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Summary record of the joint meeting of the Second Committee and the Economic and Social Council on "The future of employment: the world of work in 2030"
Held at Headquarters, New York, on Friday, 8 November 2013, at 10 a.m.

Co-Chair: Mr. Diallo (Chair, Second Committee) . . . . . (Senegal)

Co-Chair: Mr. Sajdik (Vice-President, Economic and Social Council) . . . . . (Austria)

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The meeting was called to order at 10.15 a.m.

Introductory remarks

1. **Mr. Diallo** (Co-Chair) said that the global economy was evolving rapidly, changing the balance of power and development prospects often before there was time to take stock of the implications. Technological, demographic and financial factors were changing the world of work, leading to risky, but promising, social changes. The "digital revolution", including 3-D printing, would create new economic opportunities and facilitate individual entrepreneurship over the next 20 years. Developed and developing countries would feel its consequences differently. More than 470 million new jobs would be needed between 2015 and 2030 to tackle the effects of the financial crisis and absorb the growth in the world's working-age population. Training and employment of young people would be critical to avoid a new digital divide between those trained in new technologies and those who were not.

2. Social progress should accompany technological progress. The digital revolution must be considered in the formulation of the post-2015 development agenda and in national, regional and international policymaking with a view to ensuring decent work for all and reducing inequality.

3. **Mr. Torres** (International Labour Organization (ILO)) said that while predicting the trends that would shape the world of work was extremely difficult, a number of ongoing megatrends could and should be meaningfully interpreted. First, the world of work would benefit from the dividends of improved education and demographic change. In 2030, better-educated workers, coupled with declining fertility rates, would translate into an enlargement of the middle class, especially in developing countries. Second, new technology, particularly digitalization, would continue to spread, facilitating the economic integration of workers around the world; it was a key factor underlying the emergence of the South. Third, social progress would continue, manifested by growing awareness of the importance of gender balance, including in the workplace. Recognition of the importance of workplace rights was evidenced by the growing number of trade agreements with specific provisions for improving workers' rights.

4. However, there was a growing disconnect between those positive megatrends and practical realities in the world of work. Work was increasingly characterized by inequality and instability. Links between enterprise and workers had weakened and would continue to do so: contracts were often very short, unemployment and underemployment were high, and increasing numbers of highly skilled people could only find jobs that did not make use of their potential. Enterprises themselves also faced an uncertain environment. Although profits had increased globally, the parallel predicted growth of investment opportunities and jobs had not materialized. The deepening mismatch between skills and jobs available especially affected young people, and particularly those in sub-Saharan Africa and Latin America. Graduates were struggling to find the kind of work they had expected when they entered higher education.

5. New technology was changing the nature of work. The virtualization of the workplace was blurring boundaries between personal and work life. Relationships between enterprises and workers were also changing: employees often no longer knew their employers personally, or even who their employers were.

6. Income inequality was growing in many parts of the world. The trend came from the top, with the richest tending to grow richer. More importantly, social mobility was at risk, especially in developed economies. Young people could no longer expect to have better lives than their parents. A social contract, whereby individuals devolved responsibility to Governments and accepted decisions made on their behalf, held democratic societies together. It was currently threatened by the combination of youth unemployment and lack of mobility.

7. The policymaking system must be questioned. New technology and international integration created both opportunities and adjustment difficulties. There was a creative destruction process innate to capitalist systems: inequality created incentives to work, invest and prosper. Increasingly, however, countries in isolation were unable to ensure that the creative destruction process led to jobs and workplace improvements. National institutions or systems that existed to maximise benefits, facilitate transitions and redistribute gains would remain important. Those included regulations to tackle monopolies; Government institutions to address corruption; labour-market institutions for collective bargaining and the facilitation of social dialogue between employers and

workers; financial regulations to ensure that credit systems channelled savings into productive investment; taxation; and social protection. However, international integration had weakened individual countries' abilities to develop and strengthen those institutions, which had a vital role to play in making the best possible future world of work. There was space for the international community to join forces to ensure that future opportunities would benefit workers.

