


Employment Policy Retreat

Employment policies in the changing context of
growth, development, crisis, and globalization :
An overview of issues and challenges


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Three sets of challenges for employment policy

- I. Challenges of « substance », content
 - II. Challenges of policy making, and policy coherence
 - III. Challenges of ILO « support » / « delivery »
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I. The Challenges of « substance »

- ▶ What are the main issues/trends/priorities on the policy agendas?
 - ▶ What is our take: values, policy frameworks, analytic lens/hypotheses – relationships, underpinning our policy advice?
 - ▶ What is a « good » employment policy, what works; what doesn't? under what circumstances? Empirical evidence, knowledge
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II.Challenges of policy making/policy coherence

- ▶ Employment : a cross cutting issue– multi-layered policy interactions
 - ▶ What is an employment policy? Its « contour »/ political economy
 - ▶ How do we bring about policy change? Space for dialogue and « choice »
 - ▶ Public Policy/ Private sector
 - ▶ Coordination/coherence across policy areas
 - ▶ Institutions in « the Lead »?
 - ▶ International coherence/policy space
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III.Challenges of ILO « support », « delivery »

- ▶ Timely, and customized advice
 - ▶ Capacity and scale
 - ▶ Knowledge development/sharing
 - ▶ Networking/ partnerships
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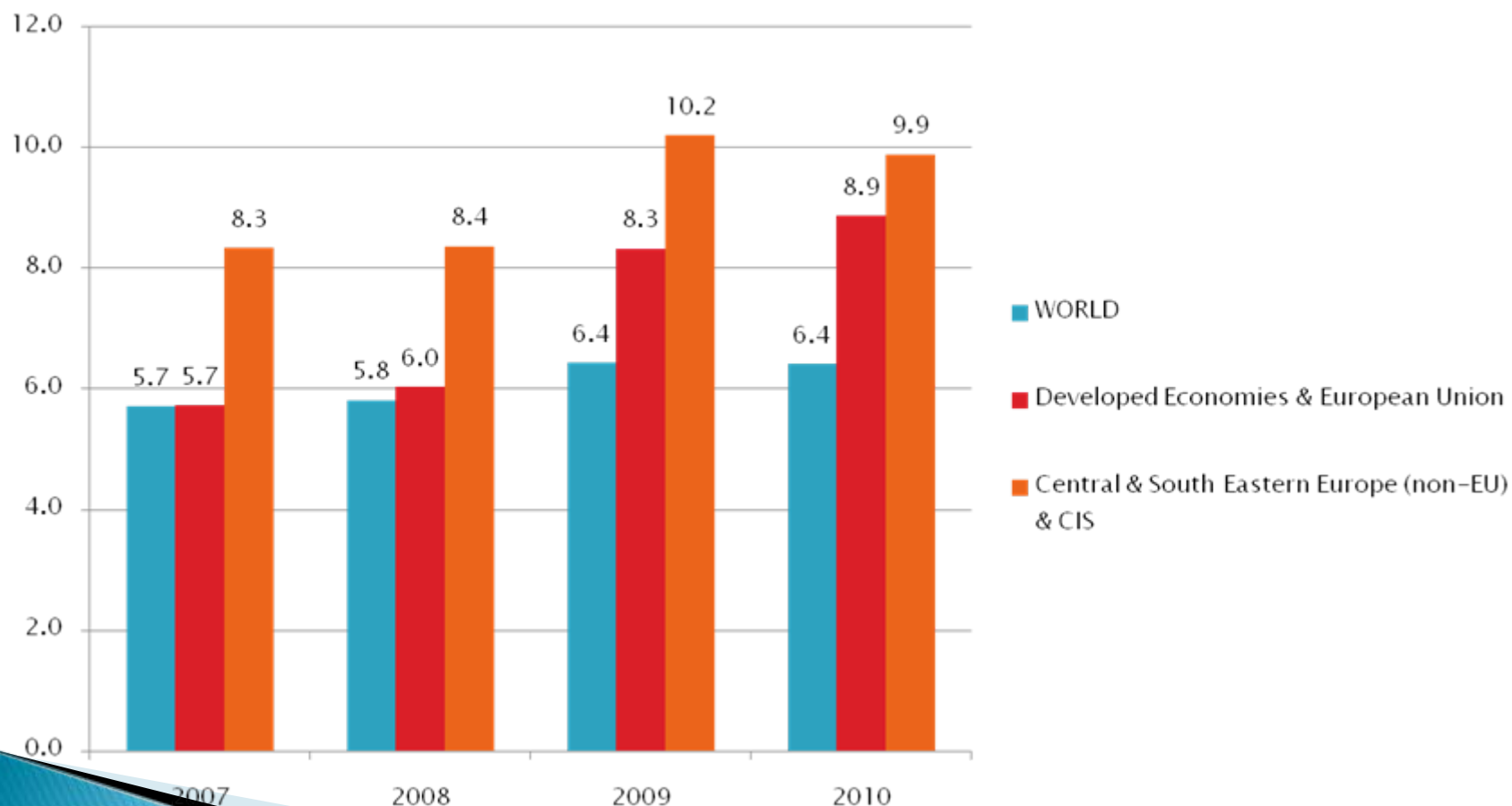
I. The Challenges of « substance »: Global employment deficits

