



# An Economy that Works for People – the Role of Employment

Trade and Private Sector Development – 26 November 2020

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*DEVCO B3*

# Outline of the session

- Employment – qualitative and quantitative aspects
- Decent work and International Labour Standards
- Mainstreaming employment
- Employment-specific actions
- Specificity of the labour market in developing countries
- Challenges related to COVID-19

# Why are jobs crucial for development?

Development outcomes are maximised through the creation of jobs

“...Jobs are more than just the earnings and benefits they provide. They are also the output they generate, and part of who we are and how we interact with others in society...”

...Through these outcomes, jobs can boost living standards, raise productivity, and foster social cohesion.”



World Bank, WDR 2013

# Are all jobs good for development?

- ❑ From a development perspective, both the **number and quality of jobs** matter
- ❑ **“Productive employment”**: Employed persons whose income is sufficient to permit them and their dependants a level of consumption above the poverty line
- ❑ **“Decent work”**: the availability of employment in conditions of freedom, equity, human security and dignity; four complementary **pillars**:

# 4 Pillars of the Decent Work Agenda

- Decent Work consists of **four inseparable and mutually reinforcing objectives**



## Employment

- Promoting employment and productivity
- Investment
- Sectoral policies
- Human resources development
- Youth



## Standards and Rights at Work

- Fundamental rights at work
- Freedom of association
- Abolition of child and forced labour
- Pensions



## Social Protection

- Policies for social protection
- OSH
- Fair conditions at work



## Social Dialogue

- Promoting good governance
- Strengthening and involving social partners
- Promoting social dialogue



# Decent work and sustainable development

- Decent work – importance for sustainable development
- SDG 8 – decent work and economic growth
- Relevance for other SDGs

# International Labour Organisation



International  
Labour  
Organization

- ❑ Normative and tripartite organisation
- ❑ ILO Fundamental conventions
- ❑ ILO supervisory mechanism

# ILO and its standards



International  
Labour  
Organization

- ❑ UN Specialised Agency
- ❑ Founded in 1919
- ❑ Aims at promoting social justice and internationally recognized human and labour rights
- ❑ 187 members states, but it is the only worldwide organization founded on a tripartite structure

## Tripartism

Active interactions among the government, workers and employers as representative, equal and independent social partners



To seek mutually agreeable solutions for issues of common concern

# International Labour Standards



International  
Labour  
Organization

**ILO Conventions** (total: 190) - International treaties open to ratification, legally binding (most recent: Violence and harassment Convention, 2019, C190)

**ILO Protocols** (total: 6) - Partially or optionally revise or amend earlier Conventions (Most recent: 2014 Forced Labour Protocol, P29)

**ILO Recommendations** (total: 205) - Provide guidance, either standalone or linked to Conventions (Most recent: Violence and Harassment Recommendation, 2019, R206 and Employment and Decent Work for Peace and Resilience , 2017, R205)

# ILO FUNDAMENTAL CONVENTIONS

Standards Concerning fundamental human/social rights



International  
Labour  
Organization

## Freedom of Association

- C.87 – Freedom of Association, 1948
- C.98 – Right to Collective Bargaining, 1949

## Freedom from Discrimination

- C.100 - Equal Remuneration, 1951
- C.111 – Discrimination (Employment and Occupation), 1958

## Freedom of Forced Labour

- C.29 – Forced Labour, 1930
- C.105 – Abolition of Forced Labour, 1957

## Minimum Age for Employment

- C.138 – Minimum Age, 1973
- C.182 – Elimination of Worst Forms of Child Labour, 1999

# International Labour Standards



International  
Labour  
Organization

## **ILO Declaration on Fundamental Principles and Rights at Work, 1998**

*All ILO member States, even if they have not ratified one or more of the fundamental Conventions, have an obligation to respect, promote and realize the fundamental rights and principles at work, because of their membership in the Organization*

## **ILO Centenary Declaration for the Future of Work, 2019**

Safe and healthy working conditions are fundamental to decent work

# SUBJECTS OF ILO STANDARDS

In addition to subjects covered by fundamental and governance conventions



International  
Labour  
Organization

- Wages, Working time
- Occupational safety and health (OSH),
- Maternity protection, HIV/AIDS
- Social security, Social policy
- Vocational guidance and training
- Employment security
- Seafarers, Fishers, Dockworkers, Specific categories of workers
- Migrant workers
- Indigenous and tribal peoples

