
The Global Employment Agenda as the Employment Pillar of the DWA

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Geneva, May, 2007



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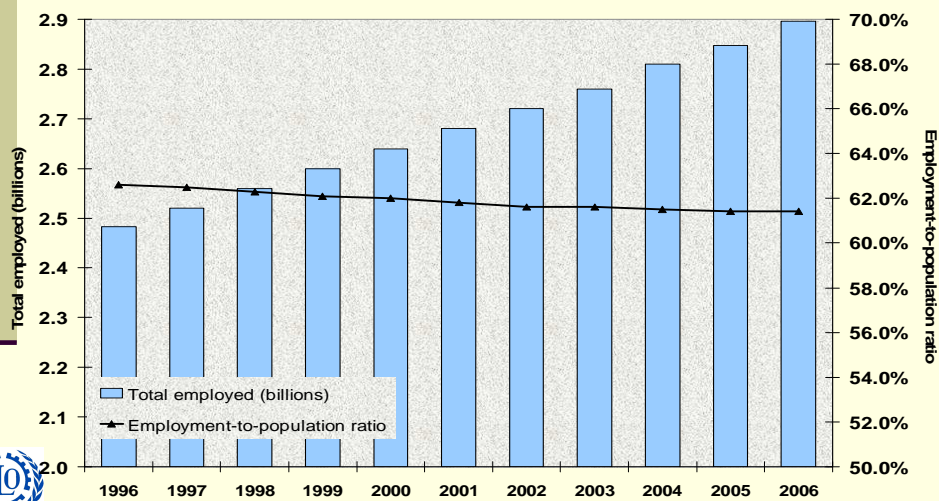


I. The Employment Problem Today

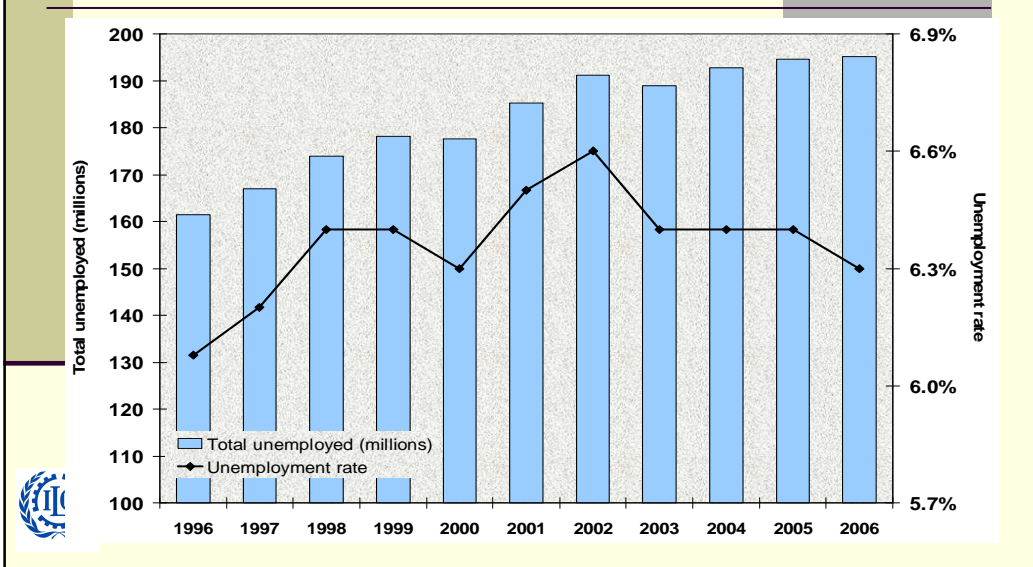
1. Despite recent high economic growth the absolute number of unemployed people are at an all time high.
2. There has been only a slight reduction in the numbers of working poor.
3. The gap between women and men persists.
4. Unemployment and underemployment hit young people hardest.