- ▶ **Deficits in « levels » and in « quality » before and after the Crisis:**
 - Unemployment– global rate increasing
 - Underemployment/informal employment massive, pervasive in many parts
 - Precarious employment on the rise
 - Discouraged workers on the rise
 - Trend of declining wage share until 2007 (increasing wage share between 2007–09)
 - Income inequality increasing
 - Working poverty an issue
- ▶ **Uneven performance across countries/regions**



I. The Challenges of « substance »: Unemployment

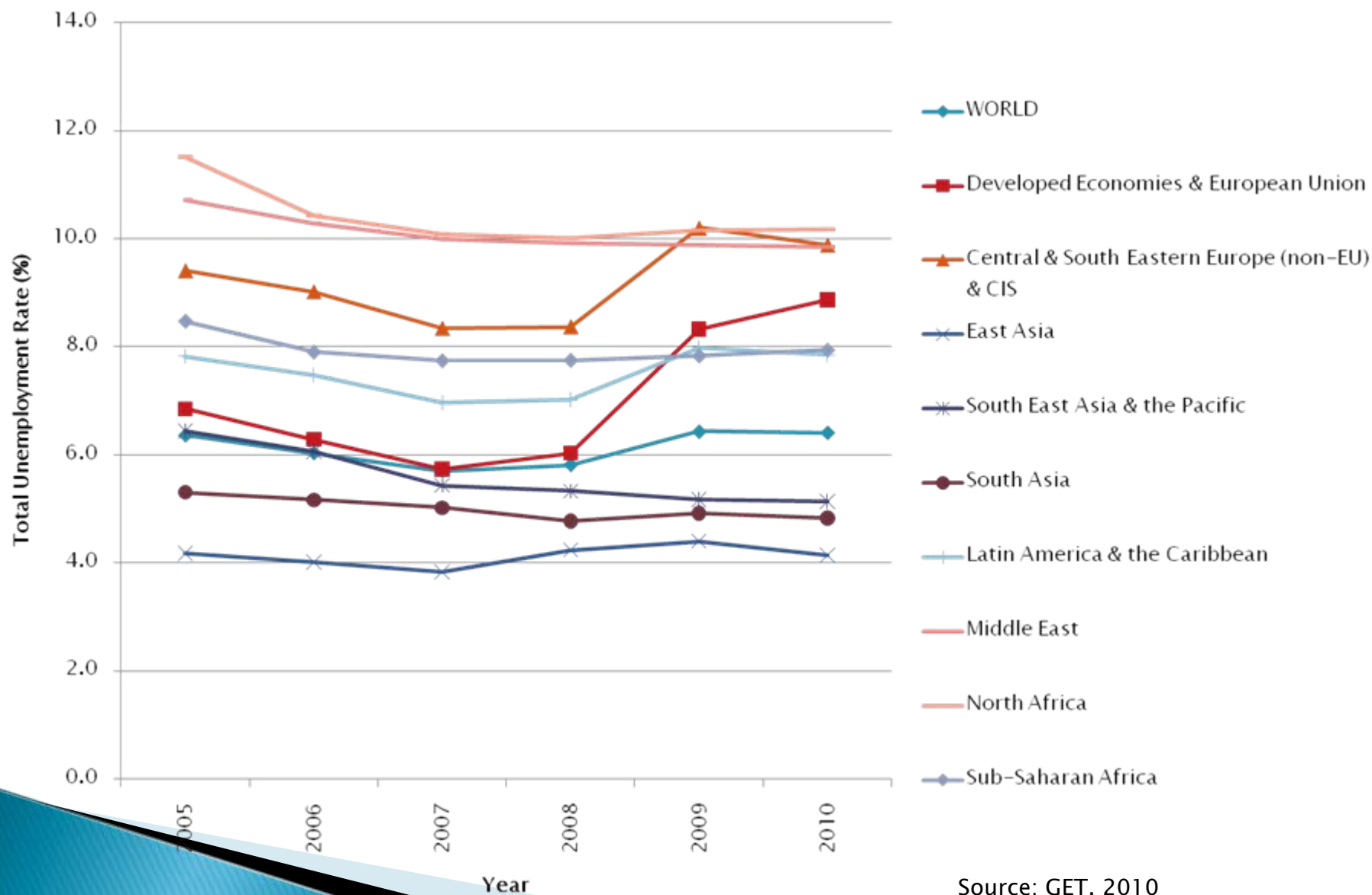
Total Unemployment Rate (%)



