



Economic and Social Council

Provisional

31 December 2012

Original: English

Substantive session of 2012

High-level segment

Provisional summary record of the 20th meeting (Chamber B)

Held at Headquarters, New York, on Friday, 6 July 2012, at 3 p.m.

President: Mr. Arias (Vice-President) (Spain)

Contents

General debate (*continued*)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

12-40814 (E)



Please recycle 



In the absence of Mr. Koterec (Slovakia), Mr. Arias (Spain), Vice-President, took the Chair.

The meeting was called to order at 3.10 p.m.

General debate (*continued*)

1. **Mr. Papageorgiou** (Observer for Cyprus), speaking on behalf of the European Union; the acceding country Croatia; the candidate countries Iceland, Montenegro, Serbia and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania and Bosnia and Herzegovina; and, in addition, the Republic of Moldova and Ukraine, said that economic growth was an important precondition for job creation, poverty eradication and achieving the Millennium Development Goals (MDGs). Greening the economy was essential for promoting long-term sustainable and equitable growth, decent job creation, health and well-being and could contribute to competitiveness and poverty reduction for countries at all stages of development.

2. Unemployment rates were very high among young people worldwide, and women continued to suffer from discrimination in education, employment and access to decision-making positions. Reforms aimed at improving the functioning of labour markets remained a priority and education and training were essential in order to incorporate more people into the workforce and increase productivity, including through flexible contractual arrangements that met the needs of both employers and workers. A well-functioning labour market that promoted entrepreneurship and self-employment would enable individuals, especially the young, to take advantage of new growth opportunities. Conducive conditions for a vibrant private sector were needed since it played a vital role in development in many countries by generating employment and investment, creating new technologies and enabling sustained and equitable economic growth, including through public-private partnerships.

3. According to recent International Labour Organization (ILO) reports, young people were three times more likely to be unemployed than adults; over 75 million youth were out of work worldwide. Hence, opportunities for them to gain access to decent and productive work should be increased, including through investment in education, training, youth employment, volunteerism, mentoring and work experience programmes. Links between policies on

education, skills development, employment and social integration should be reinforced with a view to poverty eradication and achievement of the MDGs, working conditions should be improved and the core ILO standards should be promoted.

4. The situation of the European Union labour markets was of major concern. Employment was one of the five objectives of Europe 2020, a strategy for smart, sustainable and inclusive growth that focused not only on GDP, but on environmental and social issues as well. The European Union was taking a two-pronged approach with measures designed, on the one hand, to ensure financial stability and fiscal consolidation and, on the other, to foster growth, competitiveness and employment while tackling the social consequences of the crisis.

5. At the international level, the European Union remained committed to implementation of the Istanbul Programme of Action for the Least Developed Countries, notably with respect to productive capacities. It welcomed the efforts made by the African Union in the areas of education and training and supported bilateral and regional cooperation with the least developed countries, with full respect for their ownership and leadership of their own development.

6. At the 101st session of the International Labour Conference, held in Geneva from 30 May to 14 June 2012, the participants had adopted a resolution entitled "The youth employment crisis: A call for action" and a new recommendation No. 202 concerning national floors of social protection, which should guide the Council's work. The principles and values of the ILO Decent Work Agenda and Global Jobs Pact were more relevant than ever.

7. Lastly, he welcomed the Los Cabos Growth and Jobs Action Plan, adopted at the Group of 20 Leaders' Summit held in Los Cabos on 18 and 19 June 2012; and the outcome document of the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro from 20 to 22 June 2012, entitled "The future we want".

8. **Mr. Montalvo** (Ecuador) said that although the consequences of the employment crisis were being felt across the globe, the most vulnerable groups were concentrated in the developing countries, where unemployment made it impossible to reduce poverty and had a negative impact on education, health and nutrition. Despite their commitment to achievement of

the MDGs, the developed countries were denying the effects and, above all, the causes of the crisis, bailing out their speculative financial institutions rather than stimulating productive capacity and the real economy.

9. Access to decent work promoted social inclusion and ended the vicious circle of intergenerational poverty. Ecuador's Constitution guaranteed the right to work and recognized it as an economic policy goal, but it also established work as a social right and an element of self-fulfilment. The 2009-2013 National Plan for Living Well, which incorporated the MDGs and sought to ensure decent work for all without discrimination of any kind, had increased the employment rate from 34.2 per cent to 40.5 per cent and reduced the underemployment rate from 59.8 per cent to 54.7 per cent over the period 2007 to 2011; the unemployment rate for the economically active population currently stood at 4.2 per cent. The minimum wage had been increased by 21 per cent, including for domestic workers, artisans and agricultural workers.

10. Because young people aged 18 to 19 accounted for 27.7 per cent of the country's population, the Government-sponsored "My First Job" programme offered paid public- and private-sector internships to advanced university students. State policies had also reduced unemployment and underemployment among the indigenous and Afro-descendant population and the young people who accounted for nearly one-third of Ecuador's population. Programmes for vulnerable groups who were traditionally excluded from public policies included the incorporation into the workforce of persons with disabilities and improved social protection, including maternity and paternity leave and permission for mothers to breastfeed their children at work. The Government had received requests for South-South cooperation in order to replicate its Eradication of Child Labour project, which had removed children and adolescents from work in landfills.

11. Despite those efforts at the national level, the global objective of full employment and achievement of the MDGs would not be possible without the political will of the developed countries to provide financing without conditions in support of developing countries' efforts to promote productive capacity and decent work and to eradicate hunger and poverty. The Council provided the appropriate environment for

discussing and generating a global commitment to respond to the worldwide employment crisis.

12. Ecuador and other Latin American countries had led the way in multilateral efforts to prevent future crises and mitigate the effects of the current ones by setting up various regional and innovative development financing mechanisms, but such measures were complementary and should not serve as a pretext for the developed countries to avoid their obligations or for halting the search for new global development financing mechanisms.

13. Apart from slight improvement in the governance of the Bretton Woods institutions and paradoxical refunding of some of the very institutions that had caused the crisis, little had changed. The General Assembly had not followed up on the issues contained in the outcome document of the 2009 Conference on the World Financial and Economic Crisis and its Impact on Development and the international community continued to await a regulation of the financial sector that would ensure economic stability, full employment and a change in unsustainable production and consumption patterns. He called on the Council to adopt creative decisions leading to the establishment of a new international financial architecture, debt restructuring and cancelling of sovereign debt, resumption of the Doha Round of trade negotiations and achievement of the ODA target of 0.7 per cent of GDP so that the developing countries could adopt public policies consistent with their national priorities and strategies.

