

Recovering out of Crisis:

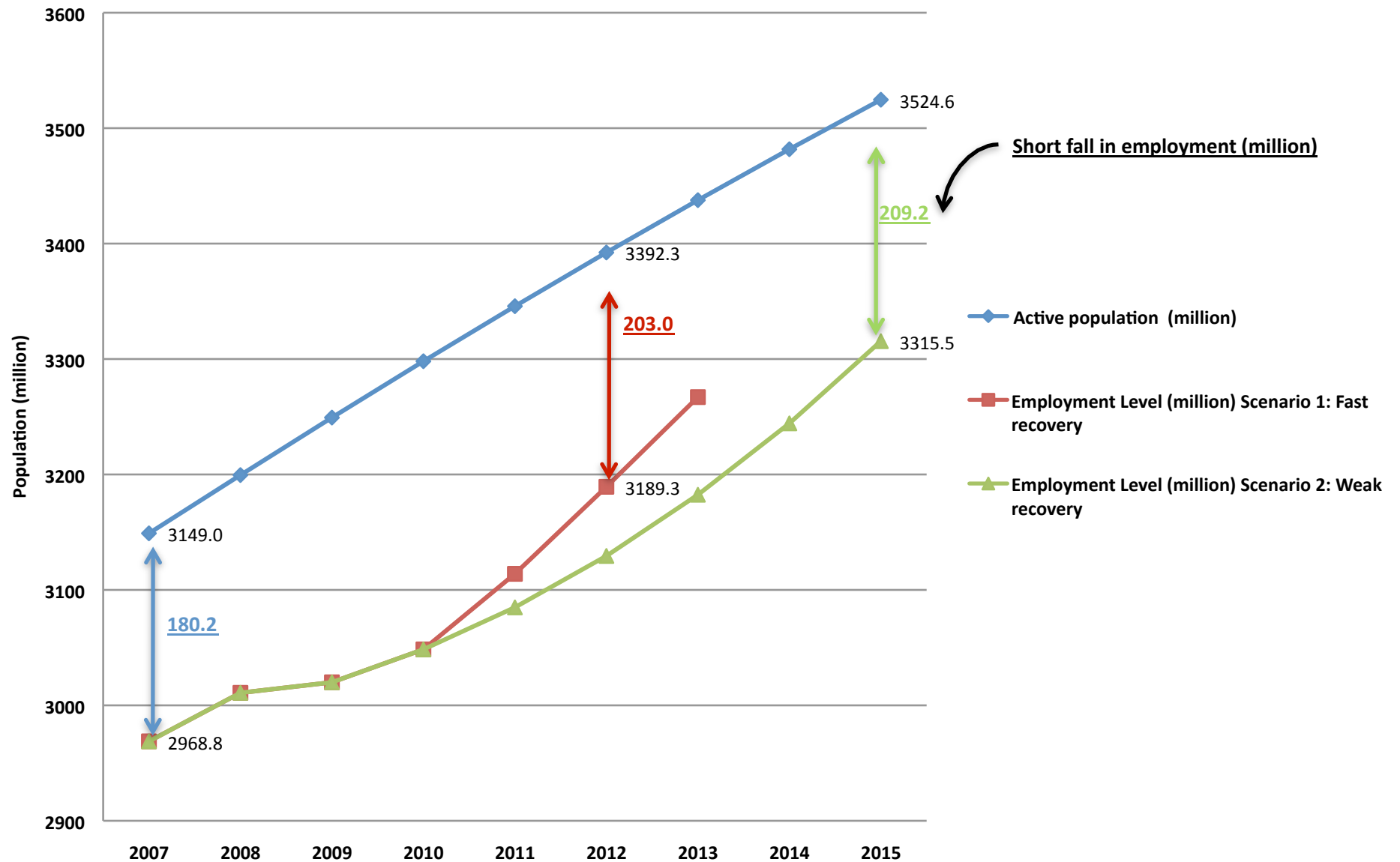
A Global Jobs Pact



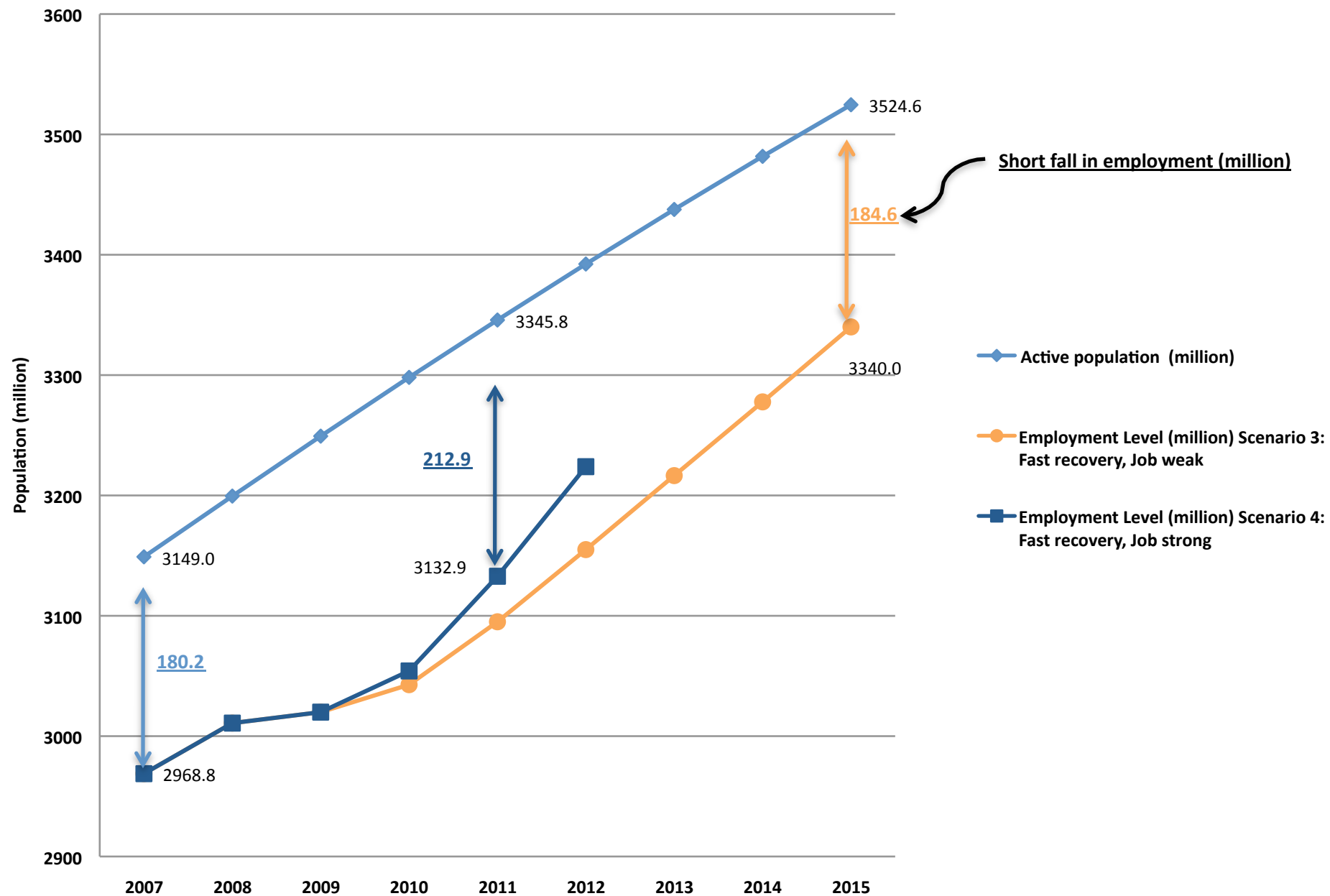
Challenges for Global Coordination on Jobs Crisis

- Engage actors in real economy – tripartite representation of World of Work in ILO
- Avoid “one-size-fits-all” while stimulating global action
- Focus on likelihood that jobs recovery will be slower than “economic” recovery
- Policy Issue: can policy make recovery of labour markets more rapid and protect vulnerable from permanent damage?