Source: GET, 2010

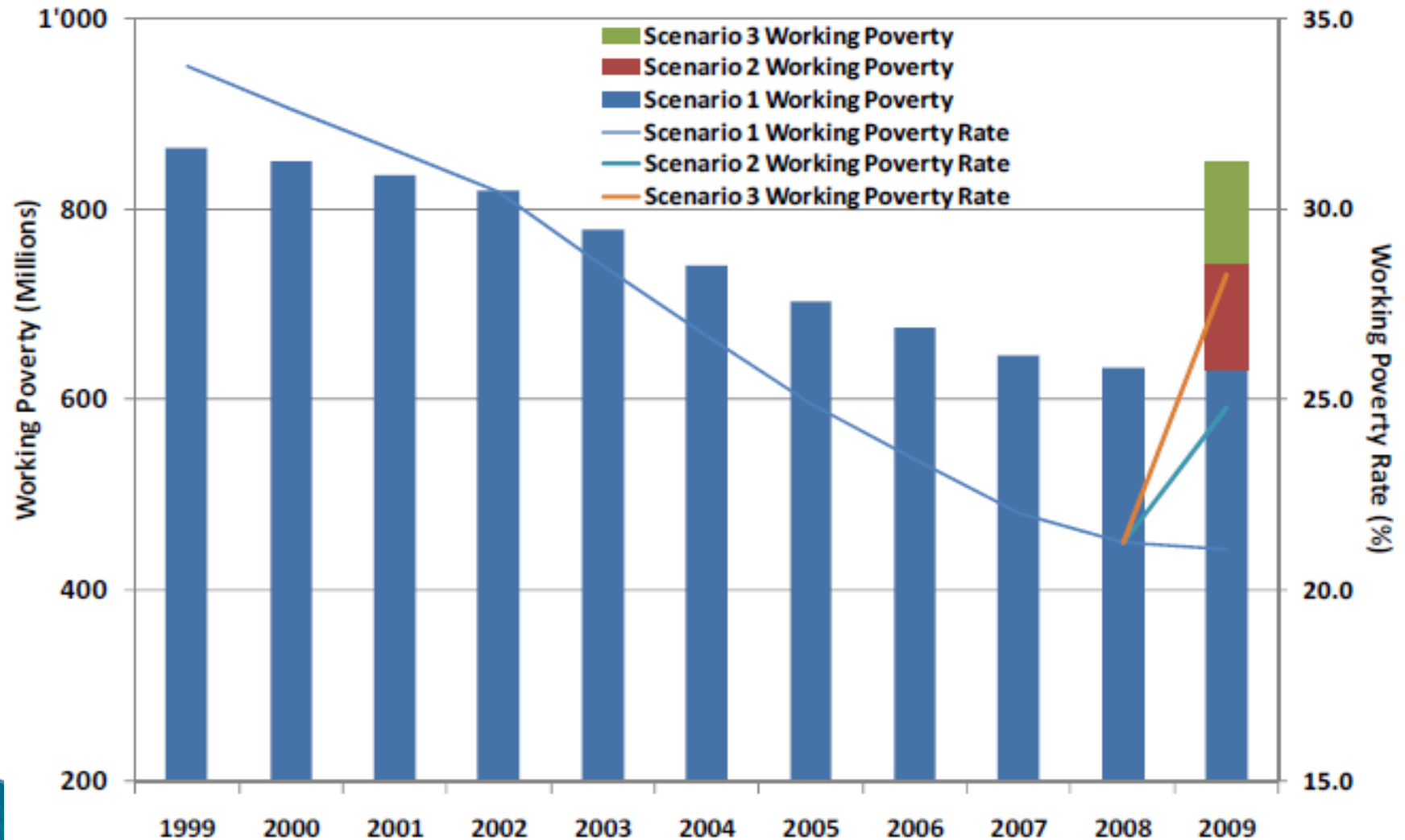


I. The Challenges of « substance »: Unemployment



Source: GET, 2010

I. The Challenges of « substance »: Working Poverty






I. The Challenges of « substance »: Global Wage Trends

- ▶ Global monthly wage growth declined from about 3% in the two years before the crisis to 1.6% in 2008 and 1.5% in 2009
 - Wage growth declined but remained consistently positive in Asia and Latin America
 - Other regions experienced drops in real wages at some stage during the crisis.
 - In advanced countries, real wages declined by –0.5% in 2008
 - In Central and Eastern Europe they declined by an estimated –0.2% in 2009.
 - The purchasing power of wages fell by an estimated –2.3% in 2009 in Central Europe and the CIS region

I.« Substantive » challenges « weakening » relationships

- ▶ Jobless growth – jobless recovery: weaker employment and growth relationships
 - How do we measure?
 - Underlying causes?
 - What policies, patterns of growth, increase the employment content/intensity of growth?
 - Employment growth and productivity growth
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I. « Substantive » challenges: quality a major concern

- ▶ Employment/ poverty linkage: strong but not quite
- ▶ Structural transformation: from agriculture to services (urban informal)– Manufacturing not responding to quality job creation
- ▶ Non–standard job creation/contracting processes–bringing into question labour market institutions
- ▶ Migration for employment: a strong dimension, internal, international
- ▶ Demographic transitions at work in all regions: youth– ageing


II. Challenges of (employment) policy making, coherence

► The good news:


- **Employment policy – high on the policy agenda: most countries committed to increasing productive employment: reflected in constitutions, special laws and policies. Increasing demands to ILO;**