14. **Mr. Viločić** (Observer for Croatia) said that his Government had implemented a range of measures in order to mitigate the impact of the economic crisis and increase employment. Vocational training was provided for the unemployed and jobs had been opened up in public works and young people were offered paid internships and career counselling so that they could choose courses of study that were adapted to their interests and capabilities and to the long-term needs of the labour market. Despite its economic constraints, the Government provided temporary unemployment compensation commensurate with the length of previous employment so as not to offer a negative stimulus in the long term.

15. The green economy was an important tool for the sustainable development agenda; it had the potential to create new employment, education and capacity-

building opportunities. He welcomed the strategies set out in the Rio+20 outcome document, including the involvement of all stakeholders with a view to addressing new and emerging challenges. The green economy could lead to a new development paradigm and a new business model with growth and new jobs in sustainable development considered mutually reinforcing. Efforts in that regard should, however, be pursued under the leadership of the United Nations.

16. **Ms. Anderson** (Ireland) said that Governments and international institutions were at a crossroads; they had acknowledged the mistakes of past macroeconomic policies and were seeking a new way forward by combining growth with inclusivity and equity. Ireland's need to re-examine its economic model was particularly acute since recent adjustments had involved tough budgetary measures, unacceptably high unemployment and the return of emigration. Current policy-making was based on a vision of creating a decent, values-driven society in which burdens and rewards were shared equitably.

17. Despite domestic cutbacks, his Government was determined to continue to provide ODA at essentially the same level — in excess of 0.5 per cent of GDP — which ranked it seventh globally in per capita terms. The downward adjustment in the living standards of people in developed countries often increased their empathy and solidarity with the people of the developing world, whose lives were incomparably more difficult. It also meant that people became more insistent that development policies be designed and implemented with a view to achieving the maximum results.

18. The Millennium Development Goals Report 2012, which revealed unequal results across regions and within countries, called for serious policy re-evaluation, particularly since young people and women featured disproportionately in vulnerable employment. Hunger and malnutrition remained a global challenge and were the focus of Ireland's foreign policy and development programme; 20 per cent of its ODA was spent on hunger-related issues. The challenges of decent work, women's empowerment, education, market access and climate change were interconnected and must be addressed jointly.

19. The multilateral system needed to improve its analytical capacity and its negotiating and decision-making processes in order to respond rapidly and

relevantly to current challenges. She had been disappointed by the Rio+20 negotiations and called on States to do better in setting the new sustainable development goals called for in the Conference outcome document, reviewing progress towards the MDGs and mapping the development framework beyond 2015. The people of the world were unimpressed by verbiage and insistent on concrete commitments and measurable results. As a new economic paradigm took shape, the United Nations must be part of the conversation and of the resulting action.

20. **Ms. Viotti** (Brazil) said that, despite signs of recovery in some developed economies, growth prospects worldwide had been dampened by renewed instability and uncertainty. The poorer countries, in particular, were suffering the impact of excessive volatility in capital flows and commodity prices and the overall situation had affected international efforts to reduce inequality and eradicate poverty, making it more difficult for developing countries to achieve the MDGs.

21. Developing countries, especially in Latin America, had learned from experience that the dire effects of economic crises on employment and decent work could have a serious impact on a country's social fabric. In a fragile economic environment, fiscal austerity, deregulation and flexible labour markets merely jeopardized economic growth and increased inequality. Policies that promoted productive capacity and decent work, particularly for women and young people, were crucial in addressing the social impact of the crisis and ensuring sustainable and inclusive economic growth. The countries of his region had therefore lowered interest rates, raised the minimum wage, established tax incentives for labour-intensive sectors, invested in infrastructures and strengthened social protection.

22. Such policies had allowed Brazil to boost domestic demand, lower unemployment and revitalize its domestic market, making its economy more resilient to external shocks. A greater share of national income was flowing to the poorest, thereby expanding the middle class and increasing demand. Having created 17 million jobs and lifted over 30 million people out of poverty since 2003, his Government had set the more ambitious goal of eradicating extreme poverty by providing income assurance and ensuring productive inclusion and access to public services. Initiatives had

been established to provide young people, who were most likely to experience unemployment and informal-sector employment, with vocational and skills training. Although women tended to be better educated than men, they found it more difficult to find decent jobs. Efforts to increase their enjoyment of labour rights and expand their access to social security coverage, including maternity leave, mandatory job stability after childbirth and compulsory breaks for breastfeeding, were under way.

23. **Mr. Messone** (Gabon) said that the economic crisis had resulted in increased unemployment, job instability, poverty and social inequality, especially among women and youth. Unemployment among young people had given rise to the recent social and political unrest across the globe. It was time for a new model of economic growth based on the creation of decent jobs, redistribution of wealth and increased access to social services. Such strategies would require diversification and structural changes; speculation in the food and energy sectors must be controlled and the financial sector must be better regulated. Improved access to education, health care and training and, in the case of young people, assistance with their transition from school to the labour market were required.

24. Gabon hoped to become an emerging country by 2025 by expanding its industry and services and developing a green economy. It believed firmly in the role of small and medium-sized enterprises in the creation of employment in productive sectors and had set up a microcredit programme, Akassi, for women entrepreneurs and village cooperatives. Advisory and marketing services had been established, joint ventures between local and foreign businesses were encouraged and access to financing from regional development banks was supported. The first New York Forum AFRICA had been held in Libreville from 8 to 10 June 2012 and attended by various entrepreneurs and investors.

25. In Africa, lack of food security had been provoked by speculation on world markets and the resulting price volatility, exacerbated by poor harvests. Since the nation's workforce was concentrated in the agricultural sector, improvements in that area should have a positive effect on food security, job creation, poverty reduction and income generation. His delegation therefore endorsed the Istanbul Programme of Action and welcomed the Secretary-General's proposal, mentioned in paragraph 71 of his report on

promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals (E/2012/63), to accelerate economic recovery and job creation while addressing sustainable development, climate change and food security challenges through a Global Green New Deal. His delegation also joined the Secretary-General in calling on States to review their social protection policies. His Government had established a national health insurance and social security scheme that made health care affordable, including for women, young people and other vulnerable groups.

