminate poverty and promote food security for millions throughout the world. Sustainable human development was the key to improving living standards and reducing the gap between the developed and developing countries, particularly the least-developed nations. The annual ministerial reviews within the framework of ECOSOC had an important role to play in measuring and monitoring developments in that regard.

His country aspired to modernity and equality of opportunity within a democratic framework. Despite the challenges of terrorism and other problems, Iraq had been making

progress in the social and economic spheres. Significant in that respect had been the holding of national elections, including the election of the Constitutional Assembly, and the plebiscite on the establishment of a new Constitution, renouncing weapons of mass destruction and providing for the signing of international disarmament agreements. In the agricultural sphere, steps had been taken to combat deforestation and eliminate the sequels of war. The programme for economic development included efforts focused on poverty reduction and providing employment opportunities for young people.

His Government was endeavouring to create a new economic reality in Iraq. New technology was being introduced to reinforce modernization efforts. Emphasis was being placed on training human resources, combating unemployment and restoring the economy, including the strengthening of private enterprise and the encouragement of foreign investment. Iraq was using its oil revenues to improve basic infrastructures and hoped to create an economy based on a diversity of financial resources. The banking sector was being developed with the help of the World Bank and IMF, and the foreign debt had been reduced by 80 per cent. Priority goals for sustainable development included the reinforcement of security, justice, equitable distribution and women's rights. The Government was working with NGOs with regard to safeguarding human rights in general and women's rights in particular: 20 per cent of seats in Parliament had been reserved for women and a ministry had been created for their empowerment. Other measures included the launching of an ambitious social security system and the provision of food assistance to many families in need.

Despite the efforts so far made, his country continued to face major difficulties following the terrible trials through which it had passed. In addressing those difficulties, it aimed to conform to the directives of ECOSOC, sharing the belief that human development could not be achieved without social justice, human security and national cohesion.

Mr. RUPŠYS (Lithuania) said that this country was pursuing an employment policy aimed at achieving full employment, improved work quality and productivity and enhanced social cohesion. In Lithuania, rapid economic growth since 1996 had been underpinned by one of the highest labour-productivity growth rate in the European Community. Over the period 2001-2004, real GDP growth had averaged 7.9 per cent and labour productivity had increased by 21.1 per cent as compared with 2000. His Government's efforts to ensure that productivity

growth went hand in hand with increased employment had proved successful in 2005, the employment rate attaining 62.6 per cent. Such trends were encouraging in relation to the targets and benchmarks agreed in the context of the European employment strategy.

His country's efforts to raise employment rates went hand in hand with the goal of greater job attractiveness, equality at work and labour productivity growth. Efforts to reduce the number of working poor and reintegrate the long-term unemployed and people with relatively low skills in the world of work were likewise essential. All his country's recent labour-market reforms offered employers the opportunity to organize the working process in a flexible manner while encouraging them to take employees' needs into account. The aim was to ensure labour market flexibility at the same time as employment security.

In the context of a major reform of employment-legislation, the unemployment benefit system had been modernized to ensure better coordination with labour-market policy. In a second reform measure, the Lithuanian Parliament had adopted a law on employment promotion, modernizing employment services and employment assistance to jobseekers as well as the conditions for receiving such assistance. The new law covered an extended population group, prescribed additional support for the newly constituted target groups, included a number of new labour market policy measures, provided for more incentives to employers to create new jobs and recruit among target population groups, and offered greater incentives to the unemployed to actively seek employment.

His country believed that a strong emphasis on knowledge, education and innovation gave people the opportunity to climb the productivity ladder and ensured that productivity would grow quickly. Policy measures defined in the National Reform Programme were focused on investment in human capital through education and training, on innovation research and development, on transport networks and on the adoption of information and communication technologies. It was essential to equip people to adapt to changes during their lifetime so that they felt more secure and saw labour market changes as an opportunity rather than a threat. Lithuania, drawing on European Structural Funds, was therefore focusing on making vocational education and training accessible to employees, supporting trainee placement, developing the employability of young people and the long-term unemployed, promoting entrepreneurship, and encouraging businesses to accept students for practice periods to transfer accumulated business

know-how and administrative experience. Many aspects of employment security, flexible work and job quality came within the competence of the social partners, and Lithuania therefore supported the creation of a common agenda and joint responsibility for change.

Mr. SINGH (India) said that concerted action by the international community was vital to enabling people everywhere to meet their basic minimum requirements. To move in that direction, including achievement of the Millennium Development Goals, a scaling-up of resource flows to developing countries, especially Official Development Assistance (ODA), was crucial. While new aid commitments by donor countries were welcome, the decline in concessional and non-concessional lending by multilateral development banks was a matter of concern. Donor countries as a whole, as well as mobilizing resources from innovative sources, must be willing to raise their ODA levels to the target of 0.7 per cent of gross national income well before 2015 if the Millennium Development Goals were to be met. Developed countries also needed to encourage private capital flows into developing countries, while helping them prepare for the consequences of liberalization, including possible lower availability of funding for the social sectors.