- **Employment targets regularly adopted and announced (mostly focussing on quantity);**
- **However, increasingly employment is seen as a cross-cutting objective in Growth Strategies/National Development Plans (including Poverty Reduction Strategies);**
- **Crisis created new momentum/window of opportunity for focussing on centrality of employment goals in economic strategies, rehabilitating macro economic policy instruments, focussing on demand management, including a more proactive approach to industrial policy**

II. Challenges of (employment) policy making, coherence


Not so good news: real potential for improvement

- **A narrow conception of employment policies :**
focussing mostly on supply side, on programmes/funds administered by MOLs
 - **Disconnect between targets and strategies to achieve**
 - **Real issue with demand management**
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II. Challenges of (employment) policy making, coherence

- ▶ Ministries' of Labour lead/ new coordination roles
 - ▶ Commitment of Finance/ Planning /line Ministries/central banks to integrating employment criteria
 - ▶ Sustained inter-ministerial coordination and monitoring still rare
 - ▶ Weak integration of employment and labour market indicators in National Monitoring systems
 - ▶ Capacity of social partners to engage and influence growth and economic policy, national development strategies/plans
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II. Challenges of (employment) policy making, coherence

- ▶ International coherence/policy space
 - The GJP, G20 PROCESS, the MDG Summit
 - Policy space and coherence: real targeting/employment targeting/ moving beyond Washington consensus?
 - Fiscal space for employment policy?
 - Public policy/private sector engagement
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III. Challenges of ILO delivery on employment targeting, employment budgeting