Labour Rights and Standards  
Indigenous Peoples Youth Inclusion  
Forced Labour Inequalities  
Vocational Education and Training  
Social Protection **Informal Economy**  
Social Dialogue Decent Work  
**Disabilities** Child Labour  
Youth Employment

# ILO supervisory mechanism



- Submission and examination of periodic reports on the application of ratified Conventions
- States submits reports; employers and workers comment
- **Committee of Experts on the Application of the Conventions and Recommendations (CEACR):** requests, examination, observations (report)
- **Conference Committee on the Application of Standards (CAS):** tripartite discussion on the CEACR report and 25 individual cases 'selected each year by social partners, conclusions and report

# Employment promotion in the European development agenda

New European Consensus on Development (2017)

- People & Prosperity directly linked to employment promotion efforts

## People

Needs of youth, particularly young women and girls, by increasing quality employment and entrepreneurship opportunities (e.g. education, VET, digitalization)

Support targeted investments to promote young people's rights to facilitate their engagement in social, civic and economic life

Reduce inequality of outcomes and promote equal opportunities for all

## Prosperity

Promote economic transformations that enhance productivity and create decent jobs.

Support MSMEs; Facilitate trade and investments; Work with the private sector

Promote labour standards

Invest in sustainable agriculture to diversify production systems, generate increases in productivity and foster job creation.

# Employment promotion in the European development agenda

## Recent Developments

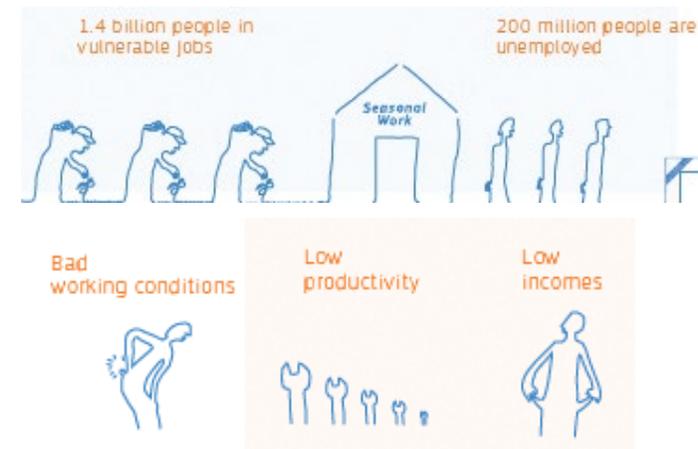
- Neighboring, Development and International Cooperation Instrument
- Team Europe Communication (global EU response to COVID19)
- Digital 4 Development (2017)
- Green Deal (2020)

# Employment in EU Development cooperation

- Strong link between employment and poverty reduction
- Traditional focus on GDP growth not always accompanied with attention to impact on employment
- Complex labour markets, with a large number of different employment situations existing both in formal and informal economy contexts
- Pro-poor approach: special attention on lower end of the labour market, often neglected by policy interventions.

