



Global Jobs Pact: Anatomy to action for recession recovery and beyond

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OVERVIEW

There is a single word that embodies the impact of the global financial crisis. It is JOBS. Jobs also define the concerted actions that must be taken to recover from the recession as well as lay the foundation for post recession strategies. The Global Jobs Pact developed and promoted internationally by the ILO speaks to both scenarios: recession recovery and post recession. Its anatomy focuses on guiding principles which includes policy coherence and synchronization of financial assistance by International financial institutions such as the IMF, World Bank and IDB as well as developed countries such as those in the G8 and G20 groups to assist developing and vulnerable economies such as Jamaica to work their way out of the crisis. It also includes creation of the social economic and environmental climate for providing jobs and a social protection floor for employees. But in all of this concerted action of people will be required to develop and implement mitigation strategies to deal effectively with the impact of the global financial crisis - foremost among these being the major social partners - government, trade unions, employers and civil society. The challenge and opportunity will be to build social capital with its important ingredients of trust, cooperation, team spirit and teamwork to make the solutions we design in response to this crisis work.

ANATOMY OF THE GLOBAL JOBS PACT

Need for the Global Jobs Pact

The most significant impact of the Global financial crisis is the loss of jobs and negative repercussions for social protection and in particular the achievement of the Millennium Development Goals (MDGS).

Two comments from the World of Work, 2009, The Magazine of the ILO, highlight the stark reality of this situation:

- 1. Unemployment projections range from 210 million to 239 million unemployed in 2009 corresponding to global unemployment rates of 6.5 to 7.4 respectively*
- 2. The ILO estimated that even if the economic recovery began to take hold this year or next the global job crisis could linger for six to eight years.With 45 million new entrants to the global jobs market annually – most of them young men and women- the global economy would have to create some 300million jobs over the next five years just to go back to pre crisis levels of unemployment.*

ANATOMY OF THE GLOBAL JOBS PACT

Need for the Global Jobs Pact

Pauline Knight and Christopher Smith of the PIOJ, in their Presentation: *The Global Financial Crisis: Critical social issues for Jamaica* highlight the following points which illustrate some areas of impact of the global financial crisis on Jamaica:

- ***Contraction in Industries (lay-offs, closures and salary cuts)***
- ***Contraction in GDP***
- ***Reduction in Remittances***
- ***Reduction in Government revenue***
- ***Reduction in purchasing power***
- ***Communities in bauxite areas devastated***

ANATOMY OF THE GLOBAL JOBS PACT

Purpose and expectations of Global Jobs Pact

Two statements from the World of Work, 2009, summarize this as follows:

- 1. The Global Jobs Pact amounts to the most wide ranging world response to the economic crisis.*
- 2. The Global Jobs Pact is designed to guide national and international policies aimed at stimulating economic recovery, generating jobs and providing protection to working people and their families.*

ANATOMY OF THE GLOBAL JOBS PACT

Guiding Principles

1. Policy Coherence, Financing and Multilateral Support

There should be a coordinated and synchronized international programme of financial assistance and technical cooperation involving collaboration, partnerships and strategic alliances.

2. Jobs at the Centre of recovery strategies

Job Creation and Employment should be at the centre of the strategic response to the financial crisis.

The G20 Labour and Employment Ministers at their meeting in Washington, April 2010 had among their recommendations to G20 Leaders the Following:

- *Accelerate Job Creation to Ensure a Sustained Recovery and Future Growth*
- *Place Employment and Poverty Alleviation at the Center of National and Global Economic Strategies*
- *Improve the Quality of Jobs for Our People*

ANATOMY OF THE GLOBAL JOBS PACT

Guiding Principles

3. Sustainability

Strategies for working through this crisis should simultaneously deal with its immediate effects, while laying the foundation for post-crisis recovery that promotes productive employment and decent work, as well as measures for dealing with future shocks.

4. Centrality of Decent Work Agenda

Crisis responses should be built by using the core pillars of the DECENT WORK AGENDA. These include:

- a. Decent and productive work for men and women*
- b. Social Protection with at least a social protection floor*
- c. Social dialogue for building consensus on recovery strategies especially in situations of low trust among social partners*
- d. Adherence to International Labour Standards in the formulation and implementation of recovery strategies.*

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

1. *Policy Coherence, Financing and Multilateral Support*

- a. Collaboration across and among government agencies and ministries in the development and implementation of policies and actions for crisis recovery.

❖ Critical Areas for Collaboration:

- Energy
 - Food Security
 - Crime and violence
 - Youth employment
 - Creative Industries
 - Diaspora Affairs
- b. Close and collaborative working relationship with blocks of countries such as G20 and BRIC, Multilateral and International financial Institutions – IMF, World Bank, IDB for a coordinated response which can facilitate a set of nationally integrated set of policies related to economic growth, job creation, employment and social protection.
 - c. National consensus on a combination of priorities for tackling the global financial crisis.

