

Implementing the Global Jobs Pact in Africa

ITUC-Africa Forum on the Global Financial and Economic Crisis and the Global Jobs Pact

Lome, Togo, September 14 – 16, 2009

Outline

- The Global Financial and Economic Crisis: Latest facts and figures
- Implications for Africa's labour markets
- Recovering from the crisis: A Global Jobs Pact
- The ILO's support in implementing the GJP in Africa
- Final thoughts/TU Plan of Action

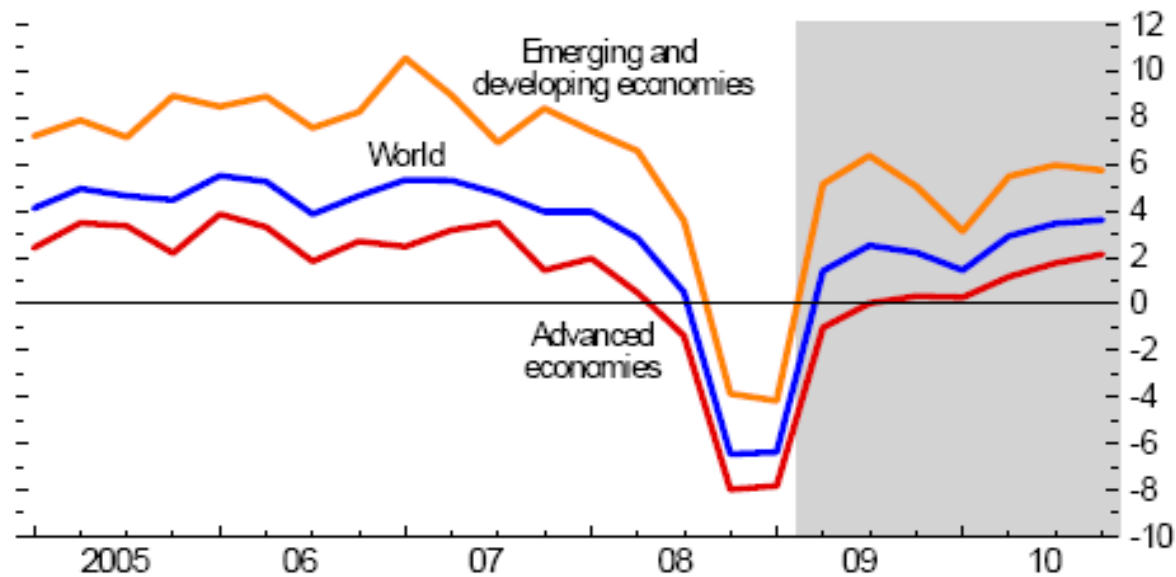
The Global Financial and Economic Crisis: Latest facts and figures