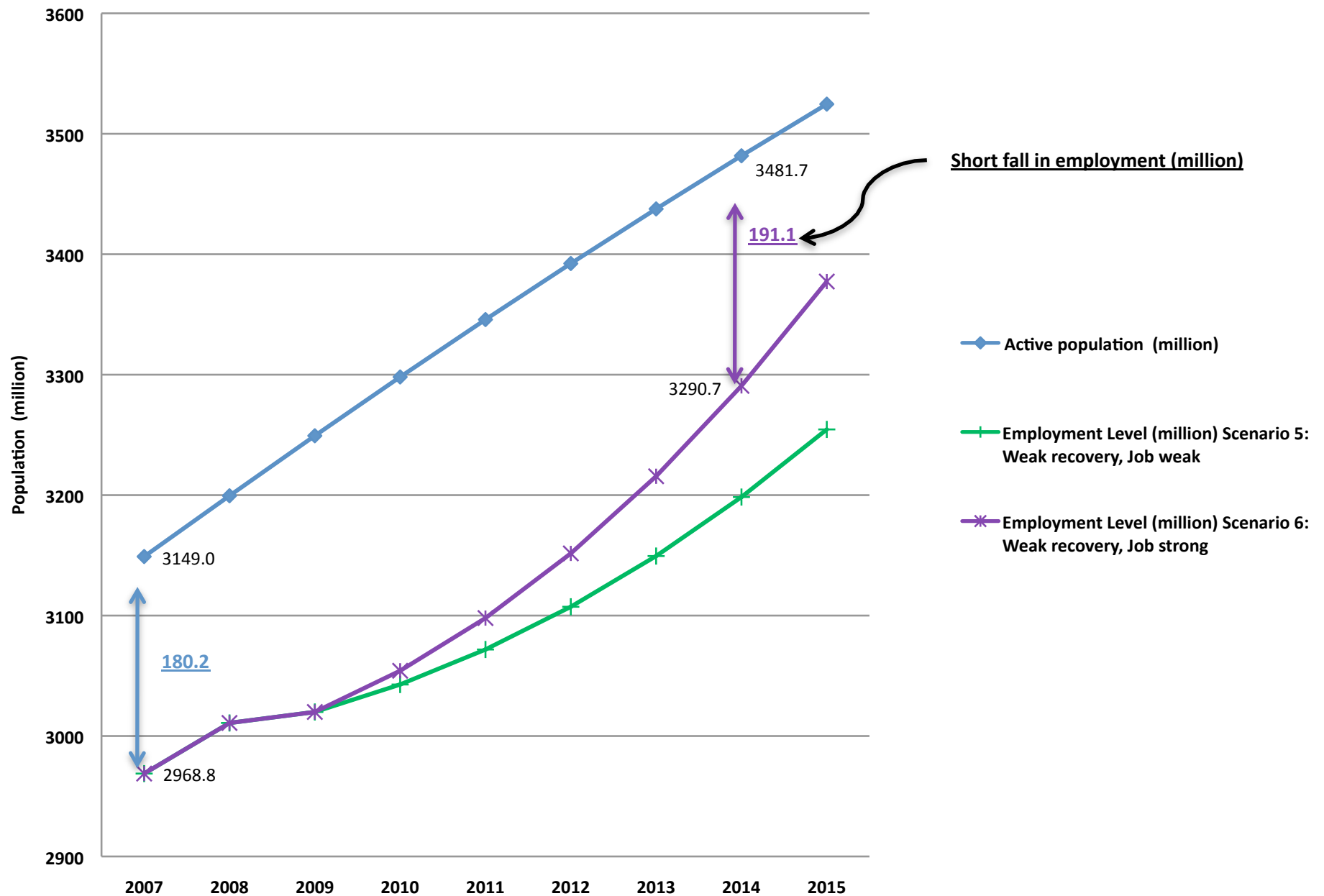
Graph 1: Short fall in employment with fast recovery or weak recovery (0.5% employment elasticity)



Graph 2: Short fall in employment with good recovery (0.4% or 0.6% employment elasticity)



Graph 3: Short fall in employment with weak recovery (0.4% or 0.6% employment elasticity)



Prospects and Policies

- If the recovery in output growth is weak and its job content also weak, the world could be in for a 6 year or longer period of severe labour market distress
- If policies to counteract recession and stimulate growth are focussed on job content, the distress can be alleviated within 3 years
- In a period of weak labour demand, it is important to remain focussed on the goals of full, productive and decent work, to reduce the risk of high unemployment and increasing working poverty
- The likely severity and duration of the global jobs crisis makes it essential to improve social protection for those made vulnerable by distressed labour markets

Outline of Content of Global Jobs Pact

The Global Jobs Pact is a framework for the period ahead and a resource of practical policies for the multilateral system, governments, workers and employers. It consists of five parts:

- decent work response to the crisis;
- principles for promoting recovery and development;
- decent work responses, consisting of:
 - accelerating employment creation, jobs recovery and sustaining enterprises,
- building social protection systems and protecting people,
 - strengthening respect for international labour standards,
- social dialogue: bargaining collectively, identifying priorities, stimulating action;
- the way forward: shaping a fair and sustainable globalization; and
- ILO action

Principles for Global Action on Jobs

- Priority to employment and building social protection as part of international and national action to aid recovery and development.
- Support to vulnerable women and men including youth at risk, low-wage, low-skilled, informal economy and migrant workers;
- Maintaining employment and facilitating job transitions and access to labour market for jobless, e.g through public employment services, skills development;
- Avoiding protectionist solutions, including wage deflation and undercutting labour standards;
- Social dialogue, tripartism and collective bargaining;
- Economic, social and environmental sustainability;
- Effective and efficient regulation of market economies to enable sustainable enterprises and employment;
- Strengthened policy coherence including increased development assistance to least developed, countries with restricted fiscal space.