26. Lastly, it was necessary to improve policy coordination in the work of the United Nations system and the international financial institutions and, within the framework of the Doha Round of trade negotiations, to take new measures in order to ensure that trade generated sustainable employment.

27. **Mr. Kydyrov** (Kyrgyzstan) said that his country faced a complicated social and economic outlook as the result of multiple internal and external shocks. The labour market continued to struggle; in 2010, the overall unemployment rate had been 8.6 per cent overall and nearly 10 per cent among women. In addition, the poverty level had risen from 31.7 per cent to 33.7 per cent in 2011 and many people, including the young, had been forced to migrate internally in search of work.

28. In order to prevent a severe economic recession, the Government had taken a series of emergency measures aimed at reforming governance and eliminating corruption, promoting priority economic programmes, enhancing the effectiveness of social policies and reducing poverty. Such broad-based changes would encourage transparency and effective resource management, particularly in support of the poorest and most vulnerable segments of the population, while minimizing Government interference in business and promoting small and medium-sized enterprises.

29. In addition to reforms aimed at improving social protections, health care, education, employment and gender policies, particular attention was being devoted to youth development. It was important to strengthen international cooperation in order to promote youth employment and education, prevent drug use and criminality and overcome problems of social integration.

It was vital that an international strategy that encouraged youth employment should be elaborated, in line with the relevant ILO recommendations.

30. Greater attention should likewise be paid to the issue of international labour migration, which had become an integral component of the global economic system and directly impacted prospects for achieving sustainable development and the MDGs. Legislation regulating migration should be liberalized and democratized, the rights of labour migrants should be protected and regional and bilateral cooperation aimed at creating conditions more conducive to legal migration should be broadened.

31. Promoting a green economy was essential to sustainable development and should be achieved by harmonizing the economic, social and environmental components of growth. Not only would a green economy stimulate productive capacity more effectively; it would create decent jobs and enhance quality of life.

32. He welcomed the Rio+20 outcome document, which highlighted the importance of mountainous regions and ecosystems to sustainable development and the conservation of water resources while noting their vulnerability to climate change and other systemic shocks. In most developing mountainous countries, however, external debt limited the financial resources available for social and environmental programmes and discouraged investors. His Government called on the international financial institutions and donor nations to restructure the debt owed by the most vulnerable mountainous countries in exchange for their efforts to achieve sustainable development and transition to a green economy.

33. **Mr. Granguillhome** (Mexico) called for a balance between the State and the markets and for structural reforms aimed at increasing productivity, attracting private investment and creating decent jobs in order to eradicate poverty, promote sustainable development and achieve the MDGs. It was urgent to overcome the negative effects of the current crisis. Mexico had recently hosted the Los Cabos Summit of the Group of 20, at which economic stabilization and structural reforms had headed the agenda. In the resulting Declaration, the leaders had adopted the Los Cabos Growth and Jobs Action Plan and had undertaken to strengthen demand and restore confidence in order to

support growth, and to foster financial stability in order to create high-quality jobs and opportunities for all.

34. The social benefits of global economic integration were being called into question by developing countries, which often considered economic and social concerns more important than environmental protection. The United Nations had lost its relevance to the major global changes that were under way and global development governance required urgent reform. The Organization must not have multiple development agendas and decision-making forums and while it was true that the development model had various components and that institutional arrangements should reflect that fact, the division of labour should promote complementarity, not duplication, of effort.

35. Rio+20 had shown that the multilateral system could be strengthened and the United Nations invigorated as an effective, legitimate universal forum for discussing, establishing and implementing the global development agenda, and that the Council should play a central role in that regard by expanding its mandate as a focal point for integrating and monitoring the three pillars of sustainable development.

36. **Ms. Bethel** (Bahamas) said that her Government's efforts to foster sustainable development were grounded in policies aimed at achieving faster economic growth with social equity, increasing resilience to the impact of natural disasters, stimulating the private sector, reducing external debt and creating a more efficient public sector.

37. While the domestic economy had responded positively to those efforts, the unemployment rate stood at 15.9 per cent. Consequently, job creation, especially for young people, and improved living standards were Government priorities. A proactive job creation plan based on attracting foreign direct investment (FDI), supporting local entrepreneurship, expanding the resort sector and using the Government as a direct investor under controlled circumstances had been announced. Measures would also be taken to train or retrain the labour force and to establish a productivity council, which would develop procedures for productivity measurement, management, improvement and reward in all sectors of the economy and increase public awareness of the need for increased productivity.

38. National efforts needed to be complemented by a supportive international environment, which called for coherent and globally coordinated macroeconomic

policies to increase production, income and decent jobs with due consideration of the principles and objectives of the Global Jobs Pact; those issues should be included in discussions on the development agenda beyond 2015. Enhanced policy dialogue and international cooperation on those matters were needed, including within the Council. Building green economies was an emerging issue and, as a small island developing economy, the Bahamas would require technical and financial assistance in that regard. It hoped for continued dialogue and partnerships in order to move forward with its sustainable development agenda.

39. Policies and technologies were essential to poverty eradication, economic growth and participatory development at the national and international levels. However, philosophical and cultural factors also played a part; it must be recognized that poverty was ultimately a mind-set that could be reversed through knowledge, training and nurturing and that parents, guardians, teachers and leaders had a responsibility to create an enabling environment that focused not only on empowerment, self-sufficiency and partnership, but on elimination or reduction of the root causes of the problem. Hence, strategies must involve beneficiaries from the outset so that they could contribute increasingly to results-oriented programmes and to the setting of visionary goals with rewards for accomplishments.

40. **Mr. Berger** (Germany) said that the Council had an opportunity to provide meaningful input into implementation of the Rio+20 outcome document, "The future we want". One of the most important outcomes of the Conference was recognition of the importance of the green economy as a tool that could enhance social inclusion and improve human welfare while creating employment opportunities and decent work for all, particularly women, youth and the poor; however, the targeted groups should be equipped with the necessary skills. In recent years, his Government had created numerous jobs by promoting the use of renewable energy, reducing greenhouse gas emissions and fostering sustainable production patterns, and it stood ready to share its experience.

