

ILO Director-General Speaking Note for Round Table 2

UN Conference on Financing for Development

Addis Ababa 13 -16 July 2015

Thank you Co-chairs and Moderator

The theme of these roundtables – policy coherence – is one that has preoccupied the ILO for some time. It is actually built-in to our Constitution from the 1944 relaunch of the ILO and refers in particular to coherence between finance and employment. The goal of decent work for all is one that requires the full range of policies working together coherently. Labour market and social policies are important but cannot realize full and productive employment alone. Macro policies need to pull in the same direction. So do health, education, environmental, trade and financial policies, to name just a few.

Now as we look ahead to 2030 and an ambitious, but absolutely essential, set of sustainable development goals for the planet and its people, the challenge becomes ever more urgent.

A fully integrated approach to means and ends is essential if development is to be truly sustainable.

I would therefore like to raise two issues for our discussion this morning.

The first concerns the inter-relationship between the financial system and the productive capacity of our economies.

The second is the need to invest in creating decent work opportunities as a driver of inclusive and sustainable development.

First, nearly seven years after the fall of Lehman Brothers the international financial system is not yet fully repaired, the world economy is at risk of sliding into a slow growth trap and unemployment and under employment remains elevated. A well-functioning financial system is vital for sustainable growth and development.

This is not just a rich country “Wall Street and Main Street” issue. The world’s nearly 800 million \$2-a-day working poor are

opportunities is thus both a means and also an end of sustainable development.

Generating full and productive employment and decent work for all and promoting MSMEs supports domestic resource mobilization as well as spurring investment demand, generating productive capacity and decent work while building social cohesion. As a major cross-cutting area of the emerging development agenda, it connects directly to delivering social protection and essential public services for all.

Inequality has increased in many countries and is damaging growth as well as causing many serious social and political tensions. Action to break out of the slow growth trap and make a vigorous start on the post 2015 development agenda, especially the goal of inclusive growth and decent work, is urgently needed and Addis is a good launch pad for this effort.

Second, just to keep pace with the growth of the global labour force and reduce unemployment to pre-crisis levels requires over 600 million new jobs by 2030 – that’s around 40 million year. Narrowing the participation gap between women and men by say 25 per cent by 2030 requires another 200 million new jobs. And 780 million women and men are working, often long and hard, and still not able to lift themselves and their families out of \$2 a-day poverty.

Worldwide almost 74 million young people (aged 15–24) were looking for work in 2014 and not finding any.

[Omitted: For example, these policy tools include:

Design of employment intensive infrastructure investment.

MSME programmes to improve the environment for sustainable enterprise to start up, grow and survive.

ILO's Multinationals Declaration is the only set of employment and social principles globally agreed between employers, unions and governments and thus is a sound guide to responsible foreign direct investment.

The Green Jobs Initiative works with governments, employers and unions on solutions that from the ground up enable both decent jobs to be created and poverty reduced while reducing damaging carbon emissions and other forms of environmental damage.

In collaboration with partner agencies in the UN initiati

Policy dialogue around the implementation of the new global agenda is the way to identify how to ensure that policies that are the responsibility of different ministries and international agencies pull together in practice and move the world onto a sustainable development trajectory.