In a world where technology was as important as financial resources, there was a need to ensure that critical technologies were accessible to developing countries at affordable cost, especially in the critical areas of health, environment and food security. Attention should also be paid to basic infrastructures so as to provide institutional capacity to absorb the inflow of resources and trigger sustained progress in human development outcomes, including full employment. A focus on the social sectors, especially capacity-building in education and health, coupled with strong incentives to scientific and technological development, would quicken progress towards development objectives.

As noted by the Secretary-General, it was vital that any international strategy for employment generation in the agriculture sector should address issues of agricultural trade, market access and reduction of trade barriers. It was likewise necessary to ensure that distortions in the global trading system in agricultural products caused by huge subsidies in developed countries were removed to provide a level playing field for producers in developing countries, including millions of subsistence farmers. It was also important, in keeping with the goals of the

Doha Development Round, that developing countries should be granted flexibility and policy space in relation to non-agricultural market access if they were to avoid the danger of de-industrialization.

In a number of developing countries, severe underemployment, not just unemployment, was the problem that needed to be addressed. In India, the National Rural Employment Guarantee Act now legally guaranteed minimum employment for 100 days annually to every rural household, creating a social safety net for the rural poor. Access to decent work and full employment should be seen not only in terms of job creation but also of work opportunities, especially through self-employment. In India the Swarnajayanti Gram Swarozagar Yojana was one of the largest microcredit schemes in the world for the self-employed. Its success had prompted even commercial banks to enter into the field of microcredit, which would substantially increase its impact. His Government had also launched several major initiatives aimed at poverty eradication and employment generation, especially in rural areas. The new programmes were expected to assist India in meeting its commitment to reduce the poverty level by a further 5 percentage points by 2007 and by an additional 15 percentage points by 2012.

The Indian success in nation building, in a country comprising one sixth of humanity, had been to successfully reconcile the challenge of backwardness, illiteracy, low growth rates, famine and food security with a commitment to democracy and civil society. The growth in GDP in 2005-2006 had been 8.1 per cent, inflation had remained at 4 per cent and the investment rate had measured 31 per cent. He believed that the Indian experience could be of relevance to many other developing countries in considering the policy choices available in pursuit of the goal of full and productive employment.

Ms. ARKLE (Hope for the Nations) said that a broad range of Canadian non-governmental organizations, forming part of a UN-NGO Informal Regional Network, had met in October 2005 to debate the topic currently before the ECOSOC High-Level Segment, with the active participation of representatives of Canadian youth. Given the broad scope of the topic, the forum decided to prepare two general *Statements of Conscience* and identify four associated *Mechanisms for Change* for submission to ECOSOC. The former affirmed that: malevolent national, international and corporate labour practices that created immense human suffering and affected all workers, especially women and children (employed or not) must be

addressed; and that action must be taken against labour practices that were exploitative and exacerbated gender inequality and sexual exploitation of women and children. Issues relating to employment, sustainable development, empowerment of people and community involvement were highlighted under the rubric of mechanisms for change. The forum had concluded its submission with a series of recommendations covering a variety of themes germane to ECOSOC's mandate.

Ms. AGREBI (World Family Organization and Tunisian Mothers Association) said that, in its strategic framework for 2006-2009, the World Family Association (WFA) recognized that creating an environment for full and productive employment, taking into account the gender perspective, was central to the well-being and harmony of the family. Productive employment was important to alleviate poverty and provide adequate family stability. Success stories highlighted by WFA included the Tunisian experience of the National Solidarity Fund to eradicate poverty and the National Employment Fund to ensure decent work for members of families through solidarity banks and microcredits. WFA was committed to the principle of partnership between public and private sectors, with the involvement of civil society, in pursuit of the Millennium Development Goals.

Mr. CLERC (Association Droit à l'Énergie SOS Futur) said that there were approximately 2 billion people in the world who had no access to energy, which was essential to achieving the Millennium Development Goals and to fuelling the economic activity underpinning job creation. The availability of energy in rural areas was a factor in reducing migratory flows to suburban areas, where unemployment was endemic. Its arrival, impacting initially in the micro-enterprise and handicraft sectors, freed up time for women in particular to devote themselves to economic activities and to their children's education. Jobs created in the energy sector, particularly electrical, helped to raise the technological level of the countries and regions concerned. Present in 79 countries, his organization was implementing a plan to promote universal access to energy based on the Millennium Development Goals, public-private partnerships and the involvement of civil society at all stages of development. A new and positive approach to the problem of universal access to energy was an essential aspect of the generation of employment and decent work for all.

The meeting rose at 6 p.m.