41. The promotion of productive capacities and decent work was essential for poverty reduction, achievement of the MDGs and environmentally, economically, fiscally and socially sustainable development. The United Nations system had an important role to play in implementing the Istanbul

Programme of Action and helping to strengthen productive capacities in middle-income countries.

42. The world could not afford a "lost generation" of young people; a coherent approach that combined education and skills development with macroeconomic and labour market policies was required. His Government had cooperated with all relevant social partners in a "training pact" that provided on-the-job technical and vocational training for young people, which had proved effective in reducing youth employment. Work was also a source of personal dignity, family stability and peace in the community. His Government supported the ILO initiative to develop decent-work-oriented approaches and its recommendation No. 202 concerning national floors of social protection. In addition, it contributed to partnership approaches at the international level, particularly in the context of the Group of Twenty. Lastly, his delegation would host a side event on the theme "Enhancing employability through technical and vocational education and training", to be held during the following week.

43. **Ms. Cousens** (United States of America) said that growth was fragile and job creation lagged in many areas; over a billion working poor were toiling in extreme poverty and global unemployment was expected to reach 200 million in 2012. At a time when the global economy was in the fragile stages of recovery, youth and women should be at the top of the employment agenda since young people represented the best hope of all countries and, although women were half the world's population, they were persistently under-represented economically and continued to face legal, cultural and social obstacles to their productive employment, land ownership, inheritance, education and training. Wage gaps between men and women remained significant in both developed and developing countries and women's reproductive and health-related rights were often violated.

44. It was important to remove rules and regulations that made it hard to find jobs, seek education or training, access credit or start a new business; in her country, the lack of vocational training and industry credentials were preventing three million jobs from being filled. For that reason, President Obama had called on employers, educators and community organizations to cooperate through programmes that could move students and workers swiftly onto the job

market; in 2012, the Government had allocated nearly \$150 million to 24 recipients under a new Workforce Innovation Fund, through which start-ups, industry leaders, universities and trade unions could provide training in cutting-edge technologies in response to the evolving needs of business. Policy and regulatory frameworks that attracted private investment, fostered innovation, reduced inefficiencies and instilled confidence were also required, especially for owners of the micro, small and medium-sized businesses that drove job growth in many economies. Her Government was working with its international partners to reduce administrative and other barriers in that area; it was estimated that every dollar spent in improving the enabling environment for such businesses reduced the cost of regulatory compliance by \$29 per year, a multiplier that amounted to \$5 billion in savings globally for 2010.

45. Education at all levels, including skills development, could not be overemphasized. Efforts to strengthen productive capacity must put human resources and capital at the heart of national development strategies. It was also necessary to focus on job quality; to offset vulnerability, including by addressing the large number of workers in the informal economy; and to implement labour market policies that fully respected workers' rights, together with strong social protection programmes. Jobs could only be created as a result of broad-based, inclusive and sustained economic growth, which called for coordinated action and global leadership. Growth was also a powerful force for poverty reduction. Policies and conditions that attracted investment and built human capital were crucial enablers of growth and could help extend its benefits more widely, particularly to vulnerable groups.

46. Consideration of the development agenda beyond 2015 should include cross-cutting issues that had been given less attention in the MDGs, such as productive capacity. The Council could provide a valuable platform for constructing a next-generation global development agenda.

47. **Mr. Briens** (France) said that in order to stimulate employment and combat poverty and exclusion, macroeconomic and budgetary balance should be restored while promoting inclusive economic growth that took social realities and consequences into account. Global problems required global solutions. During its presidency of the Group of 20 in 2011, his Government

had focused on employment and the social dimension of globalization. Mexico, which had assumed the presidency in 2012, had continued to support those priorities with special emphasis on youth employment. Notable results had been achieved, as seen from the Los Cabos Declaration, paragraph 20 of which stated that jobs with labour rights, social security coverage and decent income contributed to more stable growth, enhanced social inclusion and reduced poverty. To that end, the Group had decided to extend the mandate of its Task Force on Employment for an additional year.

48. The ILO Global Jobs Pact and call for national social protection floors reflected the effort of Governments, employers and workers to focus on universal access to decent work and social protection. Full, effective collaboration among international organizations was essential to the implementation of poverty reduction strategies that promoted decent work. The United Nations system could play a crucial role in strengthening the coherence between economic, financial, social and development policies and between the different agencies required in order to give growth a human face.

49. Her delegation welcomed the focus on the social dimension of development, the green economy and youth employment at Rio+20 and the decision to set new sustainable development goals that would finally unite the three pillars of sustainable development.

50. **Mr. Silva** (Observer for Sri Lanka) said that Sri Lanka had followed a people-centred social and economic development strategy and could share its experience with the international community. Human development and capacity-building had been priorities with emphasis placed on creating employment opportunities for those entering the labour force. Significant investment in public services and infrastructure, essential elements for building a productive and entrepreneurial human resource base, had been made and the country had achieved many of the MDGs. The economy had maintained an 8 per cent growth rate and an annual per capita income of \$2,400; the post-conflict contribution of the State's Northern Province was 22 per cent; and paragraph 1 of the country's draft country programme for the period 2013 to 2017 (DP/DCP/LKA/2) stated that with the end of a three-decade war, and despite the 2004 tsunami and the impact of the global recession, Sri Lanka had achieved middle-income status and was at a defining moment in its history.

51. The demands of the country's service sector were high and offered many job opportunities demanding a variety of skills. The Government provided lifelong training and capacity-building in response to the needs and demands of the local, regional and global labour markets and young people received instruction in the English, Chinese, Japanese and Korean languages; the curriculum would soon be expanded to include German and Spanish. There were national skills strategies for various population groups. Women and youth were a priority and incentives were provided to induce investors to locate their enterprises away from the main cities so that rural women and youth could work from home, thereby reducing urban migration. The Government had also enacted a wide range of labour laws on, inter alia, social security, industrial safety, terms and conditions of employment and the minimum wage.

52. Small and medium-sized enterprise development had been identified as a way to increase employment, bridge regional growth disparities and ensure widespread, inclusive growth. Special loan schemes had been launched in order to improve access to finance and skills development. Unemployment had decreased considerably and education and health indicators had risen, reducing the poverty rate. However, eradicating poverty and ensuring decent work for all remained a challenge in the current volatile economic environment. Resource constraints had also impeded efforts to increase productive capacity.