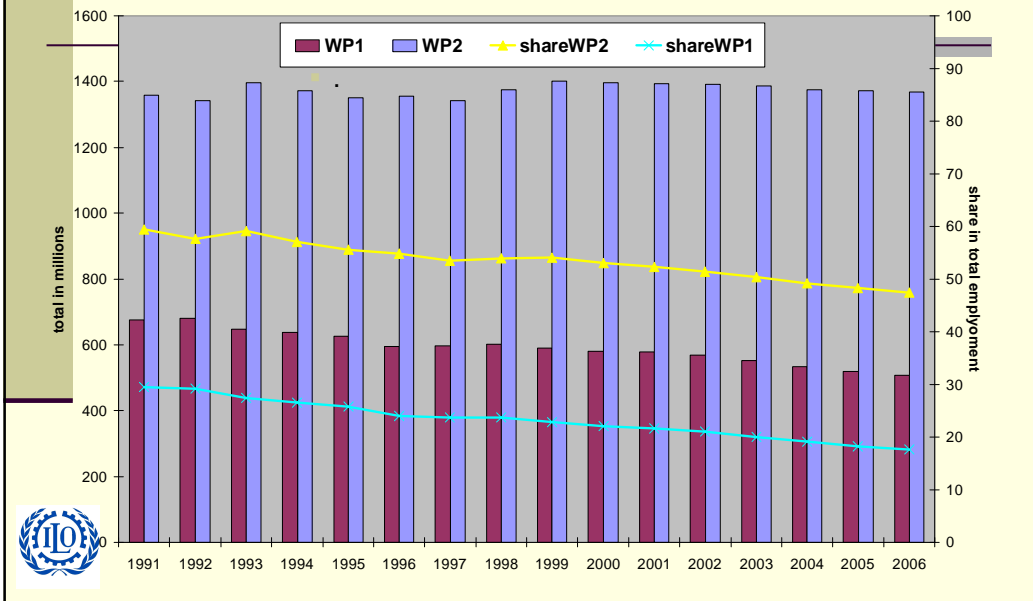
World: Total Employment and Employment-to-population ratios 1996-2006



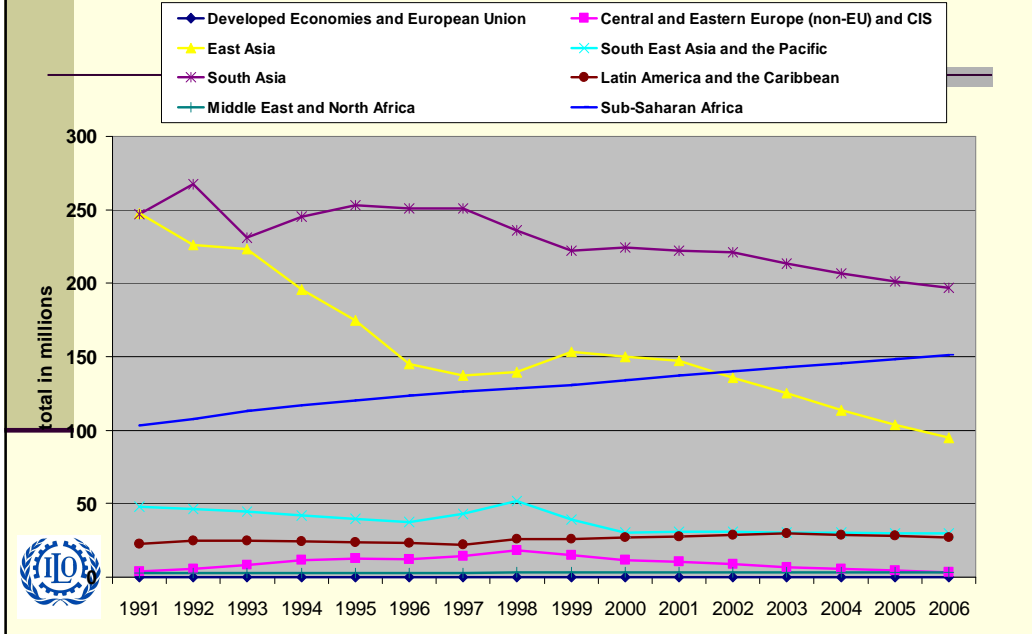
**World:
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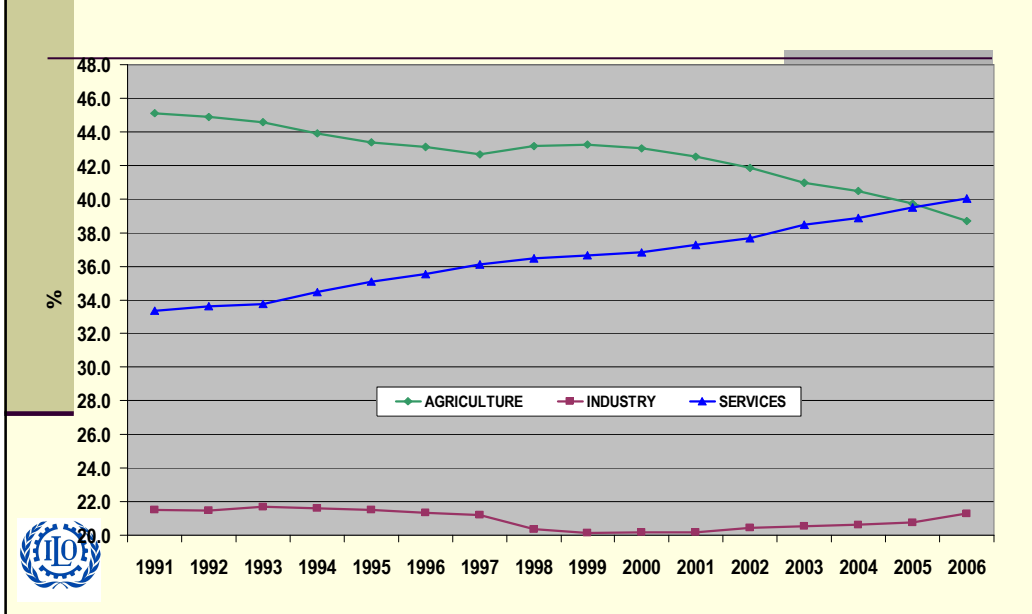
**World:
Working poverty total and shares, US\$ 1 and 2 a day, 91- 06**