8. International cooperation, facilitated by the United Nations, would be critical in addressing policy failures at the national level. In some areas, regional strategies would be most effective; in others (for example, improving the international financial system), an international response would be appropriate. Two types of world of work were possible by 2030. First, a continuation of present trends could lead to an increasing disconnect between the many opportunities brought by new technology, and growing uncertainty and inequality in the world of work. Society would be characterized by increasing underemployment and frustration, a better-educated population without high-level jobs, aggravated youth unemployment and social inequality. Such a situation might be manageable in developing countries, but would be socially unsustainable, especially in advanced economies. The alternative entailed making a coordinated effort to tackle global policy failures and strengthen international labour standards. The ILO initiative to extend social protection floors globally was important. Those changes would make the world of work more stable, decent-work friendly and conducive to social mobility.

9. **Mr. De Civita** (Policy Horizons Canada), speaking via video link from Canada and accompanying his statement with a digital slide presentation, said that Policy Horizons Canada provided scanning and foresight assistance to high-level public sector organizations. It was not involved with policy development and its. views did not necessarily represent those of the Canadian Government.

10. In the next 10 to 15 years, there would be four sweeping technological waves, based on digital, nana-, bio- and neuron-technologies.

11. **Mr. Padbury** (Policy Horizons Canada), speaking via telephone from Canada and accompanying his statement with a digital slide presentation, said that people were largely unaware of technological change, and tended to underestimate the rate at which emerging technologies would affect the world of work. Artificial intelligence, data analytics, robotics, 3-D printing and synthetic biology were among the technologies driving change.

12. Artificial intelligence was used to create devices with some capacity to reason, recognize and communicate, and, increasingly, the ability to move objects. Apple's Siri and self-driving cars were existing examples of its application. Artificial intelligence automated routine tasks, improving efficiency and reducing costs. The rapidity and scale of its spread made it potentially very disruptive, particularly to the service sector.

13. Artificial intelligence was used to analyse large databases in data analytics, or big data, and it could provide a wealth of information about both large populations and individuals' behaviour. One of the best examples of that was Google's ability to target advertisements based on user behaviour. Sensors were an important development. Apple's phone had approximately 20 sensors embedded in it, providing information to consumers about their own lives. Sensors and data analytics could have enormous implications for health care. Companies were developing lab-on-a-chip technology. A machine capable of diagnosing four types of cancer from a drop of blood already existed. Companies were designing USB-sized chips that could take a drop of blood and, when inserted into a computer, perform hundreds of blood tests and provide information about the subject's overall health. They could also interpret data from the wider population to increase the accuracy of diagnoses. For example, if the subject had a cold, and 40 per cent of the people in his or her area had the flu, then flu was a reasonable diagnosis. That technology would dramatically improve the quality of diagnostics and preventative medicine within 10 years.

14. The prices of robots were falling quickly; they were already widely used in manufacturing and assembly. In the near future they could be receptionists, with advanced face-recognition software; care-givers; even surgeons. Robots had serious potential to disrupt the service sector, in particular.

15. Some had discounted 3-D printing on the basis of the readily available 3-D printers, which could print in two types of plastic. However, the automotive and

aeronautics industries already used much more sophisticated models which could print in 26 materials (including silver) at five nanometres, enabling the production of electronics. Robotic 3-D printing worked from digital files and allowed for high levels of customization. Clothes and furniture were already being printed, and pharmaceuticals were being explored. As 3-D printing changed the economics and location of manufacturing over time, it was possible that a great deal of manufacturing would return from Asia to North America. Value chains were becoming increasingly digital.

16. Synthetic biology was the application of engineering principles to biology. Scientists combined chromosomes to form bioblocks, which were assembled into DNA and inserted into yeasts or viruses to form an amazing number of things. Living organisms could produce chemicals more efficiently and safely than almost all other current processes. The process could be automated. It completely changed the resource business: food, fuel, mining, forestry and pharmaceuticals would all be impacted. Synthetic biology was also being used to develop biosteel.