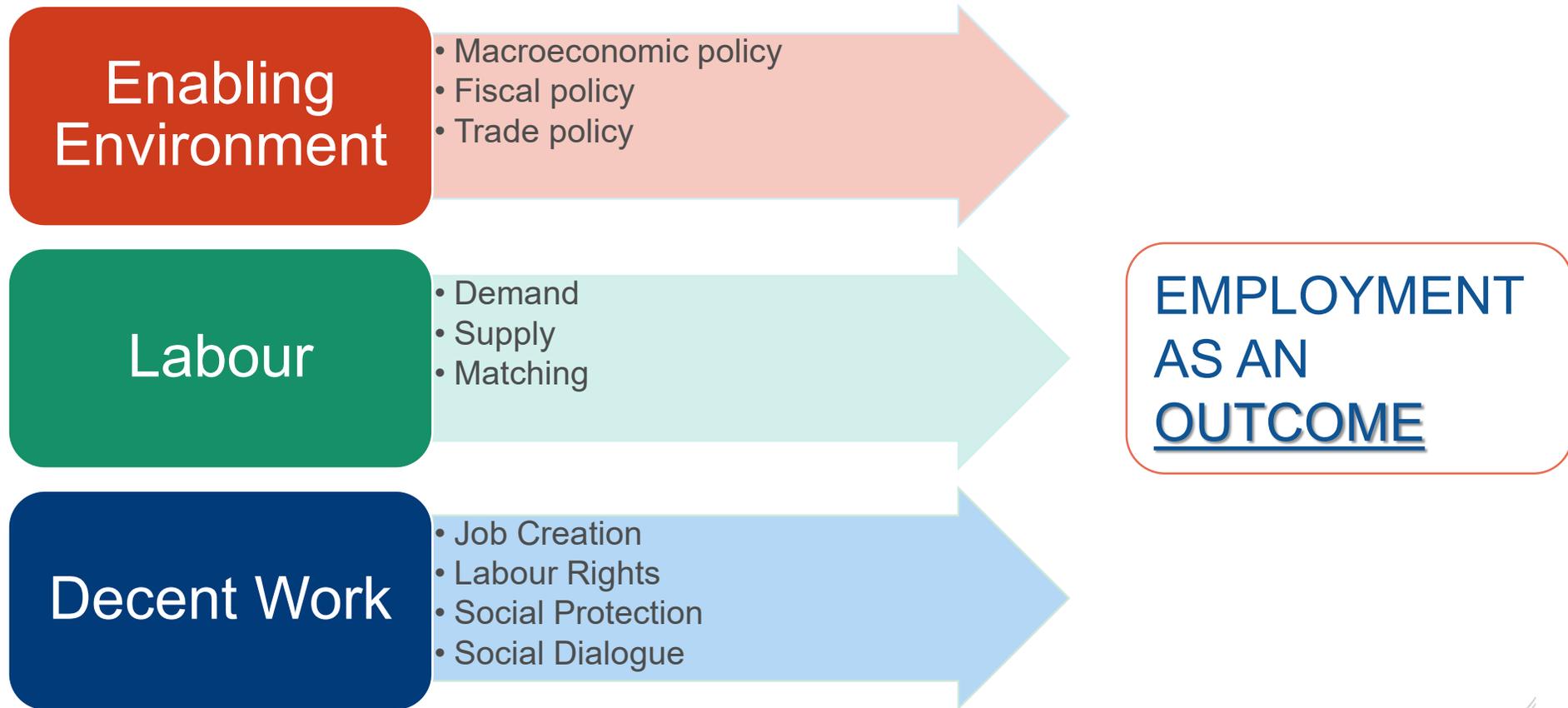
## Three main objectives:

1. Maximise decent job creation: supporting job rich growth
2. Improve the quality of existing jobs in terms of earnings and working conditions
3. Ensure increased access to these decent jobs, particularly for vulnerable groups.

