

Remarks by Helen Clark to the ITUC World Congress

Thank you for inviting me to address you today at this Second World Congress of the International Trade Union Confederation.

As Administrator of UNDP and as a former Minister of Labour and Labour Prime Minister, decent work and its contribution to human development and poverty reduction are issues very close to my heart.

As Prime Minister I had the pleasure of meeting with General Secretary, Guy Ryder, on a number of occasions. I congratulate him on his service and dedication to the mission of promoting and defending workers' rights around the world.

Coming from a labour movement background, it is part of my core beliefs to see trade unions as an indispensable part of a democratic society. Where unions are able to act freely, to promote collective bargaining, and to play a full role as social partners in dialogue about their nation's policies and future, then we see democracy at work.

At the International Trade Union Confederation, you gather the many perspectives of your constituent organizations to play a critical role as a social partner at the global level.

UNDP's sister organisation, the International Labour Organisation, is the custodian of that dialogue within the multilateral system. At UNDP we are charged with working closely with the ILO to promote decent work, the Global Jobs Pact, and the Social Protection Floor.

Thus the Theme Report for this Congress, "Now the People", resonates strongly with UNDP.

In more than just the title, there is an echo of the 'development with a human face' movement of the 1980s – which convinced many and reminded others that people are the real wealth of their nations. This UN-led campaign exposed the hardships of structural adjustment. It bequeathed us with the now widely embraced human development approach, which UNDP has spent the last twenty years developing and advocating. It broadened thinking, showing that development is about far more than just increasing GDP per capita; it fundamentally must be about improving people's ability to shape their own lives.

Twenty years after the first Human Development Report was published, it continues to be imperative to promote the need for globalization to have a human face, and be rooted in decent jobs, sustainable human development, and the achievement of the Millennium Development Goals, and other internationally agreed goals.

As the Congress Theme Report makes clear, our challenges along this path are significant.

Challenges exacerbated by crisis: Vulnerable employment, unemployment and the working poor

Our world has been experiencing major, concurrent crises. The food and fuel crises, the global recession, and catastrophic natural disasters, including those related to climate change, have had a devastating effect on people around the world. Those in the poorest countries without comprehensive social protection have fared the worst.

In 2009, for the first time in history, more than a billion people were estimated to have suffered from chronic hunger, around 130 million more than before the food, fuel and economic crises hit. The number of unemployed increased from around 178 million pre crisis in (2007) to over 211 million in 2009. By the end of this year it is projected that an additional 64 million people will have been left in extreme poverty by the economic crisis.

As this Congress knows well, the economic crisis has forced workers around the world out of waged and salaried jobs and into less secure and more vulnerable employment. Between 1998 and 2008, the share of workers in vulnerable employment had dropped from 53.4 per cent to below fifty per cent. That positive trend was broken by the economic crisis. The ILO estimates that the share of workers in

vulnerable employment in 2009 may have risen to 52.8 per cent - not so far from where it was twelve years ago.

Workers in vulnerable employment struggle with inadequate earnings and difficult conditions – and are not connected to the protections and social dialogue which define decent work.

The global recession has also interrupted the trend towards a lower proportion of the workforce falling into the category of the 'working poor'. The share of the working population living on less than US\$1.25 a day, for example, had dropped from 37.5 per cent in 1998 to 21 per cent in 2008. Now the share is projected to have increased by as many as seven percentage points between 2008 and 2009 – pushing the global number of working poor to as high as 850 million. Using a \$2 a day poverty line, the global number would be as high as 1.4 billion. In the worst case scenario, up to two-thirds of workers in Sub-Saharan Africa would be at risk of falling below the extreme poverty line.

These trends remind us that hard work in itself does not deliver decent living standards. They reveal the urgency of not only lifting the number of jobs worldwide, but also of demanding that those jobs constitute decent work with adequate pay, security, safety standards, and opportunities for women and men to have a say in the decisions which impact on their livelihoods.

In the developing world, informal employment is pervasive. Although its extent is intrinsically difficult to measure, it may amount to more than half of all non-agricultural jobs. Such high rates undermine the ability of the state to ensure that workers have fair working conditions. Research at the OECD suggests that they also reduce general economic competitiveness, as informal firms tend to be small and lack access to credit and training.

Development partners – including UNDP – need to work with national partners to reinforce the importance of creating decent work in the formal sector. As well, we can help the authorities to develop their capacities to enforce their labour laws, as UNDP is doing, for example, with the Government of Zanzibar.

Informal employment is, to a large degree, a consequence of insufficient job creation in the formal economy. That reinforces the importance of active employment policies, especially at this time when the world seeks to recover from the recession. It cannot be assumed that job creation will flow automatically from a resumption of growth. Often employment figures are the last indicators to move when growth recovers.

The Global Jobs Pact, developed by the ILO, calls for jobs to be put at the very centre of responses to the crisis.