53. Graduation to middle-income status did not guarantee quick or simple solutions to existing development problems. As an emerging economy, the challenge for Sri Lanka was to achieve rapid, sustainable economic growth while integrating itself into globalization processes. Collective efforts through the United Nations system and other multilateral mechanisms should therefore focus on minimizing the external shocks created by the global crises, and the developed countries should honour their commitments so that developing countries could achieve and surpass the MDGs. To that end, all forms of development partnership should be explored in order to achieve a balance between the pillars of sustainable development.

54. **Mr. Archondo** (Observer for the Plurinational State of Bolivia) said that the global financial and economic crisis had resulted in a significant increase in unemployment worldwide, particularly among young

people, women and other vulnerable groups. The crises had also increased the incidence of hunger, especially among small-scale and indigenous farmers who depended on subsistence agriculture, hunting and fishing and required access to land, water, seeds, microcredit and livestock, fish and game animals.

55. His country had been able to escape the worst effects of the crisis by implementing social protection policies. While the developed countries were suffering from a recession, many Latin American countries were experiencing economic growth. His Government had nationalized the country's natural resources, whose profits were now used to encourage children to stay in school, combat maternal and child mortality and strengthen social protection for older persons. Above all, the State had recovered its capacity to guarantee a fair wage to all workers; the minimum wage had risen by 127 per cent between 2006 and 2012. Some of its people were still unsatisfied with their wages, but even they realized that better days were coming for the country.

56. His Government opposed the liberalization of markets in the service and environmental resources sectors because liberalization encouraged privatization and the expropriation of national resources and had weakened the economies of the developing countries by reducing employment and violating workers' rights. Living well meant working in harmony with nature. Over the past six years, there had been significant progress in ensuring stable, equitable working conditions and reducing unemployment, with special attention paid to youth and to persons with disabilities. Summary dismissal and all forms of workplace harassment were illegal and specific measures had been implemented in order to provide technical training, skills development and an apprenticeship programme to promote youth employment. Low-interest loans were granted, especially to small and medium-sized enterprises in the productive sector. Such measures had increased the proportion of the population in the formal sector from less than 40 per cent to almost 50 per cent and the unemployment rate had fallen from 9.3 per cent in 2004 to 5 per cent in 2011. Comprehensive and universal social security was established in the Constitution and implemented by programmes targeting vulnerable groups. Efforts were being made to reduce the school dropout and maternal and child mortality rates and public policies were set through social dialogue.

57. Lastly, it was essential to grant special, flexible and differentiated treatment to developing countries in the area of trade; in that connection, he called for support from the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO).

58. **Mr. Odisho** (Iraq) said that his country was striving to become a regional economic power by entering the world economy with the support of its international partners. Since the transition from a centrally controlled economy in 2003, the Government had instituted a package of market-based reforms that had significantly increased real income, controlled inflation and stabilized the currency. Individual income had increased, GDP had risen by 6 to 9 per cent per year and the unemployment rate had fallen from 28 per cent in 2004 to 11 per cent in 2011. The dominance of oil in the economy had been reduced by expanding other sectors, notably construction and agriculture. Where the market had failed to do its job, the Government had stepped in to ensure an equitable distribution of the national income so that the economically vulnerable sectors of the population could play a role in economic and social development. In so doing, it had been guided by the principles of sustainable development: good governance, the rule of law, social justice and free competition.

59. The National Development Plan for the period 2010 to 2014 focused on human resources, social services and training while maintaining social safety nets for those in need. The Plan also stressed the role of the private sector in job creation in accordance with article 25 of the Constitution, which provided for development of the private sector as a cornerstone of economic reform. The success of any development strategy required achieving the full potential of the private sector in order to generate productive employment; in Iraq, banks were playing an increasing role in the financing of small and medium-sized enterprises.

60. **Mr. Hassani Nejad Pirkouhi** (Observer for Iran) said that the vicious circle of rising unemployment, austerity measures and the fragility of the financial sector in developed countries was weighing down the global economy and making it difficult for the developing countries to achieve their development goals. The irresponsible policies and misconduct of the world's largest economies had played a major role in creating the pessimistic economic prospects; the administration of global political and economic affairs

was based on an undemocratic structure that was characterized by injustice and profound inequality. Over the past two decades, the international community had missed many opportunities to build a more peaceful and prosperous world for all and, having neglected true multilateralism, was facing unexpected new challenges.

61. There was a need for a new development paradigm based on the mobilization of political will and resources with a view to a more balanced approach to development; reform of global economic governance in order to give developing countries adequate policy space to pursue their own development policies; and strengthening of their productive capacities so that they could engage meaningfully in the global economic system while eradicating poverty and inequality at home.

62. However, some developed countries were not only avoiding the assumption of new responsibilities in the context of multilateralism but were attempting to disregard previous commitments and to shift responsibility to South-South cooperation; that approach had been particularly noticeable during negotiations on the Rio+20 outcome document. Even more regrettable was the practice of imposing unjustified, illegal, inhumane and futile economic sanctions on developing countries and their people, making it impossible for them to break the cycle of economic dependence and achieve sustainable development and poverty eradication.

63. The Council's mandate for system-wide coordination made it the appropriate mechanism for advancing dialogue and cooperation among Member States by identifying and addressing barriers and challenges to development efforts.

64. **Mr. Escalona Ojeda** (Observer for the Bolivarian Republic of Venezuela) said that the global economic, financial, environmental, energy and food crises had worsened over the past year and while the developing countries faced ever-growing challenges, Goldman Sachs and other financial corporations were raking in record-breaking profits. Wartorn cities were being rebuilt even as new weapons of mass destruction were being developed; the genetic and natural resources and traditional knowledge of indigenous peoples were being appropriated through biopiracy; and investment was focusing on nanotechnology and transgenics as if laboratories could create artificial products capable of

addressing the problems of climate change and loss of biological diversity. Such activities were anti-ecological, failed to create employment and were sowing death and destruction. They were associated with Malthusian solutions directed at the physical and spiritual destruction of the poor in a modern version of the “final solution”: the so-called eradication of poverty by “painting the world green” and eliminating hope.