17. Over the next 10 to 15 years, those technologies would increase productivity, displacing employees. However, change would also bring opportunities: 3-D printing and synthetic biology would begin to change the economics and location of manufacturing and resource extraction. Countries without resources would be able to grow their own. Countries without manufacturing capacity would be able to participate in value chains upstream of manufacturing by designing products, marketing, or assessing need. Manufacturing was, in fact, the phase of value chains that added the least value. Both low- and highly-skilled workers would be affected. People would need to learn to work with new technologies in order to find, keep or invent jobs. The transition was disruptive, but provided important opportunities for individuals, firms and Governments.

18. In the near future there would be fewer traditional jobs, and more part-time and freelance work. New skills would be required; in particular knowledge of how to work with artificial intelligence and data analytics. Goods produced on an international scale could now be customized for increasingly local consumption by workers tweaking information in a file. On the Internet, employers were looking for individuals anywhere in the world with the right skills to do a particular job, and individuals (virtual workers) were bidding for the work online. The virtual clearinghouse model was the foundation of a new economy, with enormous implications for social and economic policy. With regard to immigration, for example, skilled workers would no longer necessarily need to move in order to participate in another economy.

19. **Mr. Pochmann** (Economist, Institute of Economics, and Professor, State University of Campinas, Brazil) said that the world of work in developing countries would be affected by the relationship between work and life, and by race. The dynamics of capitalism were changing. Countries needed to make informed decisions regarding global production chains.

20. Nationally held enterprises threatened the autonomy of national policies and adversely affected the quality of employment. Workers' horizontal and vertical mobility was particularly important. The working day was getting longer and the workplace was changing, in part due to the impact of information and communications technologies (ICT). People were increasingly working at home and elsewhere, but often they lacked adequate working conditions.

21. Growing average life expectancy and new education and professional training demands meant that women were increasingly facing problems at work. Although women's educational level was advancing, their salaries were lower than men's. White women's falling fertility rates were altering the composition of the population. The non-white population was increasing, leading to racial discrimination in the world of work, and lower salaries for non-white workers.

22. Labour would be precarious in the future. An excess of workers fighting for decent work would create a new global work paradigm. New national and international employment policies were necessary. The transition to service economies was incompatible with delaying employment for young people, and was thus linked to issues of higher education. New technology provided the opportunity to reduce time spent on work, especially on traditional types of work. In developing countries, policy supports for the vulnerable were increasingly important. A new, capable political majority needed to take the initiative to change dominant macroeconomic and labour trends. Democratic, effective and transparent social dialogue

was needed to meet employment challenges in developing countries.

23. **Ms. Birungi** (Women in Technology, Uganda) said that as Africa was not moving at the same pace, the impact of digital technology and artificial intelligence was going to be quite different in Africa than in the rest of the world. Given the current high unemployment rate throughout the continent — for example, 82 per cent of Uganda's population was unemployed — the advent of new technologies would have more negative than positive consequences if African Governments did not make a certain number of changes. Although traditional jobs were rapidly disappearing, education in Africa had not been adapted to a new job scene. As a result, Africans would lose out to foreigners on the global scale, as they would not have the skills necessary to perform the jobs available. With the increasing virtualization of workplaces, companies would likely hire foreigners to fill jobs that Africans could not. perform. Unemployment would increase if Governments did not change the academic system.

24. On the other hand, however, new technologies could improve the quality of work. Therefore, education systems in Africa must scrap whatever they were currently teaching and encourage ICT training and entrepreneurship, help students create their own jobs, and offer continued training even after the end of formal education. It was not enough to merely place computers in a school with unskilled teachers. Theory should be replaced with constantly updated practical, technical and vocational training. Students should go beyond basic Microsoft training to coding and programming in order to reduce the African knowledge gap. In part due to Uganda's high fertility rate of six children per woman, the country would not be able to graduate from developing-country status until its youth had been adequately prepared for 2030.

25. Moreover, African girls and women faced many obstacles with regard to education; they could rarely go beyond or even finish seven years of primary school, as their society told them they were inferior to men. Labour policies must be advantageous to women and equalize employment opportunities. Many women were college graduates with no jobs, or were underemployed and underpaid, ultimately forced to rely on marriage for financial stability. African Governments should focus on eliminating obstacles that prompted girls to drop out of school and on creating opportunities for women in business. That would require training women in the right skills to qualify for the same jobs as men, but also building their confidence to create their own jobs. If the current norm continued, the situation would be worse by 2030.

