

***Tackling job precariousness: the role of  
economic and social policies***

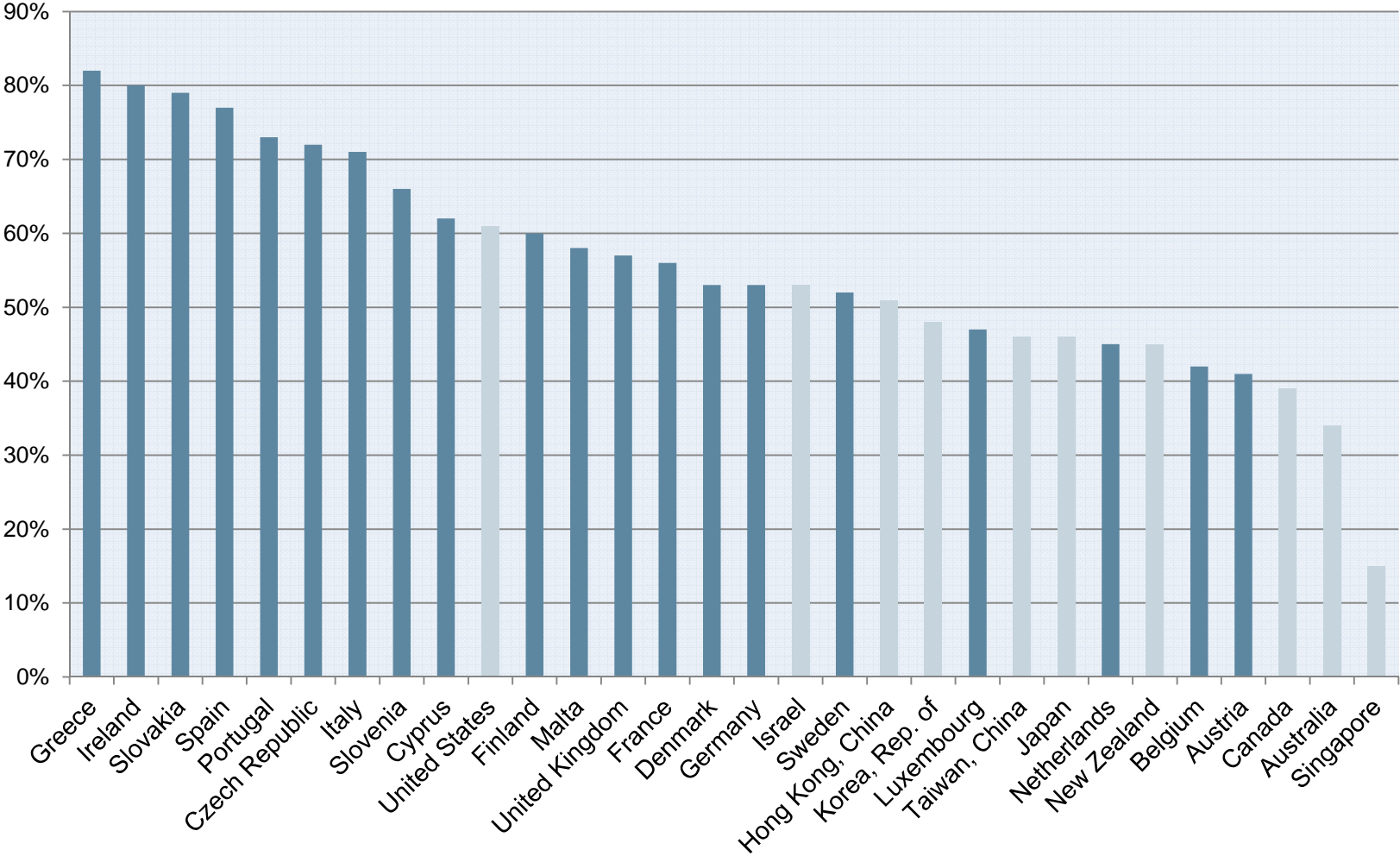
***Raymond Torres***

***Director***

***International Institute for