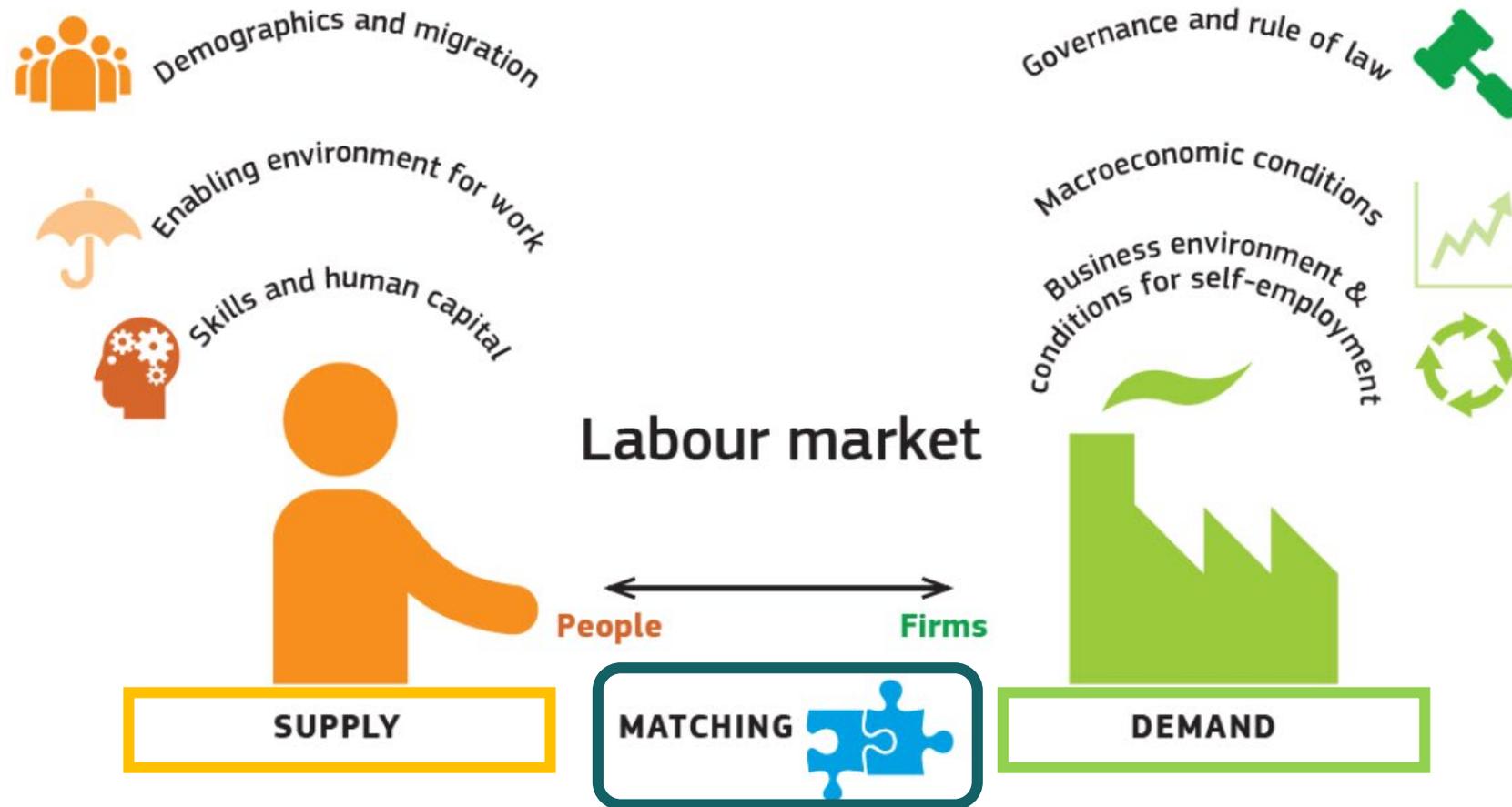


# Employment in EU Development cooperation

EC approach on employment is broad



# Employment as a comprehensive, multi-sectoral priority



# Employment in EU Development cooperation

## Employment as an “outcome” of:

1. Job-rich strategies;
2. Improved access to the labour market;
3. Protection of social rights

- Challenges may not be only related to labour markets → they are often outside!
- Need to have a two-track approach
  - MAINSTREAMING → Strengthening the employment perspective of overall development strategies, social and economic policy, programmes in fields such as infrastructure, private sector development, and rural development
  - Support employment-specific interventions

## Improving Social Inclusion, Reducing Inequalities



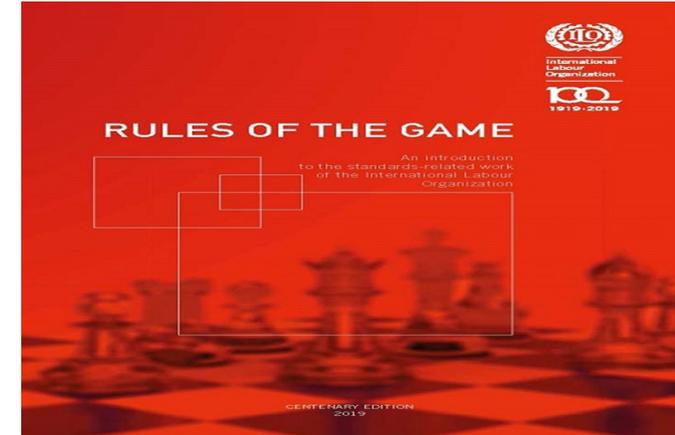
# EU's role as responsible global leader in promoting decent work worldwide



