Poverty reduction and jobs creation in developing countries

Implementing the ILO Global Jobs Pact – the decent work response to the financial and economic crisis

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I. Recovering from the Crisis:
The Global Jobs Pact (GJP) - the decent work response
The Global Jobs Pact

• A call for action by all
• Adopted by global consensus on 19 June 2009 at the International Labour Conference (ILC)
• 183 tripartite (governments, workers, employers) delegations
• Active involvement of EU (EU coordination at ILC) and of developing countries
• Input by the Global Jobs Summit on 15-17 June 2009, regional contributions, consensus positions in ILO Governing Body since November 2008
• An internationally-agreed set of policy measures for the multilateral system, for regions and countries (governments, employers, workers)
• Covering all workers and enterprises (also informal economy, rural sectors, self employed)
• A roadmap to design policies to shorten time lag between economic recovery and employment recovery and formulate country-specific policy packages for recovery (different needs of countries and regions)
1) A Decent Work response to the crisis
2) Eleven principles for promoting recovery and development, including informal economy and rural sectors.
3) A portfolio of around 25 policy options based on the Decent Work approach in four areas:
   • Accelerating employment creation, jobs recovery and sustaining enterprises
   • Building social protection systems and protecting people (social security, labour protection, income and minimum wages, vulnerable groups e.g. migrant workers)
   • Strengthening respect for international labour standards (core labour standards conventions, other up to date conventions and the CSR tripartite declaration)
   • Social dialogue: bargaining collectively, consultations, identifying priorities, stimulating action
4) A series of areas for shaping a fair & sustainable globalization, more policy coherence and cooperation
Content and context of the Global Jobs Pact

• Lesson from previous crisis is that time lag between economic recovery and employment recovery can take up to 5-6 years. Need to reduce this time lag.
• In recent years (just before crisis) high but jobless growth in many developing countries.
• Need to put employment and social protection at centre of responses and stimulus packages.
• Linkages between social progress, economic development and environmental sustainability.
• Many developing countries have strong deficits of investment in labour market and social protection infrastructure, governance and institutions/actors.
II. Implementing the GJP: ILO practices in employment creation
Implementing the Global Jobs Pact

• A framework for action and consensus building
• Many countries at different stages of development are using the GJP
• Regional initiatives (e.g. Pacific region, February 2010; Africa decent work symposium, Ouagadougou, December 2009)
• Countries and regions are looking for more sustained solutions and approaches, including introduction of social protection schemes or extending coverage (with mobilisation of fiscal space and various sustained funding systems)
• Tripartite decent work country programmes
Better linking jobs and poverty reduction

• Recent ILO research of 48 African PRSs and national employment policies reveals that:
  – employment linkages are increasingly being made but challenges remain:
    • lack of effective tools
    • need for pro-jobs macro-economic policies
    • employment targeting in growth activities and jobs intensive approaches
    • better monitoring (ILO work on MDG indicators and wider set of decent work indicators)
    • skills bottlenecks
    • making the case for social protection
    • enhancement of social partners capacity
Indicators and measurement

• To follow-up progress on the 2008 MDG target of full and productive employment and decent work for all, 4 new employment indicators have been established to monitor progress:
  – Growth rate of labour productivity (GDP per person employed)
  – Employment-to-population ratio
  – Proportion of employed people living below the poverty line
  – Proportion of own-account and contributing family workers in total employment (vulnerable employment rate)
• ILO guide on using the new indicators and an indicative set of the full proposed decent work indicators (still work in progress, EU support)
• Towards labour market information systems
• Evidence based policy decision
Rapid Impact Assessment of Crisis on Employment

- ILO assistance requested in more and more countries in all regions
- ILO has just published a guide (test version)
- More evidence based responses
- Using the scarce resources wisely
- Identification of growth activities and bottlenecks (e.g. skills bottlenecks)
- Poor labour market knowledge and measurement in many developing countries
  - Also similar assessments of needs on social protection
Technical support for GJP implementation in specific employment areas - Examples

- **Infrastructure Investment:**
  - Cambodia, Indonesia, Philippines, Cameroon, Cote d’Ivoire, Kenya, Liberia, Madagascar, Mozambique, Rwanda, Sierra Leone, South Africa, Uganda, Zambia, Honduras, Paraguay, Peru
  - Development of assessment tools to evaluate the impact of public investment in infrastructure on employment (Indonesia, Cameroon, Egypt, Madagascar, Mozambique, Rwanda, Costa Rica, Paraguay)

- **Helping enterprises through the crisis:**
  - Cambodia, Morocco, Mali, Egypt, Sri Lanka

- **Programmes targeting youth:**
  - Liberia, Mali, Sierra Leone, Rwanda, DRC, Kenya, Tanzania
  - Serbia, Kosovo, Albania, Azerbaijan

- **Work Sharing:**
  - Costa Rica

- **Investing in skills:**
  - Cambodia, Tanzania, DRC, Gabon, RCA, Cameroon, Burkina Faso, Niger, Zimbabwe, Namibia

- **Employment Guarantees:**
  - India, Nepal, Pakistan

- **Sector analysis for job potential:**
  - Morocco, Egypt, Sri Lanka, Cambodia, Tanzania, India, Cameroon, Gabon, DRC, Liberia
• Win-win approaches to greening the economy: creating jobs and fighting climate change.

• ILO Programme on Green Jobs: 10 countries already joined including China, India, Brazil but also LDCs.

• Under this Programme, governments, workers and employers are seeking to shape approaches to climate change mitigation and adaptation to help create a high-employment, low-carbon economy.

• Green jobs can be created in reforestation (such as in Haiti) and environmentally friendly and employment-intensive infrastructure projects.
III. The crisis in Africa and recommended policy response

Outcomes of the Preparatory Meeting of Experts on the 1st African Decent Work Symposium on “Together addressing the implications of the financial and economic crisis on Africa’s peoples” Addis Ababa, February 27-28, 2009 – see outcome document

Next step: African decent work symposium with a view to accelerate and upscale GJP in Africa, Ouagadougou, 1 and 2 December 2009
Policy response – national level

• Target response at the actors of the real economy, including investment in education, training, re-skilling and counselling.
• Employment-intensive ventures (preferably through MSMEs) that create sustainable employment
• Improve labour administrations and labour market information systems
• Use the potential of the social economy (e.g. cooperatives); provide micro-finance.
• Invest in renewables, ‘green’ jobs and greening the economy.
• Build up the capacity of governments, employers and workers’ organizations to participate in developing policies though social dialogue
• Introduction of social protection/extension of coverage
Policy response – continental and regional level

• Accelerate regional integration, including removing all restrictions to the free movements of people, goods and services; promoting intra-African trade

• Substantial investments in regional infrastructure that create jobs, provide incentives for local investments and facilitate regional and international trade

• Identify Africa’s comparative advantages that can create new employment opportunities

• Workers’ and employers’ organizations should consult with their counterpart organizations overseas in order to avoid xenophobic reactions to migrant workers.
IV. How can EU development cooperation contribute to GJP?

• Reminder:
  – All EU institutions support promotion of decent work in the world
  – Decent work part of European Consensus on Development and growing cooperation between EU and ILO (including at field level)
  – However: decent work issues not yet very much present in CSP and effective programming

• GJP implementation is a matter of urgency:
  – CSP mid term review for ACP
  – Integration of decent work and GJP in more traditional EU sectors of development cooperation e.g. infrastructure, rural development, health, trade, governance and in new sector of climate change?
  – Support for social partners: long term capacity building and not just service providers for EU programmes and projects