Labour Studies -- ILO***

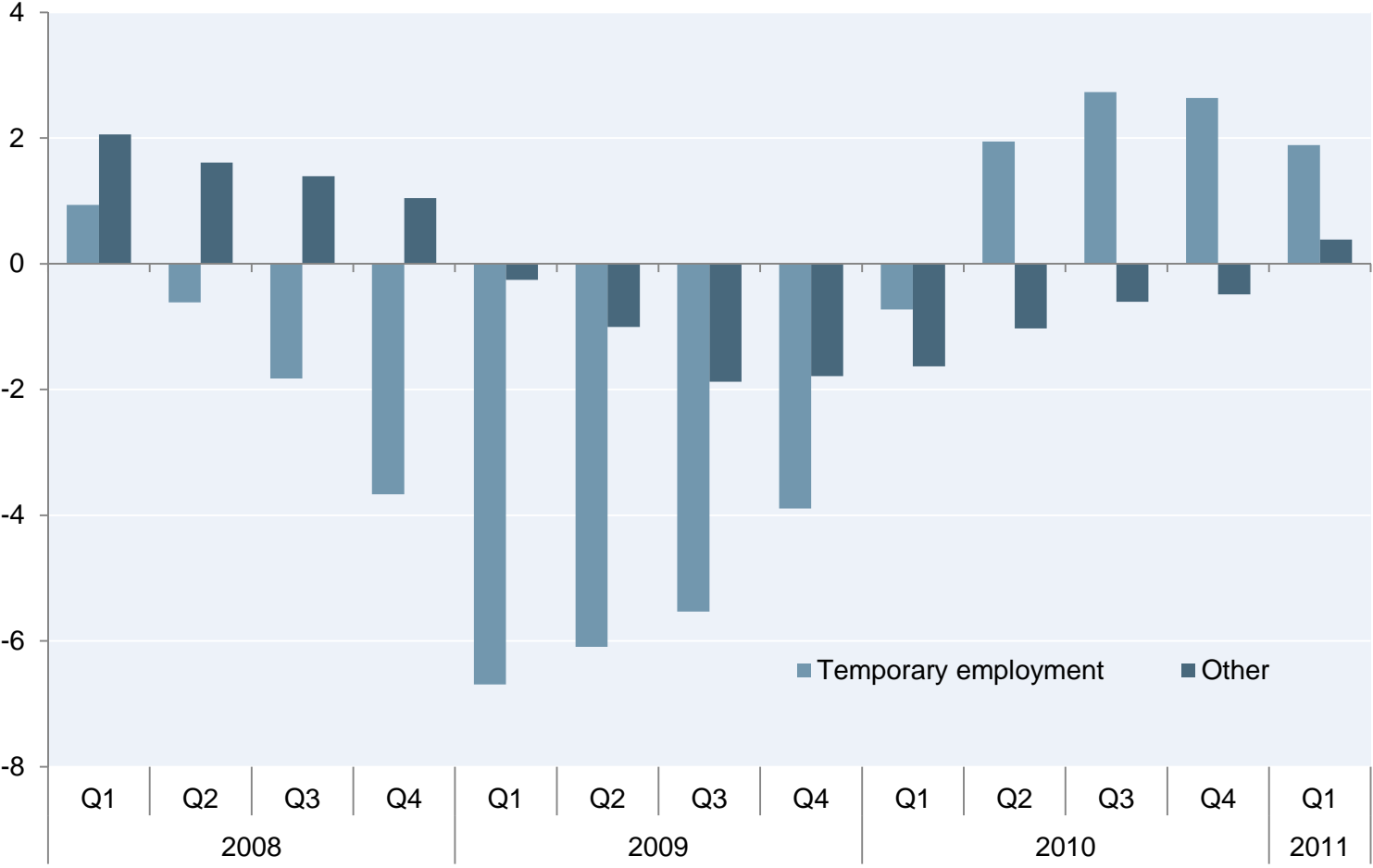
# Job insecurity is on the rise

Share of individuals DISSATISFIED with the availability of good job opportunities, 2010



