PROPOSAL

Due to the extraordinary situation caused by the current crisis, the devastating impact it is having on labour markets and the urgent attention governments are giving to address it, the Employers’ Group is proposing the postponement of the two technical committees dealing with General Discussions on: Employment and social protection in the new demographic context; and Gender equality at the heart of decent work. We propose replacing these items with one new item: Strategies to exit the crisis in global labour market. During the Conference, two parallel sessions will be held to broadly cover all major issues concerning the crisis including, in particular, its gender and demographic dimensions. The objectives of the new discussion would be to:

1. Provide an analysis of the current situation in labour markets;
2. Gather information on current policy measures and initiatives to alleviate unemployment and sustain enterprises; and
3. Outline strategies and approaches to exit the crisis.

There would be no change to the rest of the ILC agenda. The standing items of the ILC would continue as normal (i.e. applications, global report, etc.) along with the standard setting item on HIV/AIDS. We suggest postponing both general discussions as we expect that most delegates, apart from those attending the HIV/AIDS and Applications committees, would give the highest priority to this debate, considering its immediate relevancy.

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RATIONALE

➢ The severity of the impact: Enterprises are struggling to remain competitive and are overwhelmed by the unavoidable impact on production and job losses across sectors in all regions. We are truly in uncharted waters, with no clear idea as to where the bottom of the crisis is. This is now the most serious global production and labour market crisis we have had to face.

1. We propose that these discussions be dealt with at a later date, to be decided by the Governing Body, and propose to the March 2009 Governing Body that experts’ meetings, or other possible options, on both be considered, in order to facilitate future discussions.

2. According to the ILO this year, open unemployment could increase by between 30 and 50 million, reaching a total of 230 million, a global unemployment rate of 7.1%. The number of Working Poor in developing countries is estimated to increase by as much as 200 million (ILO Global Employment Trends January 2008). The IMF (January 2009) global growth rate for 2009 is estimated at only 0.5%; the OECD (OECD Observer editorial by Secretary-General Angel Gurria December 2008) reported that some 21 of its 30 member countries were already in, or heading into, a recession that could last a year. According to current World Bank estimates (The Global Economic Crisis: Assessing Vulnerability with a Poverty Lens 2009) almost 40% of developing countries are highly exposed to the poverty effects of the crisis with an additional 56% of countries moderately exposed.
Putting into practice what we say as an Organization: We as constituents agreed in the ILO’s 2008 Declaration to develop the Organization into a genuinely demand-driven actor responding in real time to the needs of the real economy and its principal actors. The 2008 Declaration requires the ILO to review and adapt its internal working methods to ensure its human and financial resources are attuned to the realization of member needs. In short the new declaration calls for the Office to become a more streamlined Organization, delivering effective and evaluated responses across its four strategic objectives. This is the first test of that commitment.

Relevance and credibility: This crisis is the biggest issue to confront the ILO since 1930. If the ILO is to show to the world that it is a relevant actor in responding to the crisis, it needs to respond to the needs of its constituents. Important questions of relevance would rightly be raised if the Organization that represents the real economy chose, at its annual meeting, to ignore what is turning into a workplace catastrophe and carry on regardless with a “business as usual” approach. There is a need to treat this issue in a substantive way, not as an add-on, in a manner that reflects the enormity of the situation. We need to send a clear message that “business as usual is not acceptable”. Continuing with the standard ILC agenda and treating the crisis in plenary through a Report of the Director General would not be sufficient.

The Office needs to adopt an emergency mode and respond to an emergency situation. It cannot do this if the ILC agenda remains the same, if resources are directed to preparing for two general discussions and the consequent follow-up. This would be ‘business as usual’. An emergency requires that resources, time and effort be devoted to treating it.

Similarly, a responsibility falls upon workplace actors from business and unions, together with Ministries of Labour, to be at the forefront of addressing this global crisis in labour markets.

Universality: The ILO should involve in this Summit all major players and institutions that are relevant to the crisis. The presence of major UN agencies, financial institutions and regional bodies is of utmost importance. The ILO should capitalize on the presence at the Conference of worldwide national leaders in the world of work and offer this unique platform to other institutions.