That would be achieved by active labour market and social protection initiatives, including working to retain existing jobs, creating new jobs – including in the green economy, supporting the development of small and medium sized enterprises, and up-skilling workers.

The Pact is premised on social dialogue, collective bargaining and respect for international labour standards.

For nations seeking to emerge from the recession in a way which is fair and just, the Global Jobs Pact paves the way.

The ILO, with the full support of the UN system, has worked to mobilize support for the Pact.

The G8 leaders meeting in Italy last year declared the Pact to be a relevant response to the crisis. The G20 leaders meeting in the United States last September committed their nations to adopting key elements of the Pact. At the UN itself, the Economic and Social Council last year called on the UN to consider integrating the policy contents of the Pact into the activities of the Resident Co-ordinator system and Country Teams in support of national crisis responses. UNDP's Executive Board in January responded to that call by resolving that we should integrate the Global Jobs Pact into our operational activities in collaboration with the ILO. Since then, ILO Director-General, Juan Somavia, and I have sent

a joint letter to UN Resident Co-ordinators around the world, calling on them to work with their partners, including trade unions, to implement the Global Jobs Pact in ways which are appropriate to their national context.

I have also urged UNDP colleagues to work with ILO counterparts to strengthen collaboration overall between the two agencies, in particular to increase our combined ability to provide advisory support to countries taking forward national versions of the Global Jobs Pact. Together, we can build our knowledge about the employment impacts of policies and programmes, determining 'what works' and why, so that when countries look to us for good advice, we can apply what we have collectively learned to help them expand decent work.

Running through your Congress Theme Report is a deep concern that the international community will not effectively address the underlying drivers of the economic and financial crisis

As world leaders and institutions grappled with how to stabilise the global economy and financial systems last year, there was optimism that lessons would be learned, that more effective regulatory systems would be put in place, and that policies would be countercyclical, not pro-cyclical.

Yet, as signs of tepid recovery returned to some developed economies, the reform urge seemed to dissipate. And despite what earlier appeared to be understandings that exits from fiscal stimulus packages would need to be managed carefully, the more recent discourse suggests that a number of countries are planning more rapid action to reduce fiscal deficits. Clearly that has significant implications for employment growth – and indeed for GDP growth. The situation in Europe has been made more complex by the sovereign debt crisis.

Elsewhere, the emerging economies have led the way back to growth, but continued lack of demand in the developed world will require them to develop new strategies if high rates of growth are to be sustained.

The G20 last year promulgated a "Framework for Strong, Sustainable, and Balanced Growth". Inherent in it was the need for more growth in the emerging economies to be driven by domestic demand, given the weakened demand in the developed world.

The emergence of the G20 as a leader-level forum has stimulated much debate about the merits of informal multilateralism and how it should link to the formal multilateral system.

There can be no doubt that the G20 action last April, led by the former British Prime Minister Gordon Brown, to stabilise the world's financial system was decisive. No other grouping or institution seemed fit for purpose in that crisis.

Now the G20 has determined that it will be the premier forum for economic co-operation among its members.

Yet, when the leaders of nations representing more than eighty per cent of the world's economy decide to act in a certain way, that has spillover effects for the other twenty per cent, made up of close to 170 nations.

It is important therefore that those outside the G20 who are affected by its decisions are able to interface with the grouping in a meaningful way.

For example, the United Nations with its universal membership, broad mandate, and convening power, can play a role in ensuring that the G20 is well informed of the range of views and perspectives of member states.

A similar role could be played by the world's regional groupings of nations.

Then there is the question of whether the G20 will be open to ongoing dialogue with the social partners. The issues of global economic recovery and regulation which are central to its agenda are clearly ones on which the International Trade Union Confederation wants to be heard – and needs to be heard.

Meanwhile UNDP and the whole UN system are preparing for another critical Summit – on the ten year review of the Millennium Development Goals – to be held in New York in September.

Importance of MDG Achievement While the economic and other crises of recent years have been huge challenges to development, they must not become an excuse for lowering our ambition to maintain and expand decent work and achieve the MDGs. On the contrary, they make these goals more urgent and compelling than ever.

Meeting the MDGs means building fairer, more inclusive, and resilient societies – which stand a better chance of withstanding such shocks in future and thereby achieving development which is sustainable.

As the most broadly supported, comprehensive, and specific poverty reduction targets the world has ever established, the MDGs demand our attention and our determination to succeed.

For the billions living in poverty, the eight MDGs represent the promise of a better life - a life with access to adequate food and income; to basic education and health services; to clean water and sanitation; and to empowerment for women.

While progress on the Goals has been uneven, there are many successes to celebrate.

Worldwide, the number of children living to reach their fifth birthday has increased steadily. In many countries around the world, including in some of the poorest, there are impressive examples of increasing school enrolment, combating extreme poverty, reducing the prevalence of HIV/AIDS, and increasing access to clean drinking water.

