

George Dragnich
Executive Director for Social Dialogue
International Labour Office (ILO/BIT)

ECOSOC Operational Activities Segment

Panel on the current economic, food and climate change crises and their effects on the achievement of MDGs: the role of the UN system's support to national efforts

(Wednesday, 15 July, 10:30 – 13:00)

Madame Chair and distinguished participants,

The International Labour Organization is honoured to join this panel on Millennium Development Goals, and to help this session of ECOSOC examine how the UN can assist its member states to better confront multiple crises which threaten to undermine hard-won progress towards attaining MDGs.

Just two years ago, mid-way between the Millennium Declaration of 2000 and our target date of 2015, we were able to catalogue genuine, albeit uneven, progress.

In 2000, member states committed themselves *to halve the numbers of those whose income is less than one dollar a day, suffer from hunger, and cannot reach or afford safe drinking water.* By 2007, the annual MDG Report was able to note that the proportion of people living in extreme poverty fell from nearly a third in 1990 to 19 per cent by the end of 2004. Cautiously, but optimistically, the Report concluded, “If progress continues, the MDG target will be met.” Of course, trend lines that two years ago suggested a glass half-full rather than half-empty, have been sharply reversed. Predictably, the MDG Report published just last week warned that current crises have jeopardized previous achievements.

Earlier this year, the World Bank estimated that upwards of 50 million people in the developing world would fall back into abject poverty, the depths of which are unimaginable to those who find themselves unemployed in more developed economies. Now, we are all revising upwards our earlier estimates of economic pain. For example, the Asian Development Bank now estimates that the crisis will add 80 million more vulnerable persons in 2009, and possibly 130 million more next year – this alone for the Asia & Pacific region that heretofore personified so-called “emerging markets.”

Unfortunately, the ILO foresees no reason to revise downward its own estimate that more than 50 million jobs could be lost worldwide by the end of this year. Worse, labour markets typically lag economic recoveries by four to five years. In fact, the ILO now estimates that even if a recovery begins to take hold this year, a global jobs crisis of this magnitude could linger for six to eight years. Put more colourfully by economist Allen Sinai, “the mother of all jobless recoveries is coming down the pike.”

In fact, some 1.6 billion workers – more than half the global workforce – already clutch precariously to low-wage jobs that could disappear overnight. Small wonder, then, that IMF Managing Director Strauss-Kahn told the ILO’s executive board in March that we faced the spectre of civil unrest and even cross-border conflict if the world’s downward slide is not reversed.

At the opening of this session’s high-level segment two weeks ago, my Director General, Juan Somavia, described the ILO’s response: an annual conference just last month transformed into a jobs summit and a seminal, tripartite Global Jobs Pact adopted by more than 180 member states and their corresponding trade-union federations and employer organizations. In addition to immediate measures that might lessen the impact and severity of employment loss, the Jobs Pact is designed to help nations shorten their “jobless recoveries” once economic green shoots grow into something more verdant.

Mr. Somavia also spoke here with other panellists just two days ago on the social implications of the financial and economic crises, so I will seek to avoid further duplication. Suffice it to say, however, that the Monterrey Consensus of 2002 proved prescient in enjoining the ILO to explore the social dimension of globalization. The apogee of that work, the Declaration on Social Justice for a Fair Globalization, adopted at the ILO’s annual conference in June 2008, presaged that gains unequally shared would leave vast populations ill prepared to weather an economic downturn.

We now face a multidimensional, global crisis that calls for a coherent global response. “One UN” is, more than ever, an appropriate objective. The present crises should redouble our sense of urgency to pursue it. Now is time for the entire multilateral system to rethink the type of globalization we need for a fairer, greener and more sustainable world.

Because the ILO’s core competency is the world of work, we understandably feel a special affinity with the first MDG that speaks of

earned income. Some years ago, UNDP defined poverty as a multidimensional social dimension with two main characteristics, income poverty and human poverty. But UNDP recognized that basic human needs are typically correlates of income poverty with the causality running both ways.

Thanks to the UN Social Summit of 2005, the first MDG now contains a target of “full and productive employment and decent work for all.” Decent Work recognizes that not just any job addresses both income and human poverty. My Director General, in explaining the ILO’s Decent Work Agenda to lay audiences, has quoted the late American President, Franklin Roosevelt. In 1936, at the depths of a Great Depression against which so many pundits measure our current dilemma, Roosevelt declaimed, and I quote, “Liberty requires opportunity to make a living - a living decent according to the standard of the time, a living which gives man not only enough to live by, but something to live for.” End quote.

Beyond meaningful employment, the ILO is fully involved in meeting all the MDGs and is committed to working with its partner agencies to achieve them.

Last year, the ILO’s annual conference adopted comprehensive recommendations to promote rural employment for poverty reduction. They spelled out a policy framework to stimulate economic growth and social progress in rural areas – foreshadowing the recent shift in the G8 from a focus on food aid to building longer-term resilience based on more sustainable agriculture, stronger food systems and concomitant opportunities for decent work. The ILO has recently joined the UN High Level Task Force.

As the ILO’s Executive Director for Social Dialogue, I have had the pleasure of facilitating discussions between employer representatives and trade union federations on how, by working together, they can create synergies in rural employment that simultaneously address food security – for example, helping to forge food processing industries in the developing world, where currently nearly a third of harvested crops rot or are infected by vermin before they are ever moved to market.

I am pleased to note that the ILO signed an MOU with the FAO in 2004, but our joint work on fisheries is quite longstanding, and our collaboration on forestry dates back some 50 years.

The ILO also works with UNEP and other agencies on climate change in the framework of the Green Jobs Initiative. We also work closely with UNDP, with which a MOU was signed in 2007. I trust that all of you are familiar with the UN's Toolkit for mainstreaming employment and Decent Work.

Likewise, the work done by WFP in its innovative School Feeding Programme is relevant to the ILO, where we have zeroed in on education as the greatest antidote to the scourge of child labour.

This year, the International Labour Conference focused on two main issues also highlighted by this year's report on the MDGs: gender equality and HIV/AIDS. Here again, the workplace is key to improving the well-being of millions of men and women.

The ILO would especially wish to commend WFP for appreciating that its enormous logistical supply trains, unintentionally, can become *de facto* transmission belts for HIV/AIDS. In Africa, WFP approached the ILO to help recruit trucking companies and transport trade unions to combat the spread of AIDS along WFP relief corridors.

The UN system has a comparative advantage: the capacity to deliver assistance to member States according to their own assessed needs, without the overlay of "tied aid." We in the UN system need to draw on this attribute as we work with member States and with each other to design joint programmes that can more quickly achieve critical mass, make a qualitative difference in people's lives, and address genuine needs.

We have a number of instruments at our disposal, as I have mentioned. At the same time, we need to do a better job of liaising with UN-Habitat on urban housing, a major determinant of worker and family well-being. The ILO, for its part, looks forward to working with interagency partners, donors, and member states and their societies to help put the MDGs back on a growth trajectory.