- ▶ Values and policy frameworks: C. 122, DWA, GEA, SJD, GJP
- ▶ Committing to employment policy; making employment central to economic and social policies
- ▶ RIE Conclusions on Employment targeting and employment budgeting : *'employment targeting through integration of quantitative and qualitative targets for employment growth in economic and sectoral policies, investment and expenditure plans and evaluating their implementation'*

Employment Policy Development Cycles

Diagnostic and Analytic Review

- In country research, technical analysis of growth/employment/poverty performance
- Identification of opportunities and constraints through a multilayered diagnosis
 - Employment/Growth/Poverty
 - Macro-frameworks
 - Trade and Employment
 - Sectoral Strategies
 - Youth, Gender
 - Labour Market Institutions
 - ...
- Identification of priority areas for policy reform/action

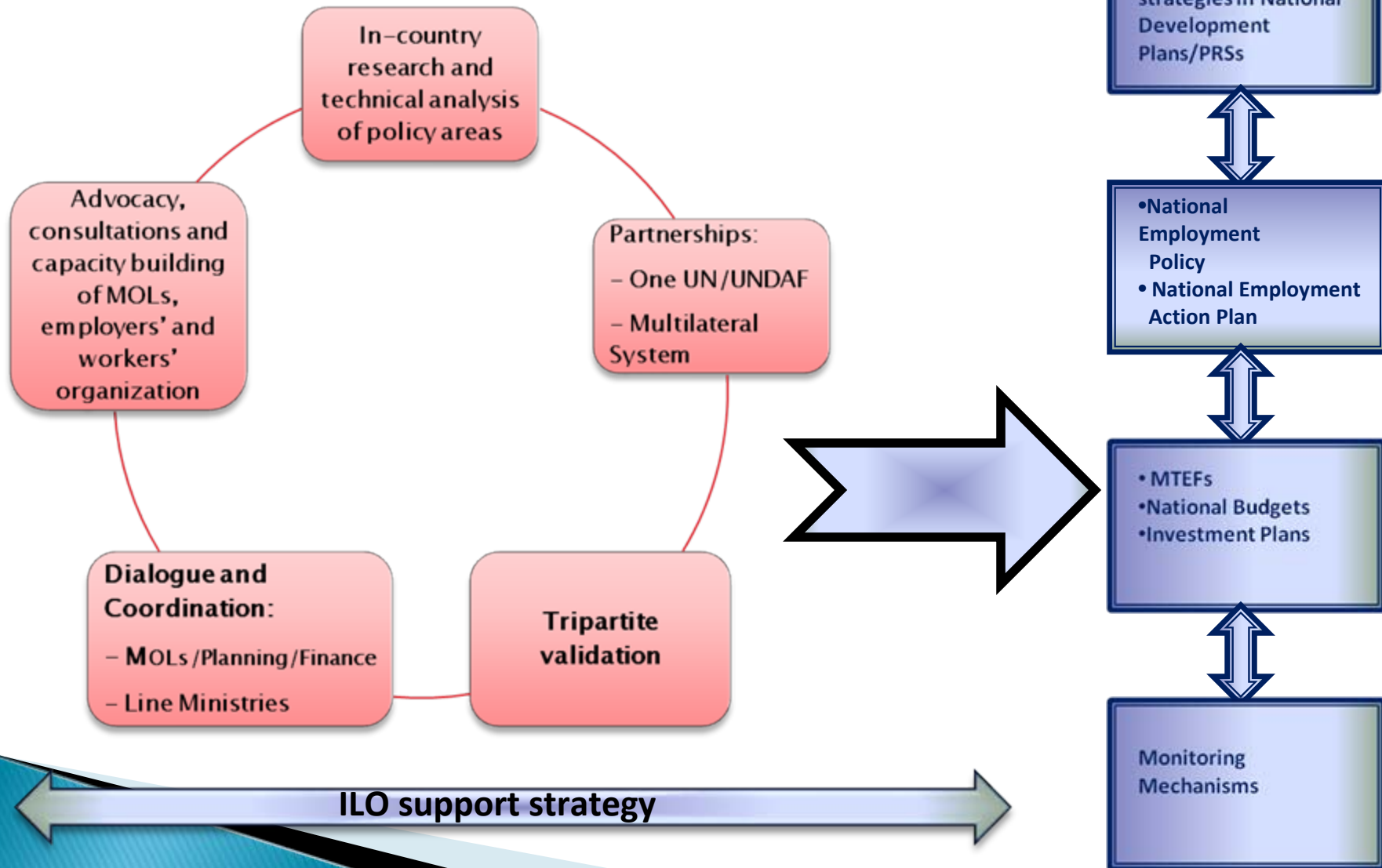
Policy Dialogue, Tripartite Capacity Building and Advocacy for Policy Coherence