Opportunity: Finally, but importantly, if the ILO, as the internationally recognized agency mandated to deal with labour markets, does not step forward and demonstrate its ability to tackle the crisis and assist labour market actors in their endeavours, other organizations will do so and most likely convene a summit to deal with.

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PROPOSED STRUCTURE

The proposed discussion would be a forward thinking exercise that focuses on strategies and responses to the crisis. An overall analysis of the current situation would in the first instance facilitate that approach.
A. Thematic Discussions

- The Conference discussion would be structured across four thematic policy areas:
  
<table>
<thead>
<tr>
<th>Theme</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Theme I</td>
<td>Protecting Fundamental Principles and Rights at Work</td>
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<tr>
<td>Theme II</td>
<td>Reactivating labour markets</td>
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<tr>
<td>Theme III</td>
<td>Social safety nets</td>
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<tr>
<td>Theme IV</td>
<td>Dialogue for recovery</td>
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Task force

The Office should appoint an informal task force to support the preparation and coordination in the two months before the Conference. It could be chaired by the President of the Governing Body, involving major ILO departments, regional coordinators and workers' and employers' Secretariats.

Reports and Analysis

The Office, with the support of the task force, would prepare and present a report for each theme based on current developments. These reports would build on the preparations that have been made for a series of ILO Regional meetings on the crisis (most of which have taken place) and a subsequent analysis of outcomes. This would include:

i. The current situation in labour markets – sector, country, regional levels:
   - Pool together current analytical work being done by the Office on labour market activity and also by, inter alia, regional development banks, the IMF, the World Bank and UNDP.

ii. Previous crisis - what can be learnt:
   - In particular, the experience of the East-Asian crisis of the late 1990s - the most recent significant region-wide crisis - can help in developing responses. Individual countries, along with regional bodies and international organizations, could provide insights/experiences/policy lessons, etc.

Thematic Panels

- Each theme would be dealt with through one technical panel. The four to eight panels would most likely be held in parallel sessions (two and two simultaneously).
- The technical panels would, where possible, be at the highest level involving: government ministers, multilateral organizations, workers' and employers' organizations, enterprises, sectoral groupings, public institutions and public and private employment agencies.
- Panel discussions would explore these issues in terms of what is happening at enterprise/sectoral/country/regional levels. In addition, they would look at the bipartite/tripartite strategies which have been utilized thus far.
- There would also be plenary session outside of the panel debates.

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3 This report would also aim to act as a compendium of labour market policies and measures. This would include the countries (over 40) that are the focus of current Office work. The Conference discussion would deepen this analysis.

4 Tripartite meetings dealing with the Crisis have taken place in Asia, Latin America, Africa and Europe with a further one to take place in the Caribbean at the beginning of next month.
Cross-cutting themes

We suggest the following two issues to cut across the thematic panel discussions:

1. **The implications of the crisis on vulnerable groups**
   - According to recent analysis from both the ILO and the World Bank, women, older workers, migrants and young people are particularly at risk. A focus in terms of policy responses to address these particular groups should emanate from the thematic discussions.

2. **Sustainability of responses**:
   - Important and wide-ranging decisions, many with longer-term major ramifications, are currently being made by governments, understandably in an atmosphere of urgency. Policy needs to avoid compromising longer-term growth prospects by taking into account demographic trends and their implications for policy.

**Special High-Level Panels**

- We suggest that two “special high-level panels” be held. One in the first week that would focus on the issues from themes I and II and one in the second week covering the issues from themes III and IV. These panel discussions would be high-level, political events and would be designed to feed back into overall debate.

**Outcomes from Thematic Panel Discussions**:

- A thematic report (TR) for each region would be developed by a rapporteur. This report would collate the information provided during the panel debates (along with the information collected in the preparation for the discussion). This TR would act as a compendium of policy measures and initiatives across sectors and regions. These reports would catalogue initiatives and policy recommendations that would help guide governments, workers and employers in implementing strategies for the coming months and years.

- Small tripartite working groups would work with the rapporteur in the preparation of each of these thematic reports.