26. Her dream was to see the creation of a technology and business hub for African women that would focus on training, skills development and confidence-building. Governments and parents also needed to change the way they viewed children: young people should be listened to and supported. African youth should be involved in policy development, as only they could express what they needed in order to feel empowered and prepared for the world ahead. In fact, the old tradition of apprenticeship might work much better for Africa than the current practice of teaching theory in a classroom.

27. The introduction of new technologies would breed increased corruption in Africa if workers were not skilled enough to obtain new technology-based jobs. For example, some workers might accept bribes to make ends meet. The world needed to invest in Africa, but also let Africans invest in themselves. Rather than moving to Africa but importing skilled labour, businesses from developed countries should train Africans on-site, listen to their input and show them what opportunities were available with technology. Africa was a virgin ground for technology and experimentation, but it was not growing at the same pace as the rest of the world. Constant training was the key to staying apace with the technology revolution.

28. **Mr. Diallo** (Co-Chair), echoing many of Ms. Birungi's statements, said that nevertheless, there were many different experiences in Africa. Although the digital divide was certainly an obstacle to overcome, he was not as pessimistic. In Senegal, new ICTs currently comprised the second-largest economic sector. Every day, new companies were formed in the field of ICTs. Although issues existed, in particular with regard to gender discrimination, nowhere was the potential for development and growth greater than in Africa.

29. **Mr. Greene** (United States Council for International Business) said that it was a global challenge to create the approximately 500 million jobs needed by 2030. For the business community, however, the national context would always trump global goals,

due to the importance of national infrastructure, capacities, skill sets, and governance. Broad, global discussions were useful for setting up aspirational goals, but implementation would always happen in a national context. History had shown that even countries with similar demographics, locations and resource bases often developed differently, the key difference usually being governance.

30. Jobs were not created in a vacuum; they were created by enterprises. A conducive operating environment for the creation of small and medium-sized enterprises (SMEs) was crucial, as SMEs employed the vast majority of people across all nations, at all stages of development. Despite the high production and income levels associated with them, multinationals actually employed very few people, percentage-wise. The ILO Sustainable Enterprise Programme and the World Bank's Doing Business reports offered a framework for good governance, rule of law, anti-corruption, gender-equal property rights, flexible labour markets, infrastructure, education and skills development. Efficient regulation — but not a total lack of regulation — was paramount. There was great potential for the private sector to aid with development, but much help was required from Governments in establishing the correct framework.

31. The best indicator of a poor labour environment was the existence of a large informal economy, as it revealed that the private sector was circumventing Government rules and excessive bureaucracy, or causing Governments to lose a major portion of their tax bases. Addressing the informal economy by giving people legal rights to the lands and assets they already possessed was thus a huge step towards poverty eradication, as it would create a vast pool of capital. An informal economy was not a form of capitalism; it merely represented a cash economy.

32. Agreeing with previous speakers about the current transformation of education and skills, he emphasized that universal access to education should be guaranteed for boys as well as girls. No country could develop without tapping into 100 per cent of its intellectual capacities. Skill sets required by new jobs in developed economies were changing radically, moving away from routine manual skills towards non-routine interpersonal skills. It was not simply a matter of what was taught, and to whom, but also of how new skills were taught. Rather than relying on rote learning, education should adopt an interactive teamwork approach that favoured creativity and critical thinking.

33. Young persons should also be encouraged to hold jobs early on in life, for example after school. It was important for them to learn how to be entrepreneurial and understand the rewards of work. If young people waited until they graduated from university to apply for their first job, they would be at a serious disadvantage.

34. **Mr. Bakvis** (Global Unions, Washington, D.C.) generally agreed with the ILO analysis regarding the enormous potential of new technologies, but also the possible negative impacts of a demographic dividend. He addressed the ways in which trade unions were trying to meet some of the aforementioned challenges. Although there were many risks, the changing work environment also presented many opportunities, which required a new and more current type of skills training. In many countries, trade unions were engaged in initiatives with both employers and Governments to develop effective training systems, such as the dual training system developed in Germany, which combined workplace experience and practice with vocational college-based education.

