Employment Guarantee Policies:
Responding to the Current Economic Crisis and contributing to Long Term Development [Goals]

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"... We ask ourselves the question: development, but development for what. The purpose of development is to integrate socially these large masses of the population that have been left behind in the process of economic development. If this is not done, development is incomplete and unjust. This is a fundamental problem in Latin America, which has to be solved in one way or another. Thirty years ago you could have said <u>'Well, let's wait for a few decades; this process of development will gradually improve the lot of the whole population'</u>. But that has not come to pass"

Raúl Prebisch, 15 April 1971

The role of the Markets revisited

- *Challenge*: Sub-prime mortgage **crisis** leads to global turmoil in financial markets…

- *Challenge*: International market dynamics lead to the **crisis** of rising food prices….

- *Challenge:* demand is **insufficient** to provide jobs and hire those who need and wish to work; poverty reduction, polarization

The role of Government revisited

Economic and Social outcomes of *Laissez faire, and 'small' government prove disappointing.*

What can government policy accomplish?

- **In financial markets it can ameliorate instability and fragility** stronger rules and regulation are needed

- **In production markets it can increase food security** price subsidies of staple foods, stockpiling, Malawi's subsidies of fertilizers,South Africa rethinking land policy

- **To address unemployment it can introduce a permanent active labor market policy: ELR**

Why an EGS,ELR,PWP?

The right to work promotes

- Dignity, inclusion and expanded democracy
- Direct and indirect job creation and income creation
- Public and Private Asset creation
- *Pro-poor* growth
- Is it sustainable?
- *Change our mentality* **about ???**

Typology of Direct Job Creation Government Programs

- **Emergency Programmes**:Indonesia, Korea, Argentina post 2001 financial crisis, USA (New Deal)

- **Social Funds**:Bolivia (1986), Chile (1975-1987), Peru (1991)

- **ILO Employment Intensive** Infrastructure(since 70's in many African countries)

- **The Right to Food,the Right to Work:**NREGA since 2006

- **Recognition of Unemployment during prosperity**: South Africa since 2005, Sweden and Australia (1940's-70's)

Employment Guarantee Programs

- National Rural Employment Guarantee Act
  [right to information act- ongoing social audits]
  INDIA

- Expanded Public Works Programmes
  [infrastructure, social sector, environment, economic]
  SOUTH AFRICA

- Jefes y Jefas de Hogar
  [community projects, surprise number of participants]
  ARGENTINA

Employment Guarantee Programs

Brazil, Colombia, Pakistan, Tunisia, Iran, Morocco

- What kinds of jobs? What types of "projects"?
- Who is eligible? For how long?
- Institutional arrangements? Technical expertise?
- Financing? Are such programmes inflationary?
- Fiscal, monetary and social policy consistency?
- What is the "cost" of such projects and what are the "benefits"?
- Why not an "income cash transfer"?

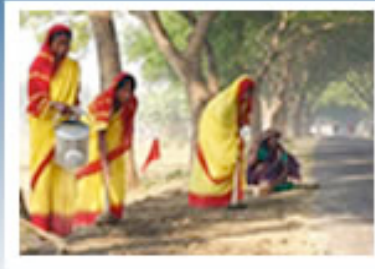# Why the Call for ELR and EGP at this historical juncture?

- Economic Imperative
- Social inclusion imperative
- Political imperative

What type of a new social contract will emerge?

A WEBSITE PROMOTING EMPLOYMENT GUARANTEE POLICIES, EMPLOYER OF LAST RESORT PROGRAMS, & THE RIGHT TO A JOB.

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joining forces with all who foster public dialogue and seek to promote employment guarantee around the world. Together, we can provide coherent, viable policy alternatives that lead to inclusive and just outcomes for all…

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