**EU major player in globalisation** – connected closely to workers along Global Value Chains



**EU founding values** – stand up for workers rights worldwide



**Global level playing field** – in the interest of workers, states and business

# Mainstreaming employment

# Mainstreaming employment

- **Other policies:**

- When selecting sectors to invest in, **always take the criterion of employment potential** into account



- Positive employment impact shall contribute to poverty reduction and have spill-over/ multiplying effect on other areas thanks to increased purchasing power

- Focus on employment of groups disadvantaged in the labour market: youth, women, minorities, people with disabilities, people living in remote areas etc.



- First assist those who are disadvantaged in order to reduce discrimination (RBA), inequalities and achieve inclusiveness; avoid concentration of economic and therefore political power

- Assess employment impact of investment/ trade/ sectoral policies – ex-ante and ex-post



- Quantify/ assess what you plan to do and what you achieve; learn lessons, build policy/ action on evidence;

# Strengthening the impact on employment of sector and trade policies (Strengthen)



## Phase I

- To strengthen the capabilities of countries to analyse and design sector and trade policies and programmes that enhance employment creation for more and better jobs
- Review methodologies for employment impact assessment
- Spread the culture of employment impact assessment in public policies design
- Spread the culture of monitoring the impact on employment

## Phase II

- Apply the employment impact assessment methodologies
- Assess selected EIP interventions
- Develop conclusions and recommendations

# Trade for Decent Work

- EU trade policy is aimed to contribute to decent work promotion
- New EU Free Trade Agreements (since 2011, 15 FTAs covering 76 countries) include chapters on Trade and Sustainable Development
- EU's unilateral trade preferences (EBA) grant developing countries removal of import duties; respect of core international standards, including labour, in return

Problems to  
achieve the  
compliance

- Trade for Decent Work launched in 2019
- Aims at improving the application of the ILO fundamental Conventions in EU trading partner countries through improved labour relations and working conditions

# Employment-specific initiatives



# Socieux +

- ❑ Facilitates peer-to-peer exchanges and cooperation among public practitioners and social partners,
- ❑ Mobilises technical expertise from public institutions and administrations from all EU MS
- ❑ Provides access to TA on social protection and employment
- ❑ Demand-driven, short-term, response to *ad hoc* needs
- ❑ Types of interventions: work on documents (strategies, legislation), institutional set-up, knowledge sharing and development



# VET Toolbox

- Demand-based support facility using EU member state agencies' VET expertise
- Objective: ***Contribute to conditions for sustainable economic development and support inclusive growth through improving effectiveness of VET reforms by enhancing labour market relevance and employability for all***



# Decent work in sustainable global value chains

**Better Work** aims at improving working conditions and respect of labour rights for workers, in particular women workers, boosting the competitiveness of apparel businesses, and enhancing compliance to fundamental international labour standards.

**Vision Zero Fund** is a multi-donor trust fund that works to reduce the number of work-related fatalities and accidents and occupational diseases in sectors linking to global value chains