These successes show that the MDGs are achievable.

By applying what we learn and scaling up what works, and with strong and well financed global partnerships and committed leaders, the world can achieve the MDGs.

This is the message UNDP is conveying right through to the September Summit.

What will be needed at the Summit is an agreement by world leaders, on a concrete MDG action agenda from now to 2015. Decent work must be central to that agenda.

There is an explicit MDG target on “achieving full and productive employment and decent work for all, including women and young people”. But, more broadly, decent work is a factor in meeting all the other MDGs. Stable and decent jobs enable families to have enough income and food, to be well nourished, to send their children to school, and to access health care.

Action Agenda for taking forward the MDGs and Global Jobs Pact

While any action agenda for achieving the MDGs must be adapted to each country’s unique context, UNDP’s analysis of what has worked, points to a set of common areas for priority action. This can be found in its entirety in UNDP’s International Assessment of “what it will take to reach the MDGs”, which was released last week. I share here only those aspects which most heavily overlap with the Global Jobs Pact and the ITUC’s own Theme Report.

1. First, we all need to support country-led development:

To accelerate and sustain progress, development strategies must be locally-owned and based on broad national consensus. This requires broad and meaningful consultation with and participation by citizens through representative entities, including trade unions.

A review of over forty national development strategies, however, has found decent work to be among the most neglected areas. As key stakeholders, unions can help refocus attention on decent work and the need to make it an explicit priority in development policies and planning. UNDP will be your ally in this effort.

In eight West African countries, UNDP has helped ensure that youth unemployment is addressed in development strategies, by bringing together representatives of governments, employers' organizations, and trade unions within a sub-regional social dialogue.

2. Second, we need to foster inclusive economic growth:

Evidence suggests that rapid reductions in poverty and hunger result from growth which is job-rich, and which has a specific focus on agriculture in countries where large numbers of people live on the land. A fair distribution of income, assets, and opportunities also helps immensely.

A number of countries which have seen impressive economic growth, such as China, Brazil, and Korea, have used significant public sector support to 'enable' the private sector, to grow competitive businesses and jobs. To make sure that growth is "job-rich", such support can be directed towards labour intensive sectors.

Establishing an enabling environment for growth means ensuring access to credit and legal rights, as well as investing in transportation, communications, technology, and skills development. Yet in Africa, over time development partners and governments reduced the share of resources they allocated to infrastructure and technology. That trend needs to be reversed.

3. Third, we must improve opportunities for women and girls:

That will be a powerful driver of MDG progress across all the Goals.

The empowerment of women and girls must be a top priority. That must include measures which close the stubborn gender gap in employment and wages. Raising the income and education of women is a powerful force for achieving the MDGs.

Children born to women with some formal education are more likely to survive to their fifth birthday, receive adequate nutrition, and be immunized and enrolled in school.

Thus, investment in women and girls is not only the right thing to do, but also will have intergenerational and community-wide benefits.

4. Fourth, we need to scale up social protection and employment programmes and other targeted interventions:

Rather than being seen as a drain on a nation's Budget, social protection needs to be seen as a critical investment in building the resilience to cope with present and future shocks.

Home grown social protection systems, such as India's National Rural Employment Guarantee Scheme, Thailand's health insurance scheme, and Sierra Leone's environmental and rural infrastructure work programme can, if designed well, expand opportunities, build domestic demand, and spur human development.

5. Fifth, we need to expand access to energy and promote low-carbon development:

In a carbon-constrained age, growth based on reduced carbon footprints is also vital for all countries. To achieve that, a climate deal which generates significant funding for low-carbon energy and development solutions is essential – and must not be allowed to fall off the international list of priorities.

The process of tackling climate change will create opportunities for green and decent jobs in adaptation and mitigation. The potential to advance the MDGs, create decent work, and address climate change, is

evident, for example, in India where rural households acquire lighting through solar panels, under a partnership with local manufacturers.

6. Sixth, the international community does need to deliver on the ODA commitments it has made and improve the predictability and effectiveness of aid.

Well targeted and predictable ODA is a critical catalyst for meeting the MDGs, and for helping countries generally to build the capacities they need to design and deliver programmes, attract investment, and create decent work.

New sources of finance for development should also be considered. A Financial Transaction Tax, for example, now supported in principle by several G20 members, has the potential to raise considerable revenue.

Conclusion

Today, I want to recognize the leadership which the International Trade Union Confederation has given to advocacy for a reinvigorated, updated, and inclusive system of global economic governance, and for a more equitable and fair globalisation.

At UNDP, we need to work with you to take our shared agenda for development and justice forward.

Advancing that agenda requires new global partnerships. It requires social dialogue. It requires the full engagement of civil society. It requires the voices of organized labour to be heard.

I know that the voice of this Congress on how to move from the global crisis to global justice will be heard loud and clear – and I wish you well in your deliberations.