**B. Resolution**

- A second component of this discussion would be a Resolution or a road map on crisis response strategies. It would, in effect, be a public statement by the Organization as a whole, covering:

  1. **How the ILO can respond**:
     - By examining the current tools to assist constituents, building on the discussions from the March Governing Body and the regional meetings that are underway; outlining the policies/tools/products that need to be utilized, with a particular focus on: Social safety nets; labour market information; dialogue; employment-intensive approaches and sustainable enterprise creation as an engine of job growth.

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5. A Drafting Group would need to be convened as soon as possible to develop an initial draft.
The main tool at the ILO’s disposal in responding to the crisis is the Global Employment Agenda (GEA). We advocate a re-focusing and updating of this policy framework within the context of crisis response strategies for constituents.6

- We suggest that the Office establish “Helpdesk/Policy Contact Points” (which are supported by technical teams from across the Office) whereby constituents can access information and guidance on what is happening in given policy areas across regions and sectors.

2. How governments, employers and workers can respond to the crisis:
- By outlining some basic principles and suggesting various policy approaches to assist in labour market recovery plans (as illustrated by the thematic discussions).

C. Plenary Debate
- The third week of the Conference would mainly be focused on responses to the agreed Resolution and the thematic Reports.
- It would provide an opportunity for Heads of State, senior Ministers and others to respond and offer support to the Resolution and the work of the conference over the preceding two weeks.

**Suggested Format**

<table>
<thead>
<tr>
<th>THEME I</th>
<th>PROTECTING FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK</th>
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<tbody>
<tr>
<td></td>
<td>3 June (Wednesday)</td>
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<td></td>
<td>2 sittings*</td>
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<tr>
<th>THEME II</th>
<th>REACTIVATING LABOUR MARKETS</th>
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<tr>
<td></td>
<td>4-6 June (Thursday, Friday morning, Saturday morning)</td>
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<td></td>
<td>4 sittings</td>
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<thead>
<tr>
<th>PLENARY SESSION</th>
<th>SPECIAL HIGH-LEVEL POLITICAL PANEL</th>
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<tbody>
<tr>
<td>(This panel would focus on issues raised in thematic discussions I and II)</td>
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<tr>
<td>5 June (Friday afternoon)</td>
<td>1 sitting</td>
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<tr>
<th>THEME III</th>
<th>SOCIAL SAFETY NETS</th>
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<tr>
<td>8-9 June (Monday-Tuesday)</td>
<td>4 sittings</td>
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<tr>
<th>THEME IV</th>
<th>DIALOGUE FOR RECOVERY</th>
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<tr>
<td>10 June (Wednesday)</td>
<td>2 sittings</td>
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<tr>
<td>(This panel would focus on issues raised in thematic discussions III and IV)</td>
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<tr>
<td>11 June (Thursday morning)</td>
<td>1 sitting</td>
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* Each sitting may have two separate discussions.

6 Since the development of the GEA, the International Labour Conference has adopted conclusions concerning the following employment themes: decent work and the informal economy (2002); youth employment (2005); the promotion of sustainable enterprises (2007); skills for improved productivity, employment growth and development (2008); and promotion of rural employment for poverty reduction (2008).
PRESENTATION OF THEMATIC REPORTS
11 June (Thursday afternoon) 1 sitting

DISCUSSION ON THE RESOLUTION
12-13 June (Friday/Saturday) 3-4 sittings

ADOPTION BY CONFERENCE OF RESOLUTION
15 June (Monday)

GENERAL PLENARY DEBATES: THE THIRD WEEK
(Reactions by Delegates and visiting Heads of State to the Resolution and thematic Reports)
15-19 June

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This paper is proposed as a starting point for discussion and consensus building. Final agreement, according to the ILO Constitution, would require a Resolution of the Governing Body which would then be adopted on the first day of the ILC. Employers believe that the severity of this crisis is such that it is devastating labour markets everywhere and there is a need for immediate action. The ILO, as the only global tripartite Organization with the relevant mandate, needs to send a strong signal to its constituents, partners and the outside world, that it is ready to take on the daunting set of challenges ahead.

We employers believe that refocusing the ILC to include a Global Summit on Facing the Labour Market Crisis to provide answers to labour market challenges in a spirit of collaboration, is an opportunity we must grasp.

For these reasons we make this proposal.