# Key importance of social dialogue



# KEY MESSAGES

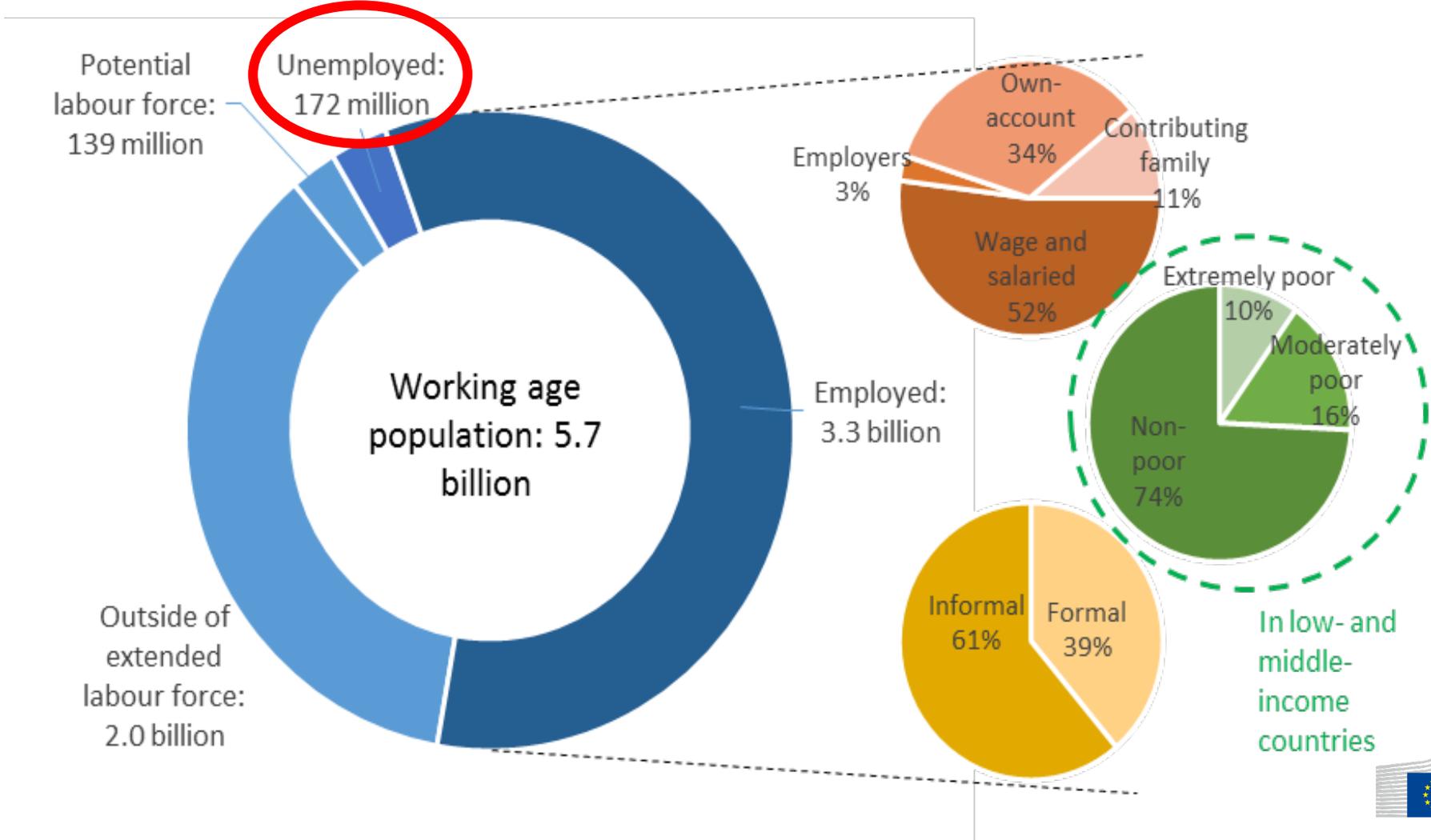
Employment is a key driver of development, improving living standards, raising productivity, and contributing to social cohesion. As such, employment is the key ingredient for inclusive growth.

When designing trade and private sector development programmes include considerations for employment outcomes: assess ex-ante what will be the impact on employment, monitor the impact on employment during project/programme implementation, evaluate the results ex-post and identify lessons learned

Include components (activities) aiming at improving the quality of employment created by the private sector through effective enforcement of labour legislation, promotion of social dialogue, strengthening on civil society organisations, including workers' and employers' organisations.