35. The introduction of green technologies would present tremendous opportunities, especially as the international community pushed for low-carbon development. Trade unions were working with employers in many countries within the Group of 20 (G-20) context to develop quality apprenticeships. However, there were a number of worrisome trends, including employment instability and informality, as well as underemployment. According to the United Nations Conference on Trade and Development (UNCTAD), one fundamental figure showed that the labour share of global income had dropped from 62 per cent in 1980 to 54 per cent in 2011. Although profits were increasing, investment had stagnated, and there was a permanent tendency towards recession, growing inequality, stagnating wages and informal work. Informality had increased even in middle-income countries; one exception was Brazil, however, where informality had decreased thanks to vigorous social protection policies and incentives towards formalization.

36. He pointed to a disconnect between the opportunities available, negative consequences, and the capacity of international institutions to respond to those consequences. The unfortunate tendency towards

deregulation was thankfully being overturned, although social protections continued to be undermined. There was currently no institution strong enough to limit monopolies and enforce regulations at the international level. However, the Group of 20 had taken on new vigour internationally with the global financial crisis. The international trade union movement was very pleased by the 2009 G-20 Summits, which had taken steps to counteract the crisis. In 2010 and barely 18 months later, however, a complete reversal had occurred, with national partners focusing instead on austerity and deficit reduction. Likewise, the financial capacity of the International Monetary Fund had quadrupled and yet its country programmes were dismantling collective bargaining institutions. Effective international mechanisms to protect workers' rights, strengthen social protection, promote social dialogue and build progressive tax systems were unfortunately lacking.

37. **Mr. Sajdik** (Co-Chair) said that since the advent of technology, there were more working hours per day. He agreed that education and training were key to addressing the growing inequalities in society and income.

Interactive discussion

38. **Mr. Escalona Ojeda** (Bolivarian Republic of Venezuela), expressing solidarity with Africa, said that scientific and technical revolutions, and in particular the industrial revolution, required certain historical conditions, specifically a significant accumulation of capital and enough free time to think about science and development — none of which had been possible during the era of manual labour. The gold, silver and slaves of European countries during the eighteenth and nineteenth centuries had permitted the accumulation of capital, which had in turn allowed for industrialization and scientific progress, as well as the colonization of the New World. In subsequent decades, workers' income had been very important for investment, development and growth as part of a democratic social pact, but the Washington Consensus had dismantled that system and changed the role of banks. While banks used to function as intermediaries, they no longer dealt with productive investment but only with speculative investment. That permitted the excessive accumulation of finance capital outside and beyond the real economy. As the unequal distribution of wealth was necessary for the development of science and technology, such a shift incited fear and created vulnerability within the democratic consensus.

39. Another shift was occurring with regard to the right to privacy. Although privacy was a fundamental element of capitalism, it was increasingly difficult to ensure respect for individual rights. A kind of worker-slavery was re-emerging in the United States: for the sake of accumulating capital, individual freedoms were being destroyed, thus marking the reappearance of Malthusianism, as had often happened after disasters and wars.

40. **Ms. Bibalou** (Gabon), speaking on behalf of the Group of African States, said that productive employment and decent work were crucial for eradicating poverty, reducing inequalities and ensuring political stability, and consequently should be central to global actions and processes. A post-2015 development agenda prioritizing productive employment creation, especially for youth, was of utmost importance for the African Group. The agenda should ensure that the African youth bulge translated into a demographic dividend by strengthening entrepreneurial capacity, supporting decent and well-paid jobs and increasing youth access to finance. Policies should focus on productive capacity provided by adequate finance, investment, technology and trade.

41. The digital revolution offered unique opportunities to stimulate the growth of small and medium-sized enterprises, but many opportunities still remained untapped. Policies targeting the possibilities presented by the digital revolution should fully integrate the objective of reducing the ever-widening digital divide between developed and developing countries.

42. The African Group believed that job growth required a structural transformation of African economies through industrialization that induced value addition and economic diversification. Industrialization would also help developing countries to address issues such as employment growth, underemployment, informality, vulnerability and working poverty, and to mobilize domestic resources (by generating wealth and tax revenue) that could be applied to achieving development goals. Education and training policies should support economic transformation and prepare citizens for the requirements of new labour markets with a special focus on women and youth. Education should go beyond primary and secondary school to

encompass vocational and tertiary education. Job creation through agriculture was also vital. Investments in the agricultural sector would not only increase food security and nutrition, but also reduce inequalities between urban and rural populations.