Data mainly from the IMF World Economic Outlook, July 8, 2009 Update

Global GDP growth estimates and projections

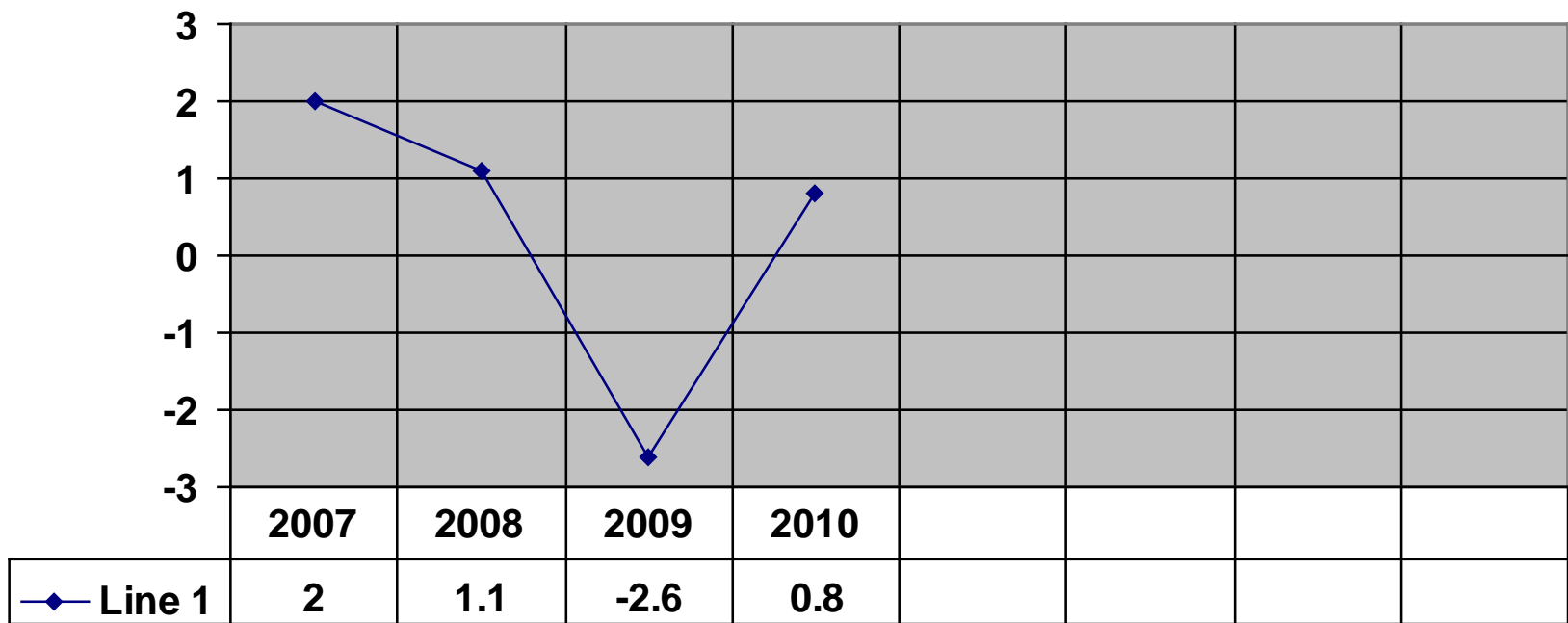
- One year after the collapse of the Lehman Brothers, the global economy is “beginning to pull out of the recession”
- That “green shoots” are spouting in the gloom
- BUT recovery is expected to be sluggish
- Global activity is forecast to contract by 1.4 per cent in 2009
- Economic growth during 2009–10 is now projected to reach 2.5 per cent in 2010
- Africa is projected to grow at 1.8 per cent in 2009 and 4.1 per cent in 2010
- However the world is still far from where we were before the crisis

