

Pacific Conference on the Human Face of the Global Economic Crisis  
10-12 February 2010  
Port Vila, Vanuatu

## **ANNOTATED PROVISIONAL AGENDA**

The present document contains the provisional agenda of the Conference (section I) and the annotations to the provisional agenda (section II).

### **I. Provisional agenda**

1. Opening of the session.
  - (a) Opening addresses;
  - (b) Adoption of the agenda.
2. Impact of the crisis on people: Pacific perspectives (Plenary 1)
  - (a) Impact assessment at national levels: economic growth, trade and employment (Roundtable A)
  - (b) Impact assessment at community levels: women, children and other vulnerable groups (Roundtable B)
3. Actions taken by countries in response to the crisis (Plenaries 2 and 3)
4. Inclusive economic growth and social policies (Plenary 4)
5. Sectoral challenges and responses (Parallel Working Sessions and Plenary 5)
  - (a) Labour;
  - (b) Education;
  - (c) Health and food security;
  - (d) Governance and the legislative agenda.
6. Climate change and Green Growth (Plenary 6)
7. Forward-looking policy and action planning to strengthen resilience to the current and future crises.
8. Concluding statements (Plenary 7)
9. Adoption of the outcome statement of the Conference.

## II. Annotations

### 1. Opening of the Conference

#### (a) Opening addresses

Welcome address by Honourable Edward Natapei, Prime Minister, Government of Vanuatu  
Keynote address by Ms. Helen Clark, United Nations Development Group Chairperson  
Presentation by a child representative

#### (b) Adoption of the agenda

##### *Documentation*

Annotated provisional agenda (GEC/L.1)

The provisional agenda will be considered and adopted, with amendments, if any.

### 2. Impact of the crisis on people: Pacific perspectives (Plenary 1)

##### *Documentation*

Impact of the global economic crisis on people of the Pacific (GEC/1)

Document GEC/1 provides an overview of the economic and social impact of the global economic crisis on Pacific island countries. Although the global economy contributed greatly towards economic growth and poverty reduction in Asia and the Pacific, such development strategy was accompanied by risks. As global economic growth slows, countries need to consider how to ensure continued inclusive and sustainable development.

Countries in the Pacific were somewhat buffered from the direct impacts of the crisis by their isolation. The severity of the impact was directly related to how closely the domestic economy was linked to more developed economies through trade, finance, emigration or aid dependency. The fall in global commodity prices reduced activity in commodity-based economies while economic slowdown in many developed countries lowered tourism receipts. Erosion in the value of trust funds reduced financing available for government expenditures in some smaller countries. Remittances which comprise a significant share of financial flows to some countries of the Pacific also declined owing to reduced employment overseas. As economic growth slows, the adoption of more protectionist policies could further dampen economic growth.

These factors, coupled with the recent volatility of commodity prices, are now affecting employment, household incomes as well as fiscal revenue in countries of the Pacific. The well-being of individuals, households and communities as well as overall progress towards attainment of national priorities and internationally agreed development goals, including the Millennium Development Goals, could be compromised. The document assesses who have been most affected by the crisis, how the crisis affects people, especially those with limited resources, and why they have been affected. It concludes by suggesting possible ways to address the impacts of the crisis in the Pacific, particularly on the vulnerable.

The Conference may wish to review the analysis and provide guidance on ways to address the impact of the crisis in countries of the Pacific.

**(b) Impact assessment at national levels: Economic growth, trade and employment (Roundtable A)**

Changes in international trade and financial flows affected economic growth, trade, employment, transition to the informal economy and wage trends in countries of the Pacific. Due to differences in economic and labour market structures, however, the impacts of the crisis on these countries were not uniform. As a result, the experiences of each country differ. An assessment of the impact of the crisis on economic output, balance of payments, government revenue and expenditures, employment, transition to the informal economy and wage trends could lead to identification of financial, human and institutional constraints which prevented countries from fully addressing the impacts of the crisis. Such discussion could lead to (i) identification of economic policies most resilient to crisis impacts; (ii) an understanding of how effective labour policy can best promote decent work in times of crisis; and (iii) sharing of lessons learnt, both positive and negative, from this crisis.

**(b) Impact assessment at community levels: women, children and other vulnerable groups (Roundtable B)**

The central lesson learned from every previous economic crisis is that the poorest people in developing countries suffer the most and that not enough is done to help them. Since children, women and other vulnerable groups are likely to be amongst those most severely affected, it is important to assess the impact of the crisis upon them. Such assessment requires examination of household income and expenditure, including consumption and savings. Public sector programmes, especially in social welfare, education and health, may have been affected by changes in government revenue and expenditure, as well as ODA disbursements. Discussion could lead to (i) identification of people who have been most affected by the crisis; (ii) an understanding of how widely and deeply they have been affected, in both economic and social terms, and (iii) sharing of lessons learnt on how the vulnerable can be protected.