Regions: Working poverty US\$1 a day, 91-06



World: Employment Shares by Sector, 1991-06



Developing countries continue to have dual economies – Informal Economy-

- In Sub-Saharan Africa over 90 percent of work is in the IE;
- In Asia, in spite of rapid growth, the working poor represent between 47 and 84 percent of workers;
- In Latin America, IE represents some 75 percent of workers and 40 percent of GDP; it is estimated that out of every 10 jobs created in the last 15 years, on average 7 were created in the IE
- In industrialized transition countries, IE represents 6 to 30 percent of GNP



The gender employment gap persists...

- In 2006 only 49% of women aged 15+ were working compared to 49.6% in 1996.
- The comparable male employment to population ratios were 75.7 in 1996 and 74% in 2006.



Unemployment and underemployment hit young people hardest...

- 86.3 million young people (44 percent of the world's total) are unemployed
- Youth unemployment rates are normally 2 to 3 times higher than average rates



Policy conclusions from growth, employment and poverty trends:

- High economic growth is important for poverty reduction and employment creation but not enough
- Given observed trends, there is no reason to think that continued robust growth by itself will translate into significant reductions in poverty, unless something is done significantly different in terms of innovative employment and DW policies.
- The transformation of growth into poverty alleviation is via the labour market. « Getting growth right » in terms of employment creation requires policies to strengthen the link between growth and jobs



Policy Conclusions

- In developing countries characterized by dual economies, policies that focus only on the formal segment will not work. Policy interventions in the informal economy are also crucial.
- Employment strategies should target women to combat discrimination and empower women to join the work force, either as wage labourers or as entrepreneurs.
- Employment policies should target young people.



II. The GEA as the employment pillar of DWCPs: An integrated approach

- The OECD has the OECD Jobs Strategy,
- The EU has the Growth and Jobs Strategy,
- The ILO has the Global Employment Agenda (GEA) as the basic policy framework for employment policies