65. Financial capital was being accumulated based on speculation, wage reductions, over-exploitation of workers and natural resources, slave labour and human and drug trafficking. Neoliberal dogmas were losing legitimacy and had no scientific basis; they had proved to be a mere ideological justification for the hegemony of financial capital. The idea that there must be growth before there could be distribution had led to the emergence of a more unequal, less prosperous world. It was said that a demand-based economy was needed, yet only the States that promoted social policies focusing on income, social security, health and education had been able to generate employment and reduce poverty.

66. The policy of reducing public spending and lowering wages in order to decrease production costs and make exports more competitive had failed. Under neoliberal globalization dogma, health care and jobs were not human rights; therefore, the right to development, which included those other rights, did not exist and could not be financed. In addition, the financial institutions had reduced demand and minimized the importance of the real economy. The role of banks had been radically altered; instead of channelling savings towards productive investment, combating climate change, eradicating poverty, eliminating hunger and generating well-being, their resources were being allocated to financial speculation.

67. **Mr. Tarar** (Pakistan) said that unemployment was an explosive political issue that had an impact on social stability, especially in view of the collective inability to shed the economic policies that had brought about the current situation. Business as usual was no longer an option; a new economic model that promoted strong and inclusive economic growth and sustainable development was needed.

68. Nearly 70 per cent of Pakistan’s population was under the age of 30. The country had a rapidly growing labour force and was facing the task of creating jobs

and decent working conditions amid multiple global crises. It was gratifying that the Council’s deliberations had vindicated Pakistan’s Decent Work Country Programme, which focused on pro-poor economic growth and recognized the crucial relationship between growth and productive employment as consistent with international priorities. Under that Programme, labour laws had been reformed, vocational training provided and social protection expanded, including in the informal sector, while tripartite social dialogue was encouraged. In particular, the Government had introduced a youth development initiative and a cash transfer programme that focused on the empowerment of women through monthly cash payments, vocational training, interest-free loans, education and health care. Nevertheless, Pakistan was vulnerable to natural and man-made disasters and global economic conditions, and employment opportunities for skilled and semi-skilled labour abroad and for small and medium-sized enterprises at home were needed as a complement to the State’s poverty eradication efforts. Improving agricultural productivity and rural non-farm income opportunities were among the Government’s priorities.

69. Sustaining employment was as important as generating it, and natural and manmade disasters should not be used as a pretext for the abdication of responsibilities; policies should adapt to circumstances. At a time when the global economy was facing numerous crises, the Council should play a robust role as the central mechanism for coordinating the activities and policies of the United Nations system in the economic, social and related fields.

70. **Ms. Davidovich** (Observer for Israel) said that unemployment had significant national and global impacts, including increased violence, crime and political instability. As in many countries, integration into the labour market was increasingly difficult in Israel, especially for young people from disadvantaged backgrounds. The Government had developed a wide-ranging strategy to boost productive capacity, which involved enhancing education by offering financial incentives to schools and providing extra instruction for low achievers and alternative education programmes for drop-outs.

71. Jobs increasingly required critical thinking, problem-solving and communication and collaboration skills and the Government realized that investment in science, technology and innovation education were essential for economic transformation; a network of

vocational schools encouraged students to develop their capabilities in the area of advanced technology and science. Social support services were a critical component of full employment and families in which both spouses worked had a higher standard of living. Policies designed to ease the financial burden on such families included tax credits, subsidized infant care and flexible school hours. Free public education would soon be available to children aged three and over.

72. Since Israel was home to a diverse population from many ethnic, religious, cultural and social backgrounds, employment-related programmes had to be adapted to different cultural needs. A recent example was a Government initiative to expand the role of the Arab community in entrepreneurship by establishing “business incubators”, each of which was expected to support up to 20 Arab-run businesses. The Government was helping such businesses to enter the export market and, in 2011, had launched a microfinance loan initiative for Arab women entrepreneurs. Members of the Orthodox Jewish community, who, for religious reasons, did not attend public schools, were also being helped to enter the labour market through the establishment of a one-stop employment centre that would provide job placement services and education opportunities. Persons with disabilities were being helped to enter the civil service and incentives and support services for their employers were being established. The Ministry of Health was also promoting the employment of people who suffered from mental illness.

73. Empowering people through entrepreneurship lay at the heart of Israel’s international development work. Its Mount Carmel International Training Center and the Young Americas Business Trust were working with young people in Latin America and the Caribbean. The project, established in 2000, had spread to 29 countries and 23,000 beneficiaries and had developed training modules such as business laboratories, small business development centres and training in rural tourism. That model was now being replicated in Africa.

74. All people had the potential to drive social change and economic development but in order to do so, they needed to be nurtured in a supportive environment and provided with real opportunities. States must invest in their citizens, empower women and offer hope to the young; failure to use their energy, imagination and creativity could waste enormous opportunities for economic growth and public well-being.

75. **Ms. Sánchez de Cruz** (Dominican Republic) said that the promotion of productive capacity and decent work and the development of inclusive, sustainable and equitable economic growth were needed in order to eradicate poverty; however, the world’s largest economies had not recovered from the recent crisis, particularly in the euro zone, and the proposed solutions focused primarily on restoring the health of the banking system while ignoring the need for increased production. Youth unemployment constituted a serious challenge, as did the fact that four-fifths of the global population lacked social protection.

76. In the Dominican Republic, the unemployment rate for young people was almost double that of adults and of those who were employed, many worked in the informal sector where wages were low and opportunities for training and development were almost non-existent. The Government had introduced an employment programme for young people, with support from the Inter-American Development Bank (IADB) and the World Bank, in order to provide vocational and skills training and internships in private-sector companies. However, it had proved impossible to incorporate all young people of working age into the labour force.

77. Notwithstanding the progress made, it was unlikely that the Dominican Republic would be able to reduce extreme poverty and hunger to the levels established in the MDGs by 2015. Extreme poverty still affected 10 per cent of the population despite targeted social protection programmes. School enrolment and literacy rates had risen but the drop-out rate remained high, the quality of education was insufficient and more classrooms and teachers were needed. The Ministry of Education was implementing a 10-year plan for the period 2008 to 2018 in the hope of achieving Goal 2 of the MDGs on universal primary education.

78. Prompt, effective action was needed in order to strengthen social cohesion and environmental protection. It was difficult to see how the developing countries could increase production and meet their basic needs without using more energy and natural resources, and she feared that they might be condemned to live permanently in poverty owing to the lack of an effective international mechanism for sustainable human development.