**3. Actions taken by countries in response to the crisis (Plenaries 2 and 3)**

Since countries of the Pacific and their people have been affected by the crisis in different ways, a range of policy responses have been taken to protect the vulnerable. An assessment of these policy responses, in terms of their relevance, effectiveness and efficiency, as well as identification of constraints faced in implementing these policies could lead to greater understanding of how countries across the Pacific could better respond to the current and future crises.

**4. Inclusive economic growth and social policies (Plenary 4)**

*Documentation*

[Social Policy in the post-crisis context of Small Island Developing States: A Synthesis \(GEC/2\)](#)

Achieving inclusive economic growth is a priority for most countries that are attempting to reduce inequality, make growth more equitable and spread the benefits more fairly among society. Inclusive economic growth is a cornerstone for poverty reduction and in times of crisis needs to be balanced with investment in social sectors to protect development gains, particularly for the vulnerable.

Social protection consists of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards, including interruption of income. Well designed social protection policies not only address chronic poverty and the

adverse effects of various shocks, but can play a crucial role in alleviating social hardship and curbing the intergenerational transmission of poverty. Social protection policies have therefore emerged as core elements of long term poverty reduction strategies, especially for women, youth, children, the elderly and persons with disabilities, rather than ad hoc initiatives to respond to crises.

Document GEC/2 (1) considers whether Pacific countries can afford not to invest in inclusive economic growth and social policies; (2) examines the design and development of effective social safety nets to protect the vulnerable, including the interface with traditional systems of support in the Pacific, and maintain development gains during a crisis; (3) offers advice on effective macroeconomic and financial policies to underpin stability during economic downturns while assisting those in need; (4) identifies new sources of sustainable growth that generates employment and incomes; and (5) proposes strategic measures through which countries can ensure the sustainability of social programmes now and in the future.

In such an aid-dominated environment, a natural concern for support and protection of the vulnerable should not stifle efforts at self-help. Most poor people would be rather be self-sufficient than depend on hand-outs. Donors and IFIs may have an institutional bias towards doing things for people. Institutions organizing assistance would need to take care not to swamp or displace nascent enterprise, and make sure to encourage small-scale entrepreneurs. Financial institutions would need to engage in credit operations tailored to the poor and vulnerable, and regulatory obstacles to informal enterprise would need to be removed.

The Conference may wish to review the analysis and provide guidance on ways to further enhance inclusive economic growth and social policies and programmes to better cushion the impact of the crisis on vulnerable communities in countries of the Pacific.

## **5. Sectoral challenges and responses (Parallel Working Sessions and Plenary 5)**

### **(a) Labour**

The global economic crisis and its aftermath present the prospect of prolonged unemployment, deepening poverty and inequality, since employment normally recovers several years after the economy.

Pacific women dominate the informal economy and sustain family incomes and coping mechanisms in times of crisis. They contribute substantially to local government revenues yet their labour is not protected and their incomes are not counted in national accounts or addressed in national development strategies. This session proposes stimulus packages, based on market revenues and government and donor assistance that could strengthen new partnerships to improve markets, recognising the labour of women, their right to a decent place of work, and supporting their leadership in transforming Melanesian markets to economic development hubs, where human rights, human security and the informal economy can flourish. This session will also consider the impact of changes in employment growth and labor market demand on vulnerable groups and the gender implications. Linkages between the crisis and the increased burden for women of unpaid care work will be addressed.

The disproportionately high number of youth in the Pacific combined with limited increases in formal employment opportunities means that few school leavers are able to enter the formal economy. The existing mismatch between skills required by employers and available opportunities for technical and vocational education exacerbate this situation. As a result youth unemployment is high across the Pacific and will likely increase as a result of the crisis. The impact of initiatives for youth aimed at making self-employment a sustainable option and realigning skills with market demands will be considered.

Recommendations on evidence-based policy options to protect and economically empower the vulnerable, including women and youth, could lead to improved opportunities for decent work, more gender equitable responses, achievement of the Millennium Development Goals and enhance resilience to future crises in the Pacific.

**(b) Education**

The global economic crisis has affected both the quality of and access to education. This could have an impact on progress towards attainment of national, regional and global commitments, including Education for All, Millennium Development Goals and Pacific Education Development Framework.

The social and monetary costs associated with safeguarding the rights of children, youth and adults to education is an investment that minimizes the risk of future social problems such as unemployment and juvenile crimes, and contributes to strong economic growth. Successful interventions in education, early childhood development and child protection, such as conditional cash transfer tied to school attendance, fee-free policies, school feeding and livelihood programmes could improve access to education and address challenges faced by children and their families. When resources are scarce, education which focuses primarily on the key skills of literacy and numeracy could be the best investments in education.