Active Labour Market Policies

Full and productive employment and decent work should be at the heart of crisis responses, including macroeconomic stimulus packages. Active labour market policies include:

- helping jobseekers by improving public employment services, investing in workers' skills development, in particular for vulnerable groups;
- limiting job losses by supporting enterprises in retaining their workforce;
- promoting job creation by small and medium-sized enterprises (SMEs) and micro-enterprises, including coops;
- investing in public employment guarantee schemes and other job creating public works programmes; implementing a supportive regulatory environment conducive to job creation through sustainable enterprise creation and development; and
- increasing investment in infrastructure and “green” jobs.

Building Social Protection

Sustainable social protection can prevent increased poverty, address social hardship, stabilize economy and promote employability. Policy options:

- Building a basic social protection floor including: access to health care, income security for elderly and persons with disabilities, child benefits and income security combined with public employment guarantee schemes for unemployed and working poor;
- Extending the duration and coverage of unemployment benefits;
- Providing minimum benefit guarantees where pension or health funds may no longer be adequately funded ;
- Providing adequate coverage for temporary and non-regular workers;
- Avoiding wage deflation, through social dialogue, collective bargaining and/or statutory or negotiated minimum wages. Narrowing the gender pay gap must be an integrated part of these efforts.

Rights and Dialogue

International labour standards create and support rights at work and contribute to a culture of social dialogue particularly useful in crisis. It is important to:

- increase vigilance to achieve the elimination and prevention of an increase in forms of forced labour, child labour and discrimination at work;
- respect freedom of association, right to organize and effective recognition of right to collective bargaining.
- Make full use of ILO instruments on employment policy, wages, social security, employment relationship, termination of employment, labour administration and inspection, migrant workers, labour conditions on public contracts, occupational safety and health, working hours and social dialogue mechanisms, as well as Multinationals Declaration.
- Strengthen respect for, and use of, mechanisms of social dialogue, including collective bargaining, as an invaluable mechanism for design of policies and building commitment of employers and workers to joint action with governments.
- Strengthen capacities for labour administration and labour inspection.

The way forward: Shaping a fair & sustainable globalization

1. Policy coherence priorities for ILO:

- collaboration with UN and all relevant international organizations,
- responding positively to G20 invitation to assess the actions taken and those required for the future on employment and social protection, and
- continue active role in the UN Chief Executives Board (CEB).

The way forward: Shaping a fair & sustainable globalization

2. Global Policy Priorities:

- building a stronger, more globally consistent, supervisory and regulatory framework for financial sector, so that it serves the real economy, promotes sustainable enterprises and decent work and better protects savings and pensions of people;
- promoting efficient and well-regulated trade and markets that benefit all and avoiding protectionism by countries. Varying development levels of countries must be taken into account in lifting barriers to domestic and foreign markets; and
- shifting to a low-carbon, environment-friendly economy that helps accelerate the jobs recovery, reduce social gaps and support development goals and realize decent work.

The way forward: Shaping a fair & sustainable globalization

3. Counteracting threat to development and poverty reduction by:

- making international resources available for countercyclical action, keeping commitments to increased aid, including budgetary support,
- Prioritizing decent work opportunities in systematic, well-resourced, multidimensional programmes, which should i.a.
 - promote sustainable enterprises, diversify production,
 - provide skills development especially for youth,
 - address informality, invest in agriculture, rural infrastructure, industry and employment,
 - build up a basic social protection floor .

ILO Follow-up

- Use expertise in world of work issues to support coordinated global crisis response
- Gather and disseminate information on policy responses, assess impact on labour market
- Strengthen partnerships with UN and others
- Assist countries to prioritize employment and social protection in national crisis response and development strategies

System-wide Follow-up

- Moving forward with CEB joint initiative
- Further strengthening country coordination
- Developing cross-system communities of practice on key policy issues
- Facilitating intergovernmental policy coordination through General Assembly, ECOSOC and G20
- Joint policy initiatives. e.g. ILO/UNEP on green jobs