

ORGANISATION INTERNATIONALE DU TRAVAIL
BUREAU AUPRÈS DES NATIONS UNIES



ILO recognizes the importance of strategically integrating economies in the Global Value Chains and promoting Direct Investment as a source of development and job creation. Strengthening **regulatory framework** and **labor standards**, are key factors to make such trade and investment integration a source of inclusive and sustainable development and DW. Therefore, investment promotion policies must go hand in hand with industrial policies by prioritizing sectors with high growth and jobs potential and underscore the importance of increasing vigilance and respect for international labour standards, acknowledging the important role of the ILO Tripartite Declaration of Principles on Multinational Enterprises as a framework for embedding FDI in national development and for guiding investment policies of institutional investors and investment in the supply chains.

ILO supports the proposed policy ideas on “strengthening the sustainable development impact of investment” and “Aligning investment agreements with sustainable development policies and plans” in the Annex. Many countries are increasingly using labour and social policies to address structural challenges and expand domestic resources. Employment creation can create the resources to boost consumption by improving purchasing power and raises rates of savings to finance investments and further development. Increased consumption reduces poverty and generates demand. High and prolonged levels of unemployment inhibit growth in consumption and investment and make a reduction in fiscal deficits much harder to achieve. Therefore, decent work ought to be considered both a priority for which finances should be directed as well as a primary tool for domestic resource mobilization. The Global Jobs Pact may be utilized to develop a more systematic approach for job creation at the national level which in turn can help mobilize domestic resources, attract FDI and prioritize fiscal de