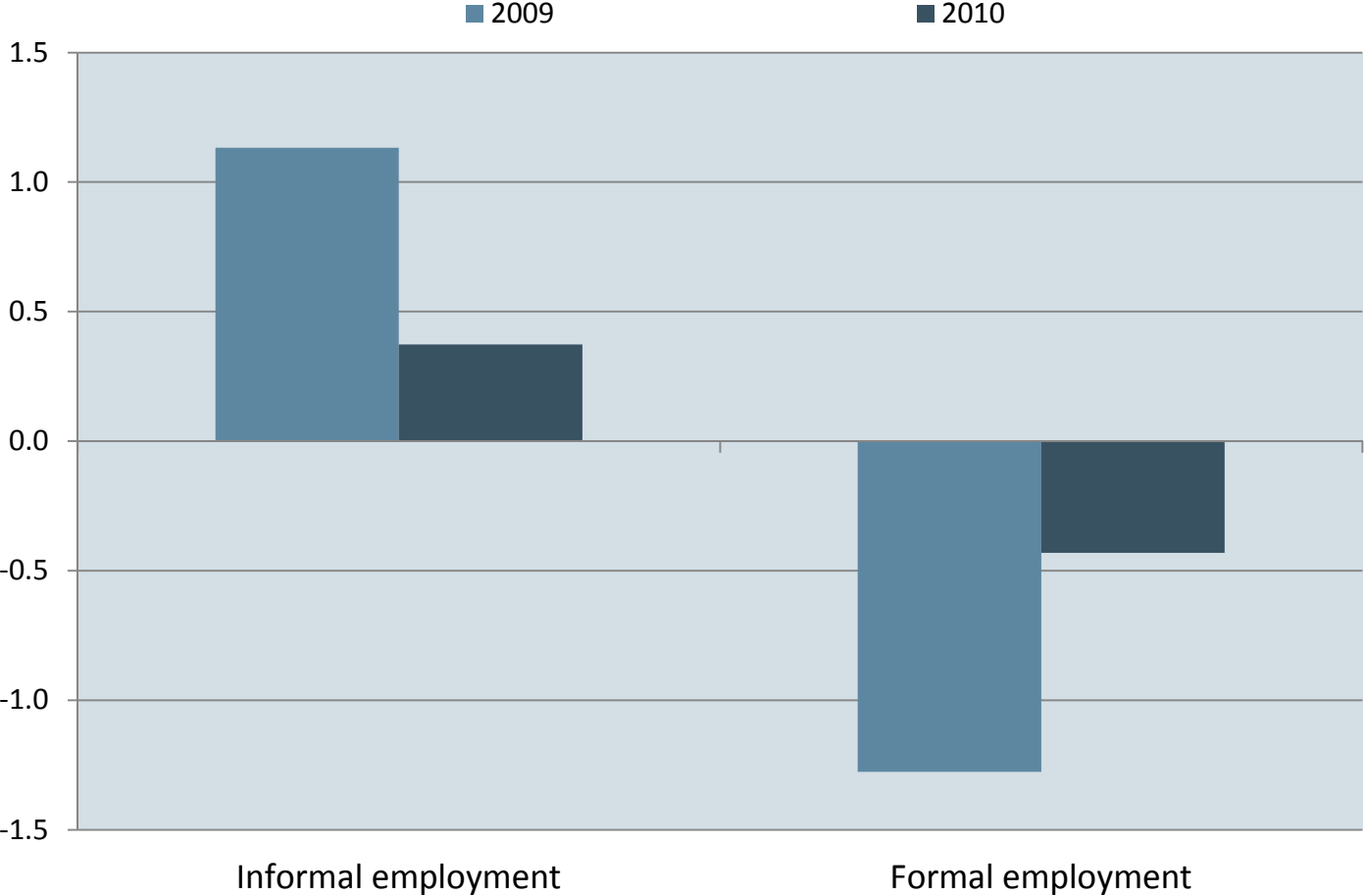
# Precarious work has acted as a buffer during the crisis

EU-27: Changes in employment by type, from same quarter in previous year (percentages)



