Economic Commission for Latin America and the Caribbean (ECLAC)

Contribution to the
2015 United Nations Economic and Social Council (ECOSOC)
Integration Segment

Achieving sustainable development through employment creation and decent work for all

ECLAC inputs to the ECOSOC Integration Segment

ECLAC undertakes a wide range of activities to achieve decent work for all comprising awareness raising about employment creation and decent work, capacity-building activities for its member countries in said topics, and sharing of best practices within the region on employment promotion. Examples of ECLAC's work in this domain include ongoing efforts to analyze the evolution of the region's labor market and related challenges in the annual flagship publications *Social Panorama*[1] and *Preliminary Overview of the Economies of Latin America and the Caribbean*[2], and the report on the employment situation in Latin America and the Caribbean[3], which is published twice a year, the Gender Equality Observatory for Latin America and the Caribbean[4], as well as in papers on specific issues of relevance[5]). Furthermore ECLAC supports the efforts of Latin American and Caribbean countries to strengthen the protection of the unemployed and their national training systems –as well as improve the development and analysis of decent work indicators.

In its most recent position documents[6], ECLAC has emphasized the challenges Latin America and the Caribbean confront in order to achieve sustainable development with equality. ECLAC's premise is that employment and decent work play a key in achieving this, specifically:

In view of the strong correlation between wage job creation and economic growth, high and sustainable economic growth rates are a necessary condition for a sustainable expansion of productive jobs. At the same time, an increasingly qualified labor force is a condition for a structural change that bases economic growth increasingly on technical change, innovation and rising productivity.

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[1] ECLAC (2015) Social Panorama of Latin America 2014, http://repositorio.cepal.org/handle/11362/37627
[2] ECLAC (2014) Preliminary Overview of the Economies of Latin America and the Caribbean
http://repositorio.cepal.org/bitstream/handle/11362/37345/S1420977_en.pdf?sequence=31
[3] For example, ECLAC/ILO (2014) The employment situation in Latin America and the Caribbean: The employment situation in Latin America and the Caribbean: employment formalization and labour income distribution, http://repositorio.cepal.org/handle/11362/37120
[4] ECLAC (2014) Gender Equality Observatory for Latin America and the Caribbean. Annual report 2013-2014: Confronting violence against women in Latin America and the Caribbean
http://www.cepal.org/en/publications/gender-equality-observatory-latin-america-and-caribbean-annual-report-2013-2014
[5] For example, ECLAC (2013) Empleo, crecimiento sostenible e igualdad, Serie Macroeconomía del Desarrollo No.145; http://repositorio.cepal.org/handle/11362/35881
[6] See ECLAC (2014) Compacts for Equality: Towards a Sustainable Future,
http://www.cepal.org/en/publications/compacts-equality-towards-sustainable-future-thirty-fifth-session-eclac; ECLAC (2012) Structural Changes for equality,
http://www.cepal.org/pses34/noticias/documentosdetrabajo/7/47427/2012-SES-34-Structural_Change.pdf ;
ECLAC (2010) Time for equality: closing gaps, opening trails. http://www.cepal.org/en/publications/time-equality-closing-gaps-opening-trails-thirty-third-session-eclac

Productive jobs and decent work are key requirements for the social sustainability of development. Social policy plays a complementary, albeit also indispensable role.

Green jobs must be a key component of any strategy that aims at environmental sustainability. Although the main threats for environmental sustainability are related to the dominant production and consumption patterns, the creation of productive jobs and decent work tends to reduce the pressure of poverty-related degradation of the environment.

To get access to productive jobs and decent work, four obstacles have to be overcome. Failure to do so results in a spiral of exclusion from productive employment and decent work. These obstacles are:

1. The involuntary exclusion from the labor market (indicator: low participation rates).
2. The exclusion from any kind of job (indicator: high open unemployment rates).
3. The exclusion from a productive in high- or medium productivity activities (indicator: high proportion of people working in low-productivity activities).
4. The exclusion from decent word in high- or medium productivity activities (indicator: high proportion of informal jobs in this sector).

Mainly after 2003, Latin America and the Caribbean has made important progress in these indicators. However, although a precise figure cannot be given,[7] it is obvious that more than half of people of working age in the region cannot overcome all these obstacles and hence are at the effect of one or another form of exclusion from productive employment and decent work. At the same time, the degree of income inequality at the household level was reduced in the last 10 years mainly due to the favorable evolution of the labor markets and consistent labor and social policies.

However, the speed of these gains has slowed down since 2013, and a less favorable external economic context for the region has affected the labor markets and the space for policies. High, sustainable economic growth rates are a necessary condition for an increase in productive jobs and decent work. This requires policies that foster long-term growth (saving and investment, industrial and innovation policies, infrastructure, etc.) on the one hand, and counter-cyclical macroeconomic policies on the other.

The following paragraphs highlight policy recommendations related to each of the four types of exclusion from productive employment and decent work.

1. The involuntary exclusion from the labor market
   - Design incentives for longer permanence in and return to education
   - Reduce adolescent pregnancy and prevent young mothers from dropping-out of school
   - Expand childcare facilities

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[7] Especially, because no precise data is available on the proportion of persons who are involuntarily "economically inactive".

- Design maternal and paternal leave facilities and laws
- Identify specific (other) reasons for young people neither being employed nor being in education or training (NEET): this necessarily leads to an integral perspective for the integration of youth into the labor market, especially for vulnerable youth.

2. The exclusion from any kind of job
   - Improve access to and quality of education
   - Reduce skill mismatches (usually the higher the educational level the bigger the mismatch between the skills young people acquire in the educational system and the needs of the productive sector)
   - Assume a gender perspective in training and employment services
   - Identify the demand for skill development (including medium and long-term prospects)
   - Improve information and intermediation systems
   - Strengthen school-to-work mechanisms, especially for less skilled individuals
   - Design programs that facilitate the access to a first job for young people, without jeopardizing their labor rights
   - Foster technical, non university post-secondary training to tackle the "trap of secondary education"

3. The exclusion from work in high- or medium productivity activities
   - Foster economic growth (level and stability)
   - Further structural change (including green jobs)
   - Strengthen Small and Medium Enterprises' competitiveness
   - Promote productivity in low-productivity activities
   - Improve access options to productive jobs for less skilled and vulnerable groups

4. The exclusion from decent word in high- or medium productivity activities
   - Strengthen labor market institutions that promote virtuous circles (productivity – job quality/ distribution)
   - Modernize industrial relations
   - Further formalization policies
   - Improve mechanisms of control of compliance of the rules
   - Foster social dialogue for improvement of specific national institutional settings