Recommendations emanating from discussions on evidence-based investment in education, early childhood development and child protection could highlight ways in which countries can attain commitments on education that they have made and enhance resilience to future crises in the Pacific.

**(c) Health and food security**

Health is an entitlement to which people have a basic right. The crisis, however, has provoked an examination of the values that underpin societies. In the face of declining revenues and income, health should be recognized as a priority. This requires an understanding of the basic principles, areas of action and best practices to guide the response to the health-related consequences of the crisis. Volatile commodity prices, including that of food as well as agricultural inputs, and changes in financials and trade flows which affect capacity to purchase food have further affected food security in these countries.

Recommendations on how governments and development partners could respond to matters related to health, such as population and health systems, health-related Millennium Development Goals, as well as food security could lead to greater focus given to social justice.

**(d) Governance and the legislative agenda**

Legislatures play a critical role in ensuring good governance, promoting human rights including gender equality and protecting vulnerable groups. Strengthening the interaction of the legislature with civil society, women, young people, disabled, the media and the private sector, harnesses the role of members of legislatures in carrying out their functions of representative, lawmaking and executive oversight, to better shape inclusive policies towards the achievement of national development priorities including the Millennium Development Goals.

Legal empowerment of the poor is a long-term strategy for sustained poverty alleviation which enables people engaged in small scale enterprise to progressively transition from the informal to the formal economy. Access to credit on realistic terms through existing or new financial institutions forms part of this empowerment. It seeks to make the law work for everyone and to provide equal opportunities for all, implying a general reform of the law from an instrument of domination and exclusion into a system of effective protection and inclusion. This reform is based on the processes by which laws are made executed and adjudicated. The

emphasis of legal empowerment is on participatory and accountable forms of law making and public administration, giving the poor a voice and increased ownership of the framing of their legal and social environment. Applied in a gender-responsive and child-sensitive manner, legal empowerment of the poor offers new economic pathways for women and youth.

The role of traditional governance structures to both inform and support the legislatures through their representatives could be better understood and improved where lacking, especially through pro-poor policy development and legislation. This is particularly important where the constraints posed by vast distances and poor communication and transport links between rural communities and their legislatures and for which the contributions of innovative and practical information and communication technologies could be explored and invested in.

Recommendations could support efforts to strengthen the role of governance and the legislature in shaping strategic and well targeted policy responses to development challenges and enhance countries' resilience to the current and future crises in the Pacific.

## **6. Climate change and Green Growth (Plenary 6)**

### *Documentation*

Climate change, environmentally sustainable economic growth and employment.  
(GEC/10)

Climate change, which affects all aspects of life in the Pacific, is a reflection of the environmental impact of economic growth. To address this challenge in the context of the global economic crisis, environmentally sustainable economic growth, otherwise known as Green Growth, is essential. Since current economic growth results from sub-optimal allocation of resources, ways in which resources are used and managed need to be examined through a lifecycle approach so that efficiency in both production and consumption is improved.

Green Growth presents opportunities for employment in environment-related sectors such as eco-tourism, renewable energy, waste management and agriculture, especially those that are labor intensive and in rural and remote areas. Employment in these sectors needs to be productive and deliver a fair income, security in the workplace and social protection for families. This employment could also stem environmental degradation caused by urbanization, as people no longer need to seek employment in cities.

To ensure environmentally sustainable economic growth, Governments need to be able to assess the environmental impacts of economic growth and apply appropriate fiscal and other policies to address these impacts; promote sustainable consumption through demand side management; develop methodologies, policy tools and mechanisms to address climate change; and develop infrastructure through application of Strategic Environment Assessments (SEA).

The Conference may wish to consider the relevance of Green Growth in responding to the current and future crises.

## **7. Forward-looking policy and action planning to strengthen resilience to the current and future crises**

To ensure an effective response to the global economic crisis at the national level, countries need to commit themselves towards the protection of the vulnerable and attainment of national priorities and the Millennium Development Goals in each country. In this context, the specific actions that can be taken by each country need to be identified. Actions to foster greater resilience so that the vulnerable are protected in the event of another crisis also need to be considered.

Such recommendations furthermore need to be integrated into existing national sustainable development strategies as well as regional and international frameworks and implemented through national planning and budgeting frameworks. The Conference is requested to consider how this could be achieved.

**8. Concluding statements (Plenary 7)**

The Conference may wish to consider other matters brought to its attention.

**9. Adoption of the outcome statement of the Conference**

The Conference will consider and adopt its outcome statement.