# Specificity of the labour market in developing countries

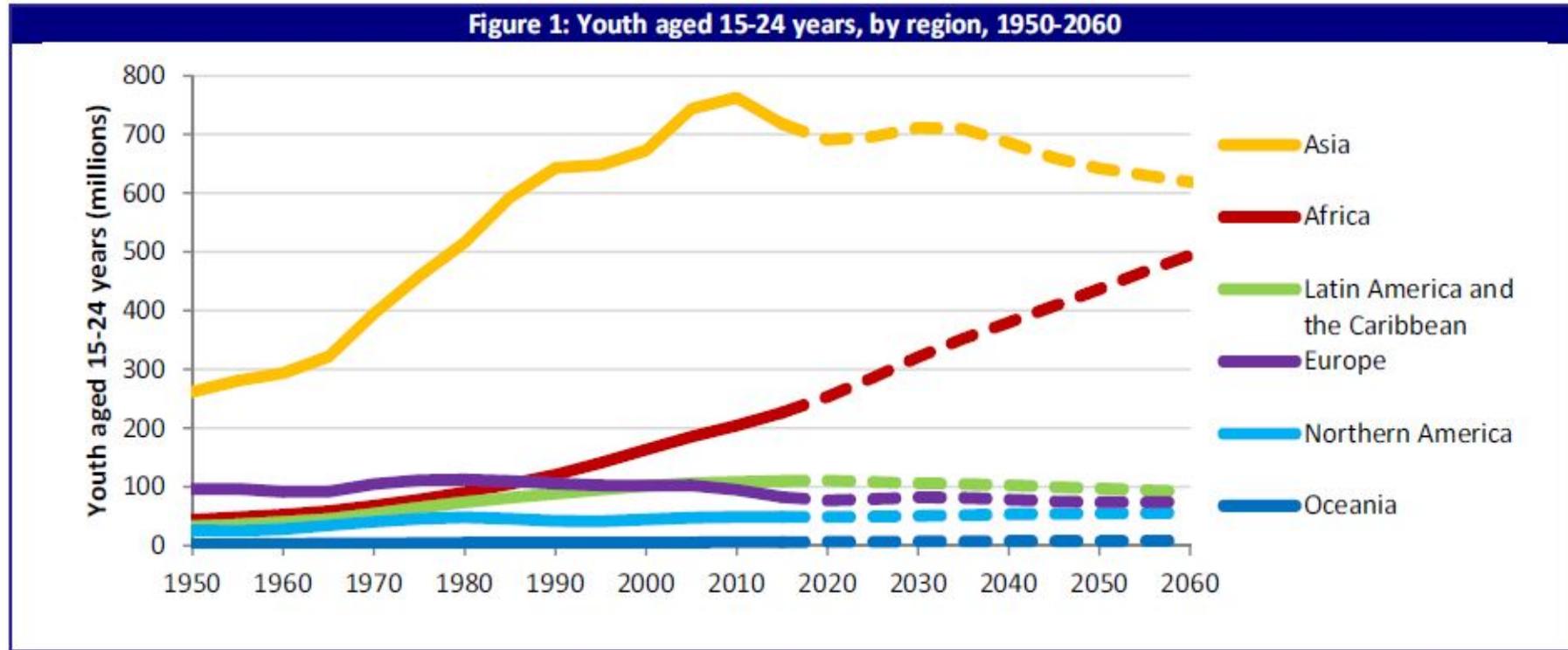
# Global labour market in a snapshot



# Specificity of labour markets in developing countries

- ❑ **Informality** is the norm, formality is the exception
- ❑ **Unemployment rate does not** reflect the situation in the labour market
- ❑ **Underemployment** is the situation to work less hours than wanted
- ❑ **Weak position of women** on the labour market

# Why youth is a priority...



Data source: United Nations (2013) *World Population Prospects: The 2012 Revision*.

