

E-forum on Employment Generation and Decent work for all Summary

Background

The E-Forum on *Employment Generation and Decent work for all* was set up by DESA and ILO to engage experts, civil society representatives and academia in informal discussions on this topic in order to enrich the ECOSOC deliberations in July 2006 with the insights of a broader group of stakeholders. Discussions took place from 18 May to 16 June 2006.

Summary

Discussants emphasized the changes induced by globalisation and technological change in the labour markets, macroeconomic policies and the relative power of the various stakeholders. Labour market growing insecurity; changing power relations among key players; and insufficient global demand were especially mentioned. Most of the participants proposed ways of addressing these transformations through actions at the national and international level. These focused on: (1) labour policies that allow for increased protection of workers while preserving market flexibility; (2) favourable conditions for employment; (3) improved education; and (4) increased international cooperation and coordination. In particular, the role of the different stakeholders, including multilateral organisations, in ensuring an equitable sharing of responsibility for maintaining high levels of effective demand in the global economy was extensively discussed.

Three major characteristics of today's global economy were identified as being related to current high levels of unemployment:

a) Labour market growing insecurity

Globalisation was generally seen as a cause of greater flexibility in the labour market, but also insecurity for workers, because of the multiplication of part-time jobs and atypical forms of employment and the mobility of labour within and outside borders. The typical job schemes have seemed to move towards more employment in SMEs in developed countries and in the informal economy in the developing countries. Also, women were seen as the most affected by these changes. Participants expressed their concern about how best to maintain a balance between labour market flexibility and security in this new environment.

b) Changing relations among the different stakeholders

These transformations have also resulted in a change in the relations among the different stakeholders in developed as well as developing countries. The case of Malaysia was brought as an example where all actors -- employers, unions and governments - have

questioned the suitability of the industrial relations (IR) regulatory arrangements. Indeed, their agenda differ: where the employers seek greater flexibility and less protection for workers, trade unions favour more comprehensive safety nets, while governments desire a more liberal IR regulatory system. Also, the position of workers and trade unions was said to have weakened vis-à-vis capital and employers in the global economy.

c) Insufficient global demand

For some participants, one of the major causes of unemployment in developed as well as developing countries was seen to be an insufficient global demand, especially when faced with overproduction and global excess capacity. The other reasons stated for weak demand in developing countries were: commodity price fluctuations, an unbalanced international trade system and neo-liberal policies.

This leads to the need of a proactive approach to social protection and rethinking of the role of each actor within the global economy to ensure an equitable sharing of responsibility for maintaining high levels of effective demand in the global economy. The solutions brought forward were manifold: (1) labour policies that allow for increased protection of workers while preserving market flexibility; (2) favourable conditions for employment; (3) improved education; and (4) increased international cooperation and coordination.

1. Labour policies that allow for increased protection for workers while preserving market flexibility

Globalisation was seen as an opportunity as well as a challenge for trade unions' role in the current context. More democratic and independent representation for the workforce, additional legislative action to provide labour with a more significant voice at both enterprise and national levels and better protection for workers' representatives in undertaking their functions, have often been proposed. According to one intervener, a proactive approach to social protection, involving government policies at national and international level, employers and trade unions is needed. The ILO should play a central role in this regard by stimulating discussion among the relevant stakeholders.

Interveners also stressed that trade unions have to adapt to new working conditions. First, in developing countries, unions have to learn how to organise workers in the informal sector, which employs an important part of the population that is generally less educated and not organised at all. Then, it may be more difficult to expect union activity within the more flexible labour market and knowledge-based organisations (KBO) in which employees may not remain with one enterprise for long. In this regard, ILO could assess work-life in these organisations and develop relevant labour standards, in which quality of life parameters are considered.

One intervener reminded that adequate social protection and labour policies were essential to raise incomes; these could include expanding coverage of social protection, or using transfers to reduce poverty, for example. But the right balance with support for employment generation should be found on a case by case basis.

2. Favourable conditions for employment

Several participants emphasised the importance of creating a favourable environment for employment generation. The International Organisation of Employers provided several documents describing how to design an employment policy and create conditions that are favourable to job creation. These include among others: macroeconomic stability, promotion of domestic investment, a legal environment conducive to business development, good governance, market support institutions and good infrastructure. Another participant proposed subsidising governments to generate employment with tax breaks, secured governments contracts, subsidised credits as a policy to accelerate domestic investment.

Discussants stressed that informal work in developing countries and development of micro-enterprises in developed countries had to change governments' approach towards employment policies. The International Organisation of Employers stressed that the main objective of governments facing large informal economies should be to bring the informal economy into the mainstream economy by identifying the causes of informality, the obstacles faced by individuals who work within an informal setting and address these. Also, governments should facilitate entrepreneurship and micro-enterprise development with financial support for the initial period of start-up and the elimination of bureaucratic barriers in particular. Knowing that micro-enterprises form 92% of the businesses in the European Union and that women businesses were responsible for 56% of the total number of employees in micro-enterprises in Europe in 2001, such measures could be of significant help for women to overcome eventual barriers for enterprise development and job creation.

3. Education

Education was emphasized as a remedy to unemployment by several interveners. In that regard, it was considered essential to offer a solid and flexible education, which allows the workforce to meet the skills and needs of the market and increase its overall productivity and competency. Furthermore, education should not be solely perceived as academic, but also as a basic human process that helps people to bring out their full potentialities.

4. Increased international cooperation and coordination

Actions at the international level could take different forms. Many called for greater international cooperation and a change in international policies. Proposals included a reform of the international trade system, the creation of a new financial architecture that would support development and fight short-term capital flows, tax evasion and money laundering and increased and aligned aid (the example of direct transfers for all was put forward).

Labour migration was tackled by one discussant who called for a rethinking of openness policies for labour. Indeed, policies of selective immigration in developed countries could exacerbate long term trends by worsening developing countries' brain-drain and further deepening wage inequalities between high and skilled workers in developed countries.

Another intervener supported the idea of establishing an automatic stabiliser for effective demand: the use of a commodity buffer stock would stabilise the index price of the chosen commodities around a long run average, which would in turn stabilise demand fluctuations and employment among those stakeholders that benefit from the reduced price volatility of these inputs and the steady and certain demand for their production.