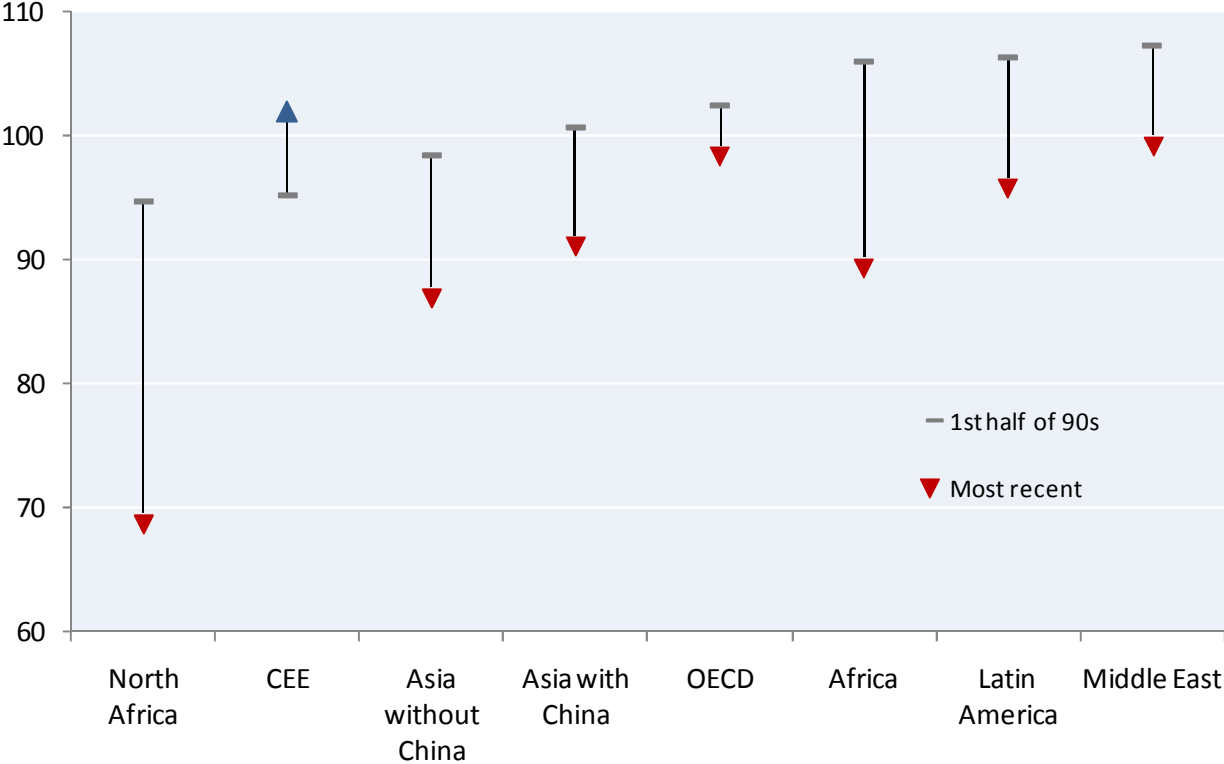
# *Informality on the rise in emerging and developing economies.*

Employment growth in Latin America by type: informal and formal



# Real wages grew less than productivity in most regions

Wage share by region (change between 1990 and most recent year available)