79. **Archbishop Chullikatt** (Observer for the Holy See) said that the value of work was not only that it provided for the needs of the individual; it was also essential to human development, human dignity and long-term peace. Work constituted a foundation for family life, but the family was also the primary source of support for the unemployed. Policies should therefore focus not only on the right of workers to a just wage, but on achieving a balance between work and family responsibilities. Persistent unemployment was a social injustice that undermined freedom and stifled the creativity of the individual. Economic policies that were not directed towards the full employment of all those able to work could not be justified ethically and threatened the achievement of long-term peace in society.

80. Education and skills training played a vital role in achieving full employment and, in a rapidly-changing globalized economy, should be provided lifelong. In addition, the rights of workers, particularly women, children and migrants, regardless of immigration status, must be respected. Full employment and decent work were a moral concern that required enhanced cooperation and understanding among all sectors of society.

81. **Mr. Kamano** (Observer for the International Association of Economic and Social Councils and Similar Institutions) expressed concern that, at a time when the world was producing more than enough food, 25,000 people were dying of hunger each day in the developing countries while millionaires in the developed countries were dying of diseases caused by overeating. Even rich, technically advanced countries and those with significant natural and human resources had been unable to eradicate poverty and ensure sustainable economic and social development, primarily as a result of poor economic, social, policy, institutional and environmental governance. The elimination of poverty and achievement of the MDGs could not be achieved without universal employment, decent work and inclusive, sustainable and equitable economic growth. However, that required a clear vision of the future, an implementation strategy and realistic programmes and projects at all levels.

82. National development plans and international financing and cooperation mechanisms should ensure efficient management of budgetary and financial policies, development of basic social and economic infrastructure, sustainable exploitation of natural

resources, strengthened security, enhanced justice and the promotion of democratic, participatory governance with a focus on youth and women. Economic liberalization required promotion of the private sector as an engine of development; the public sector, for its part, was responsible for creating an enabling environment for growth by encouraging small and medium-sized enterprises and industry, particularly in agriculture and related sectors, while developing industry and incorporating new information technologies.

83. **Ms. Jerger** (World Food Programme), speaking also for the United Nations Organization for Food and Agriculture (FAO) and the International Fund for Agricultural Development (IFAD), said that ending hunger and malnutrition should be a top priority for the development agenda beyond 2015. Although agriculture was one of the main pillars of the economy in developing countries, there were widening inequalities between urban and rural areas, particularly for women. Rural poverty was often associated with pervasive decent work deficits, including gender inequality, lack of opportunities for youth, low wages and productivity, occupational hazards, child labour and lack of social dialogue. However, in many countries, rural economies were undergoing a far-reaching transformation in which income was increasingly generated from non-agricultural employment and self-employment. The rural non-farm sector represented a significant source of growth and employment and concrete action was required in order to harness its potential for reducing poverty and increasing food and nutrition security.

84. It was also necessary to promote gender-sensitive agricultural and rural development by creating more and better jobs, increasing market access and extending social protection. The global challenges resulting from the expanding world population, climate change and the economic and financial crisis could not be resolved unless the needs of the world's poor were addressed and they were considered part of the solution. The three Rome-based agencies were working with their partners in an effort to increase investment in agriculture and non-farm enterprises in order to enhance productive capacity, reduce rural poverty, encourage rural entrepreneurship, improve the employability of the rural workforce through skills development, promote employment for rural youth, prevent child labour in the agriculture sector, promote the extension of social protection programmes to the

rural population and make Governments aware of the importance of engaging rural producers and workers in policy dialogue.

85. At the same time, they were encouraging the international community and national authorities to increase investment in food and nutrition security and agricultural and rural development; ensure that employment policies were gender-sensitive and fostered youth inclusion while preventing child labour; extend social protection to vulnerable groups in rural areas and encourage the scaling-up of successful models; develop the skills and capacities of organizations of producers and workers so that they could participate in policy dialogue; improve rural labour statistics through gender and age disaggregation and encourage their use; and promote the exchange of good practice and lessons learned about decent rural employment. Linkages between agriculture, food security and employment would become increasingly important and cooperation between agriculture and labour stakeholders at the national and international level was needed. The ILO Global Jobs Pact and social protection floors initiatives should be implemented and decent rural employment should be promoted during discussions on the development agenda beyond 2015.

86. **Mr. Salazar-Xirinachs** (International Labour Organization) said that a policy agenda that focused on productive capacities and decent work would have a short- and long-term impact on labour market vulnerabilities and inadequate growth and development patterns. Such an agenda should include investment in education and vocational training and labour market interventions coordinated with macroeconomic and sectoral policies. The document entitled “The youth employment crisis: A call for action”, adopted at the 101st session of the International Labour Conference, provided a range of policy options.

87. Investment in job-intensive sectors, including infrastructure, was also required; the latter, in particular, had a strong multiplier effect and provided opportunities for productive diversification. In addition, an enabling environment for small enterprises, cooperatives and start-up initiatives should be created and access to affordable credit should be increased. Attention should be paid to the quality of jobs and to safeguards for workers and their families in order to ensure more inclusive and sustainable growth; in that connection, he drew attention to the recent ILO recommendation No. 202 concerning national floors of

social protection. Providing a minimum level of security for the poorest people enhanced their chances of engaging in decent and productive work.

88. At the national level, policy coherence required political commitment; administrative capacity; sound policy analysis; transparent, participatory decision-making; social dialogue; and consultation with employers, trade unions and civil society. At the international level, Rio+20 could provide a point of departure towards a more coherent development agenda. The challenge was to incorporate that vision into programmes, targets and goals that integrated the critical economic, social and environmental dimensions. Improving employment and employability, investing in infrastructure and productive capacities, enhancing social protection, raising labour standards and increasing the coherence of macroeconomic policies were critical elements of an effective agenda for sustainable and inclusive development until 2015 and beyond.

89. **Mr. Rath** (Observer for the Agewell Foundation) said that, at a time when most countries were experiencing a gradual demographic transition to an older population, Governments should view older persons as a continuing resource. Changes in economic policy and in demand were a challenge to a workforce whose skills and capabilities were losing value and retraining opportunities were not available to everyone; most workers had to settle for whatever jobs they could find. Many countries were shifting towards economic liberalization; industry and trade were increasingly in control of the market and many older people had been driven to seek employment in the informal sector. They should be considered a resource rather than a liability; realism and creativity were required when designing a national strategy for productive employment, and developing countries should be encouraged to consult with a generation that was currently being bypassed.