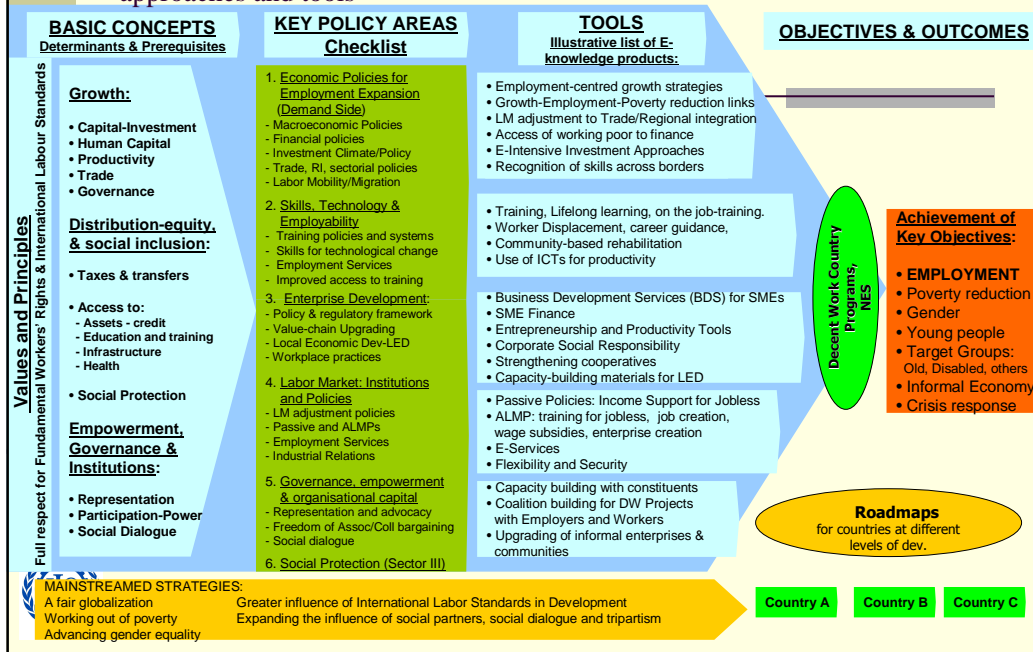


Background on the GEA

- ❑ 2000: the UN General Assembly recognised the “need to elaborate a coherent and coordinated international strategy on employment and ... support(ed) the convening of a world employment forum by ILO in 2001.”
- ❑ 2003: Governing Body adopted the GEA.
- ❑ 2003–2005: ESP Committee discusses the ten core elements of the GEA and reviews its implementation
- ❑ 2006-07 biennium: DWCPs are the main delivery vehicle for the Programme and Budget and the main instrument for ILO cooperation with member States.
- ❑ March 2006: Employment Sector ED presented a "vision" on the Office's work on employment for the 2006-2007 biennium and beyond.



The employment policy framework in one page, Basic concepts, approaches and tools



In terms of general principles Good practice is...

- To consider E&DW policies under an integrated approach that considers the D-side and the S-side, the macro policies and micro interventions, and the quantitative and qualitative dimensions. In practice this means that all key Ministries and agencies have to be involved.
- To place E&DW in the main frameworks driving policy in the country (eg PRSPs, UNDAF, etc).
- To recognize that the public sector can play an important role as employer, in a market economy the challenge is to create an enabling environment for the private sector to create wealth and jobs.
- To target particular groups: women, young people, informal economy workers, persons with disabilities, indigenous groups
- To include quantitative goals and baselines measures so that progress can be assessed.



Using mechanisms that apply broad-based social dialogue and participation in the policy reform process.

In the area of Skills, technology and employability, good practice is...

- Promoting access to basic education as well as vocational skills because: Education makes a person trainable, training makes her employable, and attitude and continuous learning keeps the person employed.
- Working closely with the private sector to provide skills that are in demand in the marketplace
- Promoting apprenticeships in private companies
- Developing not only technical skills but also so called life skills or core skills



In terms of job-rich growth Good practice is...

- Employment friendly macroeconomic policy
- Promote upgrading and diversification of the production structure (exports, FDI, local sectors)
- Strengthen linkages locally and with global value chains
- Increase domestic technological capabilities
- Pay attention to sectorial sequencing of trade liberalization, facilitate trade adjustment and competitiveness promotion.
- Promote flexicurity in labour markets, appropriate to each national context
- More research is needed in this area.



In the area of Enterprise Development Good Practice is...

- To create an enabling national environment for investment and doing business
- To encourage entrepreneurship and self-employment as viable and worthy career aspiration
- To promote good workplace practices based on good labour-management relations and respect for workers' rights as a means of raising productivity and competitiveness
- To establish policies and regulations that create conditions for informal enterprises to join the mainstream economy



Enterprise Development Programme

Key objectives:

1. Enhance job creation potential of enterprises
2. Improve the quality of the jobs

Four major levels:

- National: Policies and regulation for an enabling business environment
- Sectoral: Methodologies for upgrading value chains and clusters
- Local, regional: Methods and tools for local development
- Enterprise: Promoting productive and decent work place practices

Target groups: MSMEs, MNEs, COOPs, IE units



Informal Economy

2002 ILO Conference

Resolution and Conclusions

Proposed broadening the definition of the "informal sector" to "informal economy" (IE):

to include all economic activities that are in law or practice – not covered or insufficiently covered – by formal arrangements

- *the IE covers diverse employment situations across all economic sectors, in the rural and urban areas including wage employment and self employment, own account workers, contributing family members and economic units*
- that have in common glaring decent work deficits and limited access to mainstream resources.



ILO approach developed cuts across all Decent Work strategic objectives and tools

- Growth strategies and quality employment generation
- Regulatory environment including promotion of ILS & core rights
- Entrepreneurship, skills, micro-finance, market access
- Extension of social security and protection
- Area-based local development (rural and urban)
- Organization, representation and social dialogue