43. **Mr. Zampetti** (Observer for the European Union) said that tackling unemployment, especially youth unemployment, was a top priority for the European Union and its member States. Green jobs, social protection and economic stabilization were other issues to be addressed. Social protection systems should be modernized to make the best use of resources, as well as increase effectiveness and sustainability. The right conditions must be secured to create jobs, as well as promote growth, decent work and social protection. New jobs could be created from the untapped potential of ICTs, health care and the green economy. A future-oriented and reliable legal framework was needed, as well as targeted public support and education. Continuous investment in skills would enhance employability and job security. The European Union was taking action to address skills mismatching, thanks to its Skills Panorama platform, containing the latest state-of-the-art information on skill needs, supplies and mismatches.

44. **Ms. Kage** (Germany) said that a World Bank-led international conference on youth unemployment ("Realizing the demographic dividend") had highlighted the need for solid evidence (data and analysis); rights-based and gender-sensitive labour market policies; sound infrastructure and social dialogue affording women and girls a foothold in the labour market; and a good mix of labour for companies to benefit from intergenerational learning.

45. She asked Mr. De Civita how wages would be calculated in a world where added value was provided by robots, machines and artificial intelligence.

46. **Mr. Landveld** (Suriname) said that in the scenarios presented by Mr. Torres, there was a disconnect between two contradictory impulses. On the one hand, the private sector was expected to create jobs, but, on the other hand, Government policies (for example, with regard to the minimum wage and various social protections) often hampered it from doing so. He wondered how, in practice, such differing aims could be reconciled to increase full employment and guarantee decent wages. Using automated technology such as robots would mean putting people out of work. Support for the private sector even as it was eliminating jobs was yet another contradiction.

47. **Mr. Padbury** (Policy Horizons Canada) said that new technologies were not science fiction, and were, in fact, occurring everywhere. His organization could offer a sort of early warning to those who wanted to prepare for the future. The future of jobs and work would change as radically as life in the nineteenth century had been transformed by industrialization (the disappearance of bank tellers, for example, was equivalent to the replacement of the horse and buggy by the car). The new speed at which some jobs were disappearing but others were being created required quicker adaptation mechanisms. He invited Committee and Council members to consider how much their lives had changed during the previous decade and how they had adapted to new challenges. Globalization was accelerated by ICTs, as well as global management and coordination. The changes would continue upstream and downstream in the value chain. The ways in which people were adding value were changing. Those who understood the new processes and possessed the skills to participate would be well rewarded.

48. Returning to the issue of Africa, he said that perhaps the situation would be different than expected, as the new technologies paved the way for relatively rapid leapfrogging. He believed that smart phones would become a platform for Governments in developing countries to deliver services in new, higher-quality ways, in particular in the area of health care. It would not mean that jobs would disappear, but rather that new opportunities would arise, especially as costs were eroding for new technologies. The world was presented with the choice between building new infrastructure or patching up the old, and the latter was becoming increasingly expensive.

49. **Mr. Torres** (International Labour Organization (ILO)), responding to the representatives of Germany and Suriname, said that he believed in the virtue of youth guarantees, which had been successfully implemented in some countries to deal with youth unemployment. In addition to targeted policies, however, it was important to address systemic issues regarding education and labour market relations, as well as improve connections, partnerships and the kinds of jobs offered. Underemployment, job instability and informal employment had a disproportionate effect on those entering the labour market, particularly young persons and women after childbirth. SME development

was still constrained in some countries, due to obstructive financial systems and the vicious cycle of the informal economy.

50. He saw no disconnect between the need to promote job creation, including in the private sector, and the emphasis on social policies. The two were not contradictory and should not be opposed, but rather they should be mutually reinforcing. Regulations and social protection should not be a hindrance to growth and employment. Through good policy design, the need for regulation could be reconciled with job growth and creation, as seen in Brazil, Ghana and the Republic of Korea. He wondered to what extent national policy was sufficient, suggesting that countries should agree among themselves regarding progressive taxation to fund social protection schemes, as well as share good practices internationally.