90. **Mr. Reichman** (Observer for the International Association of Applied Psychology and for the Society for Industrial and Organizational Psychology) said that repetitive work inhibited the normal development of individuals, who were frustrated by being kept in a childlike state throughout their working life. Frustration led to aggression, which, when turned inward, became depression, lethargy or even suicide and, when turned outward, became anger, hostility, domestic violence and substance abuse. Developing countries tolerated the exploitation of their workers in

order to improve their domestic economies. The United Nations system should publish the names of companies that failed to meet decent work standards so that socially conscious investors and consumers could avoid them. It should also create an agency or mandate one of its affiliated organizations to monitor workplace conditions in developing and emerging nations where multinational corporations dominated the production and export sectors.

91. Frustration was even greater for the unemployed poor, who were deprived of food, shelter, safety and the means to self-actualization and, with time on their hands, could be recruited for riots and other anti-social behaviour. The wealthy also paid a psychological price and resorted to the defence mechanism of rationalization: they convinced themselves that they deserved their status and that the poor were the cause of their own problems. They moved to gated communities with armed guards to keep them from the rabble and used their political power to control those who might jeopardize their way of life. However, that approach was only partially successful; as stated by the United Nations and ILO, the real solution was to design a programme that each country could adapt to its own situation and that would provide a social protection floor for all people in all nations. He urged the Council to support that initiative.

92. **Dr. Falvo** (Observer for the International Society of Doctors for the Environment) said that poverty and health were related; businesses ran smoothly when their employees were healthy. Good health was both critical to, and would result from, achievement of the MDGs, all of which were dependent on clean water, sanitation and food. Reduced spending on armaments would free up funds for investment in those areas and reduce the need for costly health care services and environmental clean-up while making health a central consideration and using public health mechanisms to track the progress and effectiveness of programmes would facilitate efforts to create decent work and achieve the MDGs. Health professionals could provide advice on the physical, chemical and behavioural hazards in the environment, monitor them, ensure that preventive health measures were achieving the expected goals and treat illness when necessary.

93. **Mr. Ritchie** (Conference of Non-Governmental Organizations in Consultative Relationship with the United Nations), speaking also on behalf of the Civil Society Development Forum and the relevant

Conference of Non-Governmental Organizations in Consultative Relationship with the United Nations (CONGO) substantive committees, said that poverty and economic and social inequality were often linked to gender discrimination and lack of access to education, health care, sanitation, clean water and decent work. Rural poverty, which accounted for 60 per cent of poverty worldwide, was grounded in the unequal distribution of land and credit; women, in particular, were denied access to land and inheritance. The current food, economic, environmental and climate crises were jeopardizing achievement of the MDGs. It was therefore incumbent on Governments, civil society and the business sector to reinforce their commitment to inclusive, equitable growth within a framework of sustainable development.

94. Because poverty was a violation of basic human rights, ensuring a basic level of social protection and a decent life for people was an obligation under international human rights instruments. With a modest increase in budget allocations, most developing countries could adopt and implement long-term development plans that responded to local needs and capabilities and established a social protection floor; those benefits could then be increased over time as resources permitted.

95. GDP was no longer an adequate measure of a country's wealth since it failed to acknowledge unequal wealth distribution, resource depletion and environmental damage and did not include non-market services. Governments should shift their focus from financial indicators to indicators that measured the quality of life and environmental sustainability and took non-market services, such as domestic labour and voluntary care, into account. Available alternatives included the Human Development Index, the Genuine Progress Indicator, the gross national happiness index and the World Bank's Adjusted Net Savings Index. He urged Governments to adopt and implement the draft guiding principles on extreme poverty and human rights, invest in physical and social infrastructure and provide an enabling environment and resources for those involved in agricultural production and distribution, and, in developing countries, to implement social and economic policies and programmes that allowed vulnerable groups to gain access to services and earn a fair livelihood.

96. **Mr. Parmegiani** (Observer for Legião da Boa Vontade) said that the reduction of poverty in the

context of sustainable development was a bottom-up, multi-stakeholder process that required the active engagement of civil society and specific grass-roots initiatives. In March 2012, his organization, in partnership with United Nations agencies, had organized the ninth Multi-Stakeholder Forum of the Solidarity Society in eight South American cities. The Forum had resulted in a set of recommendations and in general agreement that Governments, international organizations and civil society should unite to overcome the current global challenges. For over 60 years, Legião da Boa Vontade had been defending education as the key to preparing future generations for profound behavioural changes. It suggested that public education systems across the globe should embrace value-based pedagogies in order to increase altruistic, ecumenical, social and environmental awareness.

97. **Mr. Sigliano** (Organización de Entidades Mutuales de las Américas) said that it would be impossible to promote productive capacity, employment and decent work in the context of inclusive sustainable economic development without progress in the implementation of a universal social protection floor. Mutual entities served the common good through solidarity and had long experience in promoting the recommendations contained in the report of the Social Protection Floor Advisory Group. The studies leading up to that report had demonstrated that modest programmes had the potential to reduce poverty significantly and had highlighted the effectiveness of reinforcing social security systems in order to ensure the effective distribution of benefits and services. The need to share the burden implied by that goal had prompted the Advisory Group to recommend that States should work closely with relevant civil society entities. He therefore requested that the Council's annual ministerial declaration should include a specific paragraph on the role of mutual entities as a natural complement of the State in efforts to achieve the proposed new goal concerning productive work.

98. **Mr. Brennan** (Observer for the Service and Research Institute on Family and Children) said that while the individual-centred approach was noteworthy and social protection was a recognized priority, the first level of protection resided with the family, whose pivotal role in poverty eradication and social protection could not be overlooked. A stable family life enabled the individual to develop into a productive person in society. Dysfunctional families had an impact on the

economic well-being of the nation and social institutions could only provide support mechanisms to enable the family to fulfil its role. Thus, an innovative approach that built on the strengths that resided in the family and empowered families to find solutions were called for. Such an approach required establishing family focal points and ensuring their visibility, developing a charter of the rights of the family, creating mechanisms for implementing family-based approaches and making the family the theme of the Council's work for the period 2013-2014.

The meeting rose at 6.30 p.m.