Global GDP growth, 2005-10

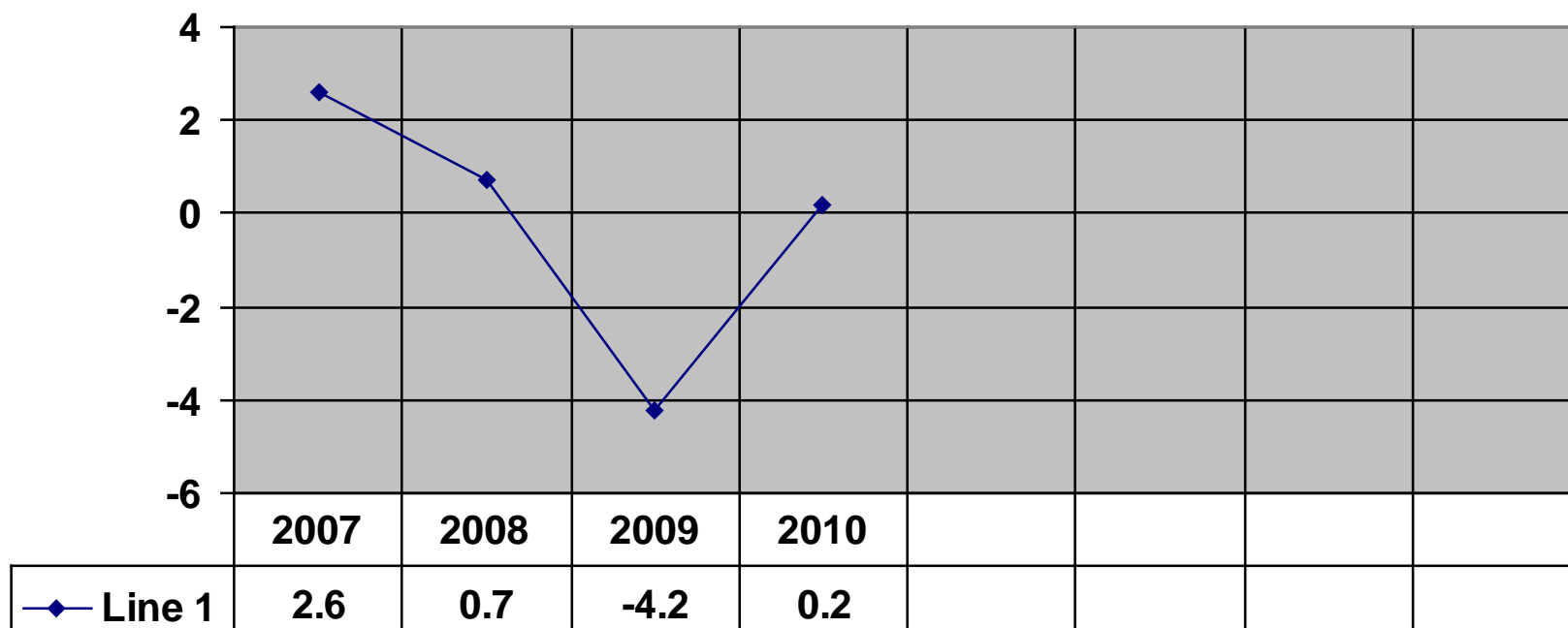


Source: IMF staff estimates.

