Tackling job precariousness: the role of economic and social policies

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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
Informality on the rise in emerging and developing economies.

Employment growth in Latin America by type: informal and formal

Informal employment

Formal employment

2009

2010
Real wages grew less than productivity in most regions
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)
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

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