51. Responding to the African Group, he said that no country could sustain development without placing emphasis on quality employment. That required a systemic approach: it was not only a question of funding development dimensions which were enabling conditions, but also of creating institutions favourable to quality employment.

52. **Mr. Bakvis** (Global Unions, Washington, D.C.) said that labour market institutions were weakening. Trade unions represented ever fewer people. A global strategy to further collective bargaining nationally and internationally — ideally one that was endorsed by the United Nations — was needed to stem the tide of growing underemployment and informal employment.

53. Responding to the Venezuelan delegate, he said that the Washington Consensus had been a turning point because it had given respectability to the establishment of a broad deregulatory agenda. That had caused serious problems in the long term, notably the 2008 financial crisis. Action was still needed to reverse deregulation, to a degree.

54. Responding to the representative of the European Union, he said that extremely high levels of youth unemployment in European countries were due to those countries' macroeconomic problems. Countries with over 50 per cent youth unemployment had overall unemployment levels of approximately 25 per cent. It was important to remember that the number of 15- to 24-year-olds actively seeking work was relatively small. Governments should provide support by training youth to find work, but the aggregate demand for jobs, in particular in southern European countries, was the underlying problem to be addressed.

55. The problem of wages lagging behind productivity, raised by the representative of Germany, was indeed serious, and affected many countries. However beneficial it might be for individual firms to increase their profits while keeping wages low, high levels of employment were not sustainable without decent wages that enabled workers to buy the goods produced. Stagnating wages in growing economies led to inequality. Export-led growth strategies were often viewed as attractive alternatives to increasing domestic wages, and had worked for certain countries' economies. However, it was impossible for every country to enjoy a trade surplus. Countries must improve their social safety nets and ensure that wages reflected growth.

56. **Mr. Greene** (United States Council for International Business), replying to Mr. Sajdik, said that it was counterproductive to classify jobs as "green" or "not green". A company that created solar panels, for example, might use environmentally damaging chemicals in the process. What mattered was improving the environmental efficiency of jobs across the board.

57. On the issue of space for Governments to create suitable national labour and economic policies, he said that there did not appear to be any barriers to tailoring policies to national objectives. Many Governments had established anti-business policies. The business community would not necessarily view the establishment or raising of a minimum wage as anti-business. On the other hand, a minimum wage was not essential: Germany did not have one, but had excellent wages and high productivity.

58. Countries with significant informal economies needed to offer their citizens incentives to be part of the formal system. It was useless for a Government to set labour policies if most economic activity was, in fact, carried on outside the system. Any kind of regulation relating to the environment, taxation, social protection or minimum wage would be impossible to enforce. Governments needed to make a huge, systemic effort to draw people into the formal economy — to make it easier and more attractive to be a legal business than an illegal one.

59. With regard to the changing world of work, he said that not only were job categories changing, but

that jobs themselves were changing. Analytical, interpersonal and creative skills were increasingly important; human innovation was crucial.

60. Governments did not face barriers to implementing the labour market policies they saw fit. In most countries, laws and standards were in force but the gap between laws and reality needed to be closed. Trade agreements supported the implementation of laws and standards, but were not integral to the process. From a business perspective, national enforcement of labour laws was highly desirable. In the absence of national enforcement, private business-inspection companies were springing up in some countries, meaning that entrepreneurs had to pay for and arrange inspections, in addition to conducting business.

Closing remarks

61. **Mr. Sajdik** (Co-Chair) said that the speed of technological progress and operational global handling in production would tremendously affect employment in all countries. Development strategies must prioritize fighting unemployment, especially among young people, through an emphasis on education and expanding social protection systems. Governments should develop policies providing incentives to develop sectors with high employment-generating capacity, and training to provide young people, including women, with the skills needed to work in those sectors.

62. The General Assembly and the Economic and Social Council should consider the interconnectedness of jobs and education, and poverty reduction and sustainable development, in the creation of the post-2015 development agenda. Such collaboration, alongside close interaction with ILO, would lead to significant progress.

The meeting rose at 1 p.m.