Labour market information and disaster resilience

Empirical evidence for strengthening Caribbean labour markets in times of crisis

Discussion points from ILO-funded Research Paper “Non-standard forms of employment in Guyana.”
Overview

Comprised mainly of small island developing states also known as SIDS, Caribbean countries are confronted regularly with natural disasters, and more recently the COVID-19 health pandemic.

The region’s vulnerabilities to these external shocks puts governments, employers and workers at risk for catastrophic losses of revenue, productivity and jobs.

The impacts can push many workers into poverty, especially if they do not have social security safety nets such as unemployment insurance and health coverage.

According to a recent International Labour Organization (ILO) report, the global collapse of tourism – a sector already vulnerable to climate change - due to the COVID-19 pandemic means that almost half a million Caribbean tourism workers face the prospect of decent work deficits in the form of job losses, reductions in working hours, and loss of incomes. In these conditions the move to informal employment is increasingly seen as an alternative for survival.

Following the principles of its Recommendation 205 - Employment and Decent Work for Peace and Resilience, the ILO is working on thematic research and fostering the collection of empirical evidence across the region, to support the development and implementation of coherent and comprehensive labour market policies.

ILO Recommendation 205 at a glance

Adopted by the ILO in 2017, Recommendation 205 – Employment and Decent Work for Peace and Resilience provides a unique normative framework focusing on world of work-related measures to prevent and respond to the devastating effects of conflicts and crises on economies and societies.

It features:

- an expanded scope including internal conflicts, natural and other disasters given the complex and evolving nature of contemporary crises;
- updated guidance on employment and several other elements of the Decent Work Agenda that takes into account the current global context, as well as, the experience gained by the ILO and the international community in crisis response over the last decades;
- a focus on recovery and reconstruction in post-conflict and disaster situations, which includes strategies for addressing root causes of fragility and taking preventive measures for building resilience; and
- recommendations applicable to all workers and jobseekers, and to all employers, in all sectors of the economy affected by crisis situations.

Through the strategic approaches outlined in ILO Recommendation 205, countries can systematically and comprehensively address key measures that build resilience, enabling them to prevent, mitigate and prepare for crises in ways that support economic and social development and decent work.

To foster the development of shock-responsive social protection systems that facilitate an employment and livelihood-centered recovery, the ILO is working across the Caribbean to advance social dialogue between governments, employers’ organizations and workers’ organizations in national disaster planning, recovery and resilience processes. Tripartite cooperation is also critical for effective implementation of policies.

For tripartite consultation and collaboration to achieve the desired results, they must be founded on reliable, recent data. The establishment, restoration or enhancement of systems the collection and analysis of labour market information, especially focused on vulnerable population groups, is therefore a vital requirement in resilience building.
In focus: Social protection deficits among non-standard employment workers in Guyana

The ILO-funded study “Non-standard forms of employment in Guyana” investigates the characteristics and consequences of temporary employment.

Non-standard employment (NSE) arrangements are those that deviate from the “standard employment relationship” of work that is full time, indefinite, and part of a subordinate relationship between an employee and an employer.

Around the world, NSE arrangements are becoming more common as a result of globalization, technological transformation and crises such as climate disasters and the COVID-19 health pandemic. However, they are highly vulnerable to labour market challenges.

The study found that the Guyana’s short-term NSE workers are no exception. Their lack of social protection makes them particularly vulnerable to shocks since they usually cannot count on the protection provided by social insurance or poverty-targeted social assistance schemes.

Closing these gaps for Guyana’s short-term NSE workers means creating sustainable social protection mechanisms that cover workers in all forms of employment, in line with human rights and international labour standards and based on inclusive social dialogue.

Key data: Employment vulnerability in Guyana’s labour market

Temporary employment:
Temporary workers are vulnerable as a result of their status, with lower incomes, less social security benefits and protection, less voice and representation and often poorer working conditions.

Informality:
The informal economy refers to all economic activities by workers and economic units that are not covered or insufficiently covered by formal arrangements that provide protections for wages and social security.

Social protection:
Social protection is the set of public measures that safeguards members of society against economic and social distress caused by the absence or a substantial reduction of income from work as a result of sickness, maternity, employment injury, unemployment, invalidity, old age or death of the breadwinner. It also includes the provision of health care and benefits for families with children.
Five ways countries can build inclusive and resilient social protection systems:

1. **Place less emphasis on temporary measures and focus on long-term solutions.** Develop and implement social protection frameworks that minimize overall disruptions to livelihoods and incomes and support a sustainable labour market recovery.

2. **Create contributory and non-contributory schemes.** Achieve at least a basic level of social protection for all, while providing higher levels of protection to as many people as possible.

3. **Establish equitable and sustainable financing.** Apply mechanisms such as broad risk sharing and collective financing that will in turn contribute to economic and social development, solidarity and greater social cohesion.

4. **Diversify resource mobilization.** Use a variety of approaches that take into account the contributory capacities of all workers. Target a combination of local support and international financial institutions, bilateral development partners or other global financing mechanisms.

5. **Integrate with broader longer-term strategies.** Optimize sustainable social protection opportunities such as re-skilling and public employment programmes to advance the transition from the informal to the formal economy.

Access to national insurance:

- Only 10 per cent of short-term workers; 23 per cent of part-time underemployed workers; and 42 per cent of part-time not underemployed workers have access to national insurance. Comparatively, 60 per cent of fixed term workers and 67 per cent of permanent workers have national insurance.

Access to finance:

- Lending institutions, whether commercial banks or credit unions, typically require that an employment contract last for the duration of the loan term for approval.

- For short-term employees in the private sector – only nine per cent have been working with their current employer for five or more years. Therefore temporary workers face more challenges in accessing financial products because of the insecurity associated with their job tenure. This challenge is likely to be more acute the shorter the contract duration, and thus the most acute for short-term workers.
Produced by the ILO Caribbean Office through the ILO Caribbean Resilience Project

The ILO Caribbean Resilience Project is a two-year initiative that aims to strengthen the capacity of Guyana, Saint Lucia and Dominica to become more resilient (in line with ILO Recommendation 205) to climate disasters and other crises. The ILO Caribbean Resilience Project seeks to ensure that the principles embedded in the ILO “Guidelines for a just transition towards environmentally sustainable economies and societies for all” are fully adopted and implemented by the three target countries.