- Dialogue/validation on selected priorities
- Dialogue on policy options
- Interface with Government Economic Teams/National Development and Planning Processes
- Advocacy for policy coherence/coordination/integration
- Advocacy/partnerships: ONE UN/UNDAF, Multilateral system


Policy Adoption, Implementation and Monitoring

- Employment targeting and budgeting. Articulation with
 - National Development Plans
 - PRSs
 - Growth and Economic Strategies
- Adoption of National Employment Policy and National Employment Action Plan(s)
- Medium Term Expenditure Framework, National Budgets and Investment Plans
- Employment indicators and monitoring mechanisms

Employment Policy Process and Planning Cycles



The Challenge of Size and Capacity

- ▶ 54 countries requesting ILO Support to integrate national, sectoral or local employment policies and programmes into their development framework (2010/11 P&B)
 - 30 in Africa
 - 11 in Latin America
 - 9 in Asia and Pacific
 - 5 in Europe
 - 5 in the Arab States.
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Countries requesting ILO Support to integrate national, sectoral or local employment policies and programmes into their development framework (2010/11 P&B): Africa

Target	Pipeline	Pipeline
Central African Republic	Benin	Liberia
Morocco	Burkina Faso	Madagascar
Comoros	Botswana	Mali (GJP)
Cote d'Ivoire	Cameroon	Nigeria (GJP)
Ethiopia	Chad	Sao Tome and Principe
Gabon	Congo, D. R.	Senegal
Malawi	Cote d'Ivoire	Southern Africa
Mauritius	Djibouti	Swaziland
Mozambique	Guinea	Uganda
Seychelles	Guinea Bissau	United Republic of Tanzania

Countries requesting ILO Support to integrate national, sectoral or local employment policies and programmes into their development framework (2010/11 P&B): Americas and Asian and Pacific

Baseline	Target	Pipeline	GJP
Honduras	Bolivia	Caribbean	Argentina
Peru		Costa Rica	
		El Salvador (GJP)	
		Mexico	
		Nicaragua	
		Panama	
		Uruguay	


Target	Pipeline	GJP	CEPOL priority
China	Sri Lanka	Indonesia	Cambodia
India			
Mongolia (GJP)			
Nepal			
Viet Nam			
Bangladesh			

Countries that with ILO Support will integrate national, sectoral or local employment policies and programmes into their development framework: Europe and Arab States

Target	Pipeline
Bosnia and Herzegovina	Armenia
Russia	Central and Eastern Europe
	Kazakhstan

Target	Pipeline
Iraq	Oman
Jordan	Occupied Palestinian Terr.
	Syrian Arab Republic

ILO response goals

- ▶ in-country and context-specific analysis of constraints and opportunities;
 - ▶ promoting social dialogue on policy priorities and creating a platform for public debate on employment
 - ▶ building stronger interface between Ministries of Labour, Finance and Planning
 - ▶ supporting inter-ministerial coordination
 - ▶ engaging the private sector
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Questions

1. Do we have a common understanding of substantive and process challenges to employment policy, for making employment central to economic strategies, regional/country diversities, LDCs, dev. countries, emerging economies, industrialised countries?
2. What are the elements of a comprehensive national employment strategy (NEP) ? The dilemma of « breadth » vs « selected priorities? What are effective strategies for policy coherence at national/global levels?
3. What should be our priorities for a research and knowledge, analytic tools, templates, guidelines, capacity building of constituents? What mechanisms for better sharing of information/knowledge base across the global employment policy team?
4. How can we strengthen our global capacity to respond in a timely and customized fashion to the high number of requests for national employment policy support?
5. How can we strengthen our internal coherence across the Decent work agenda to deliver on employment objectives?