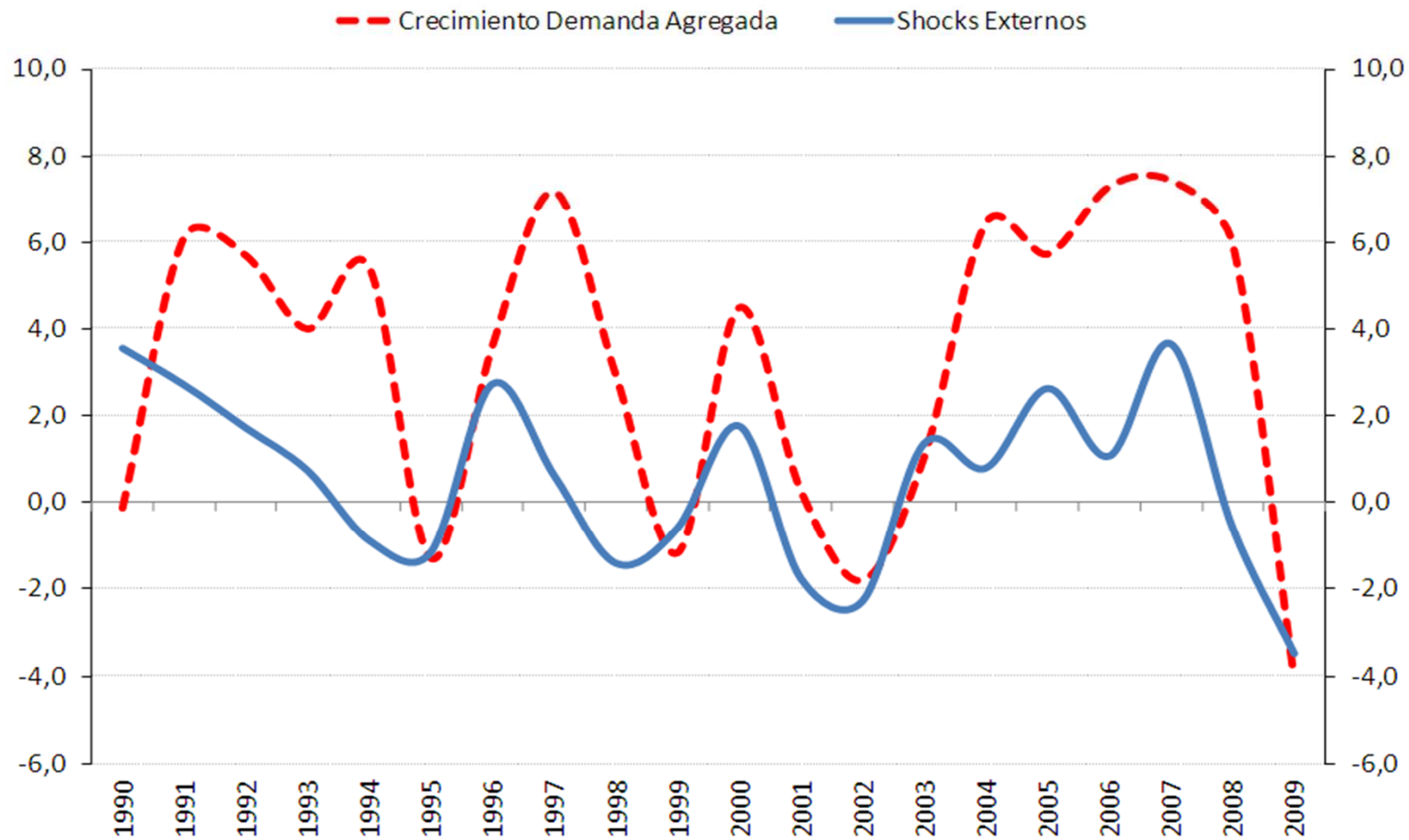


## May factor: increased economic risk

- Risk of outsourcing may be associated with greater job/income uncertainty
- Unskilled workers more at risk
  - More difficult to adjust to technological change
- Intensified economic volatility

# Evidence for Latin America (Ffrench-Davis, ILR forthcoming)

América Latina (19): Shocks externos y demanda agregada, 1990-2009  
(% del PIB, y tasa de variación anual)



# Addressing economic uncertainty

- Regulation of financial markets
- Reduced role of finance in corporate governance –incl. with new rules and taxation
- Promoting socially responsible corporate behaviour/pressure on bad behaviour



# Role of labour institutions

- Enhancing collective bargaining, labour market institutions
- Making contract law more predictable, especially for small firms
- Removing obstacles to mobility of workers
- Rewarding good employers: experience rating

# Role of tax and benefit systems

- Supporting transitions via solid social protection for workers and small entrepreneurs
- Employment guarantees
- Re-employment services
- Taxation away from low-paid work

# Policy coherence

	Welfare state <sup>1</sup>	Tripartite institutions <sup>2</sup>	Violation of Political rights <sup>3</sup>
<b>High per-capita GDP countries</b>			
High employment/low inequalities (e.g. Austria, Denmark, Finland, Norway, Switzerland and Sweden)	16.2	3.7	1.0
High employment/high inequalities (e.g. New Zealand, United Kingdom and United States)	11.0	1.0	1.0
<b>Medium and low per-capita GDP countries</b>			
High employment/low inequalities (e.g. Czech Republic, Estonia, Hungary and Uruguay)	14.1	2.2	1.6
High employment/high inequalities (e.g. Costa Rica, Jamaica, Mexico, Paraguay and Philippines)	2.1	1.2	2.4