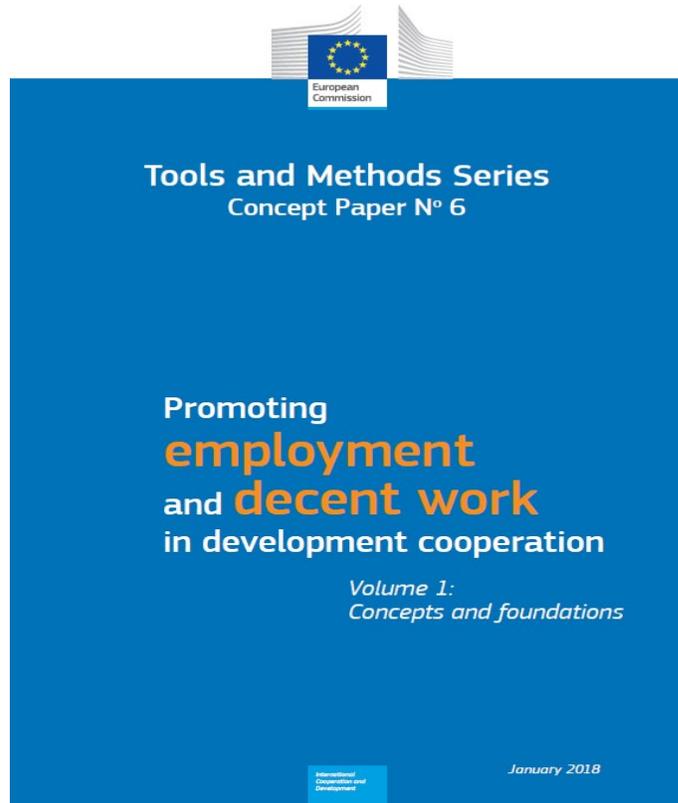


# Impact of COVID-19 in the World of Work

- Loss of 495 million full-time jobs equivalent worldwide
- Lower income countries hardest hit (240 million jobs)
- Some 1.6 billion workers in the informal economy lose job opportunities
- Estimated loss of income – 10.7% during Q1-Q3 2020
- Particularly severe for vulnerable groups – women, youth, migrant workers and refugees most affected
- Endangering so-far-achieved progress in poverty reduction (extreme poverty: 1990: 36%, 2015: 10%)
- Spotlight on existing decent work issues

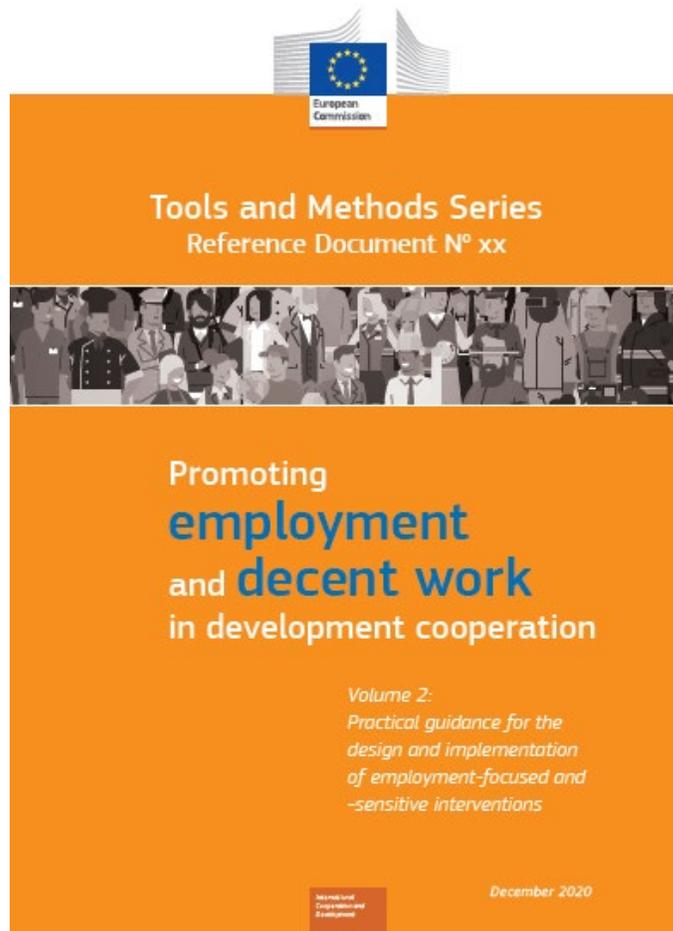
# Additional resources

# The “Employment Manual” Vol. 1



- **Vol. 1: Concepts and Definitions**
- Content:
  - The role of employment and decent work in development
  - Employment challenges in developing countries
  - Categories of employment constraints
  - A Comprehensive approach to promoting employment and decent

# The “Employment Manual” Vol. 2



- **Vol. 2: Practical Guidance for the Design and Implementation of Employment-focused and Employment-sensitive Interventions**
  - Employment Diagnostics and Labour Market Monitoring
  - Policy Planning and Coordination
  - Instruments of Labour Market Policies and Programs
  - Promoting Employment for Special Target Groups and Contexts
  - Mainstreaming Employment and Decent Work

# Thank you!



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