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

1. *Policy Coherence, Financing and Multilateral Support*

- d. Membership in the ILO should also be leveraged for two primary reasons.
 - Assistance through its influence on major developed countries and the policy directions of international financial institutions and multilateral agencies
 - Assistance in social dialogue in building a sustainable structure and mechanism for national consensus on development policies and actions

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

2. *Creating an Enabling Environment for Economic and Social Development*

This should include an integrated set of fiscal, monetary and social policies.

Efforts in this direction are being made by the Partnership for Transformation (PFT) in Jamaica. Five priority areas have been selected around which national consensus is needed:

- *Rule of Law*
- *Fiscal and Monetary Performance*
- *Education and Training*
- *Job Creation and Employment*
- *Trust among Partners*

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

3. Mix of Job Creation and Employment Strategies

Some major components of these are:

- a. Catalytic and mega projects** and investment in infrastructure as well as research and development. These should be aimed at generating opportunities for productive employment and decent work in activities requiring skills at all levels (e.g. Caymanas/Portmore ICT, National projects for the Construction of Roads and Houses).

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

Case: Australia

“The Australian economy has performed better than any other advanced economy since the onset of the global financial crisis. The Australian government introduced fiscal stimulus measures in three stages: in October 2008, February 2009 and May 2009. The total package contains a variety of measures, which can be summarized under three headings:

- 1. Increased transfer payments to low and middle income groups which were rapidly disbursed and had an almost immediate impact on consumption expenditure, retail sales and economic growth*
- 2. Relative rapid investments in social infrastructure including schools, health and housing;*
- 3. Major new investments in economic infrastructure which are more medium term in nature.*
- 4. This approach is in complete conformity with the key aspects of the ILO Global Jobs Pact with its emphasis on income led growth and improvements in the social floor.”*

Bob Kyloh, February 2010

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

3. *Mix of Job Creation and Employment Strategies*

- b. Emphasis on micro, small and medium-sized enterprises and the development of rural communities, as well as disadvantaged urban vulnerable communities.**
- c. Attention to jobs related to migration as well as the local job market – Examples of these are Nursing , Teaching , ICT and Hospitality for local and overseas employment with a major benefit from the latter being contribution to remittances and local investment.**
- d. Labour Market Reform**
Focusing on legislation that will facilitate job creation, employment and mitigation of job losses. Examples of these are legislation related to Flexible Work Arrangement and Unemployment Insurance.

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

3. *Mix of Job Creation and Employment Strategies*

e. Skills Training for Employability and Productivity

Combining the efforts of HEART/NTA, Secondary Schools, Jamaica Business Development Centre (JBDC), Foundation for Lifelong Learning, Universities and Colleges to provide education and training for employability in Jamaica during the crisis and post crisis.

The following target groups are important for Skills Training in Jamaica:

- i. Persons in jobs who need re-skilling and retooling
- ii. Displaced workers who need skills for making the transitioning to self employment or seeking new employment opportunities
- iii. Persons entering the job market
- iv. Unemployed and at-risk young persons
- v. Persons seeking employment opportunities in targeted areas overseas

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

4. *Social Protection*

Establishing at least a social protection floor. This relates to areas such as minimum wage, basic health, and pension benefits, and unemployment insurance benefits.

The G20 Ministers of labour recommended that Countries ***Strengthen Social Protection Systems and Promote Inclusive Active Labour Market Policies***

Jamaica needs to examine the extent to which their recommendations can be implemented. These are:

- social protection systems and active labour market policies be strengthened because significant numbers of people, including the most disadvantaged, will remain unemployed even after recovery takes hold and others will need help to adjust to structural changes in our economies.
- The establishment of adequate social protection systems so that households have sufficient security to take advantage of economic opportunities.

IMPLICATIONS FOR ACTION AT COUNTRY LEVEL

5. *Social Dialogue*

National structure and mechanism for immediate and Sustained Social Dialogue – to get consensus, build and maintain trust, motivate people to participate in radical changes required for effective response to crisis.

The PFT is a useful start in this direction and help should sought from the ILO to nurture this process consistent with their mandate from the Global Jobs Pact.



CONCLUSION

The Global Jobs Pact provides a model for developing crisis responses focusing on job creation and employment. Developing countries such as Jamaica should use this to develop their own National Jobs Pact, “Jamaica’s Jobs Pact for Economic Recovery”, incorporating its principles foremost of which is coordinated and sustained policies and actions, built and sustained by national consensus trust and sustained motivation. The advantage of this approach is that our strategies for Job Creation and Employment will have resonance with powerful countries in the G8 and G20 groups and the International Financial Institutions whose coordinated financial assistance and support we will need to make these strategies work.



THANK YOU

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