



## Employment and social dimension

*The Summit puts peoples first, concentrating attention on the employment and social aspects of the measures for economic recovery*

### FACTS

- The economic and financial crisis is producing a substantial increase in **unemployment** and **social suffering**. The International Labour Organisation (ILO) estimates an increase of unemployment worldwide between 29 and 59 million people by the end of 2009. According to the International Monetary Fund (IMF) forecasts (April 2009), the unemployment rate in G7 countries will increase from 5,5% in 2007 to 8% in 2009 and to 9,3% in 2010. Unemployment causes income losses at the individual level, a decline of demand at the aggregate level, it slows down recovery, and, if persistent, the loss of skills, making the return to the labour market more difficult, creating social exclusion.
- G8 Governments have undertaken macroeconomic stimulus measures which support the income level, limiting the job losses. Furthermore measure to reinforce social safety nets have been adopted also to support the income of the unemployed, especially the weakest.
- **Social Partners** (international representatives of employers and workers) have presented their proposals on the 26<sup>th</sup> of June to Prime Minister Berlusconi, who brought them to the attention of the Leaders in L'Aquila.
- Even the **Holy Father** in his letter of the 3rd of July to Prime Minister Berlusconi and in his encyclical *Caritas in veritate*, has highlighted the necessity to **focus on human resources** and the importance of employment to allow workers to provide in a dignified manner to the needs of their families.

### G8 RESPONSE

Starting from the results of the Labour Ministers' meeting in Rome at the end of March, G8 leaders commit to promote employment and social protection at the global level and to promote the observation of labour rights recognised at the international level.

#### ACTIONS:

The leaders commit to inform their policies on clear objectives and common principles, such as:

1. to defend employment: promotion of active labour policies to reduce unemployment and create new employment, in particular "**green jobs**" in sectors linked to *low carbon economy*; to improve skills through **training**; to support the income of the unemployed;

to defend existing jobs, even through temporary measures, in order to **prevent lay-off and long term unemployment**, which generates social exclusion;

2. to secure the **sustainability** and the **efficiency** of social protection systems, important also in order to support confidence and therefore the economic and employment recovery;
3. to invite the international organisations in particular IMF, OECD and ILO to take into account the social and employment impact of their recommendations to governments, both in industrialised and in developing countries.

The Leaders underline furthermore the importance of rules, also in the field of labour, bringing forward “**the Decent Work Agenda**” and the “Global Pact for Employment” of the International Labour Office (ILO) as instruments to respond to the crisis and to secure the social dimension of globalisation. A key message is that **the crisis will not be used to weaken labour rights and protection.**