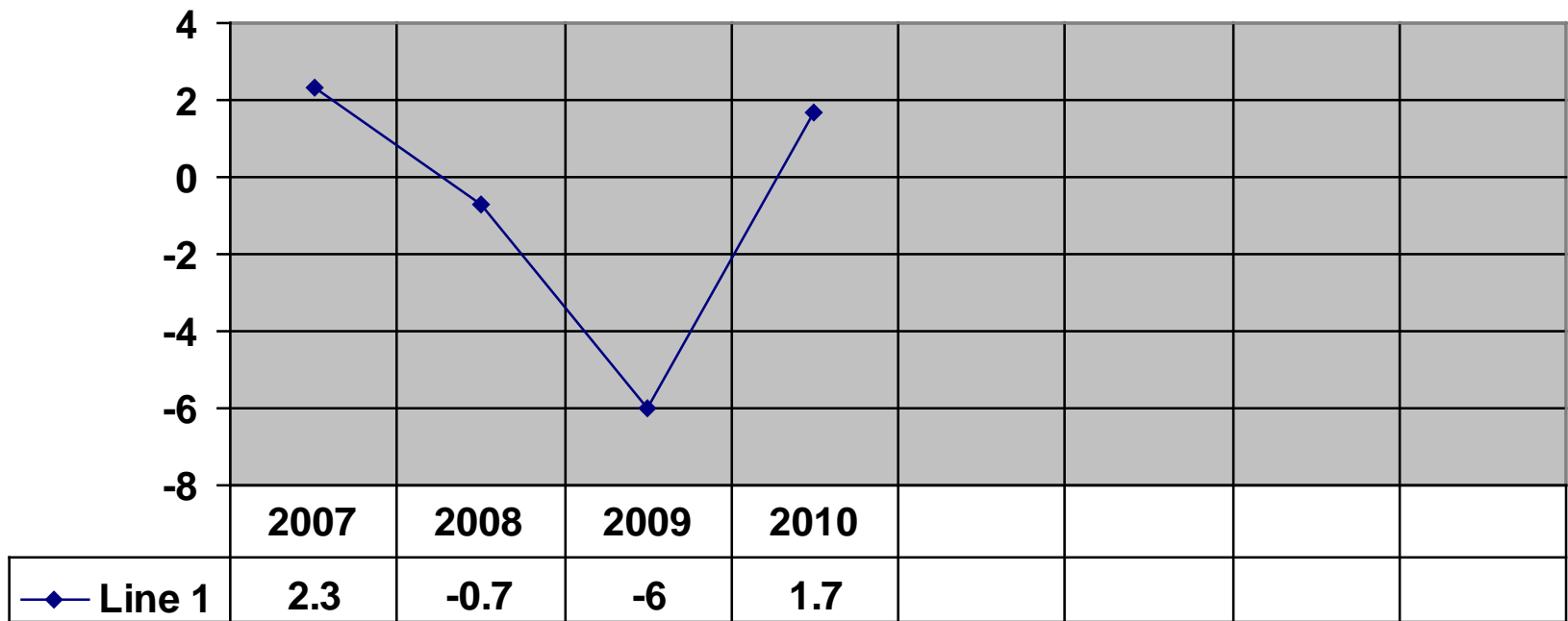
United States GDP growth rates



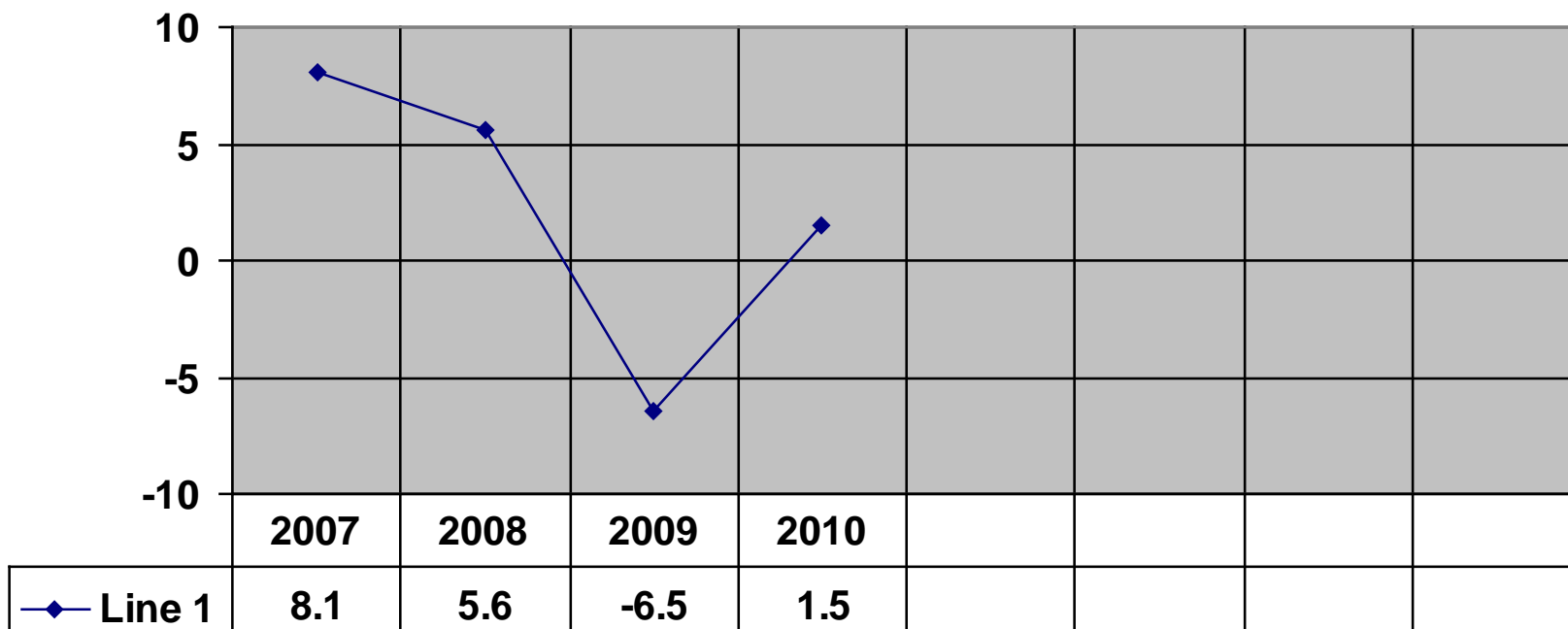
UK GDP growth rates



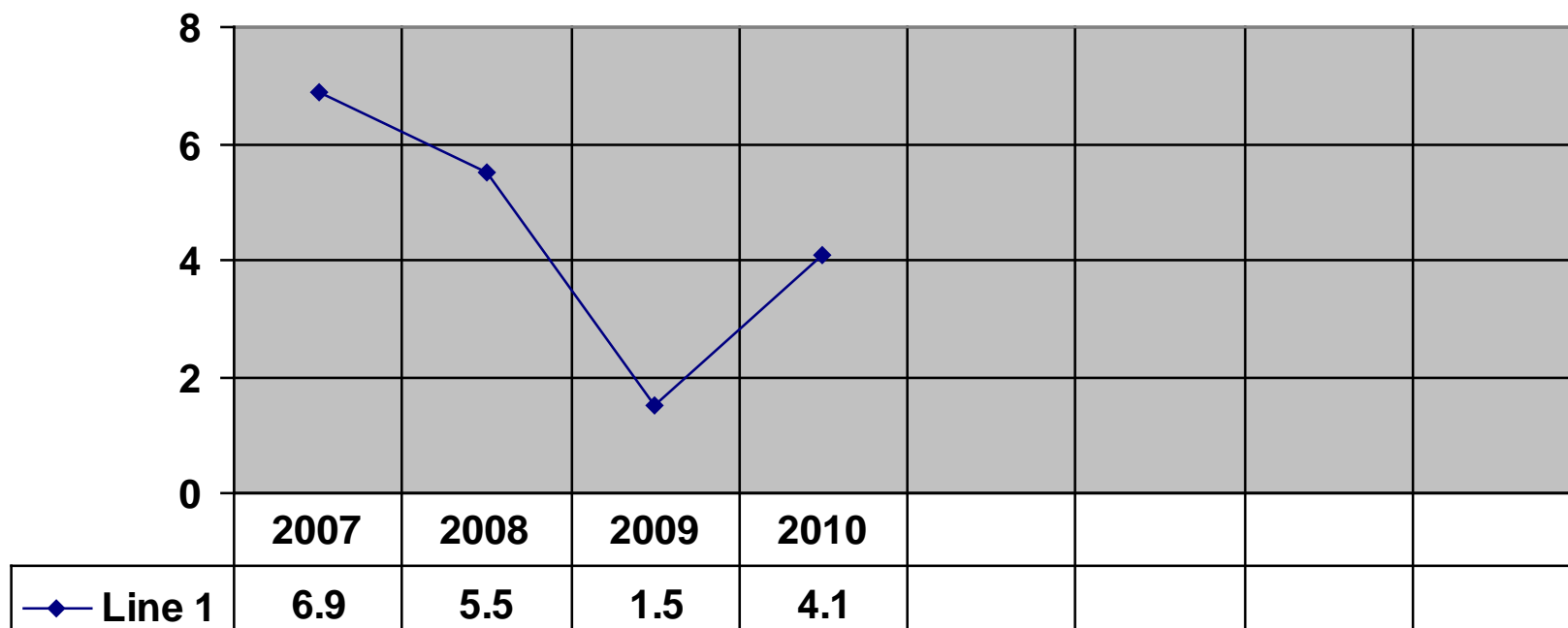
Japan GDP growth rates



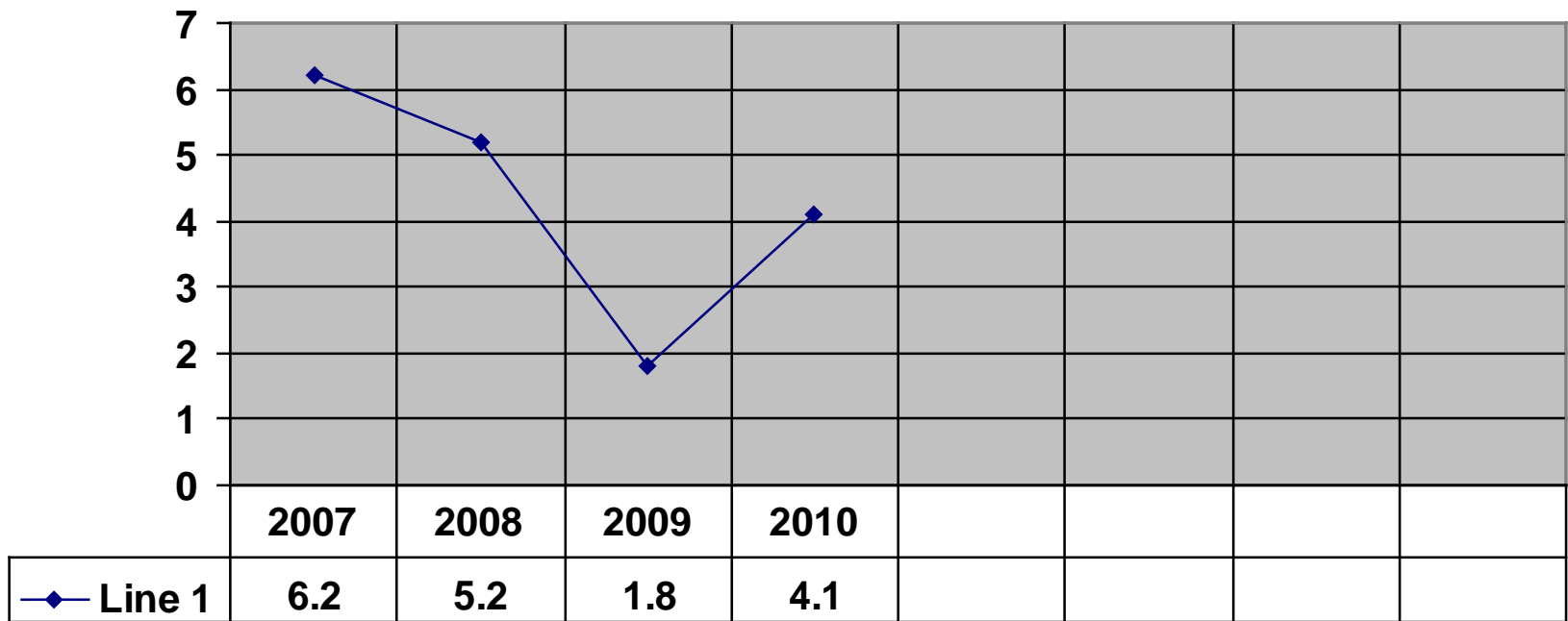
Russia GDP growth rates



SSA GDP growth rates



Africa GDP growth rates



But a return to growth \neq the end of our troubles

- Africa was already growing rapidly before the crisis hit
- Yet the challenges of poverty and unemployment remained unresolved
- A simple return to the status quo before the crisis is not the answer
- For sustainable recovery, fundamental readjustments and realignments will be necessary

Implications for Africa's labour markets

Most data from the *Global Employment Trends Update, May 2009*

How Africa is affected

- Africa is affected by the “third wave” of the crisis, which is hitting low-income countries
- Mainly as an economic crisis rather than a financial crisis
- 5 growth drivers/transmission mechanisms affected:-
 - *foreign direct investment,*
 - *export earnings,*
 - *number of tourists,*
 - *remittances from migrant workers, and*
 - *ODA levels*
- A fall in the 5 => economy-wide effects - formal, informal, agricultural and rural sectors

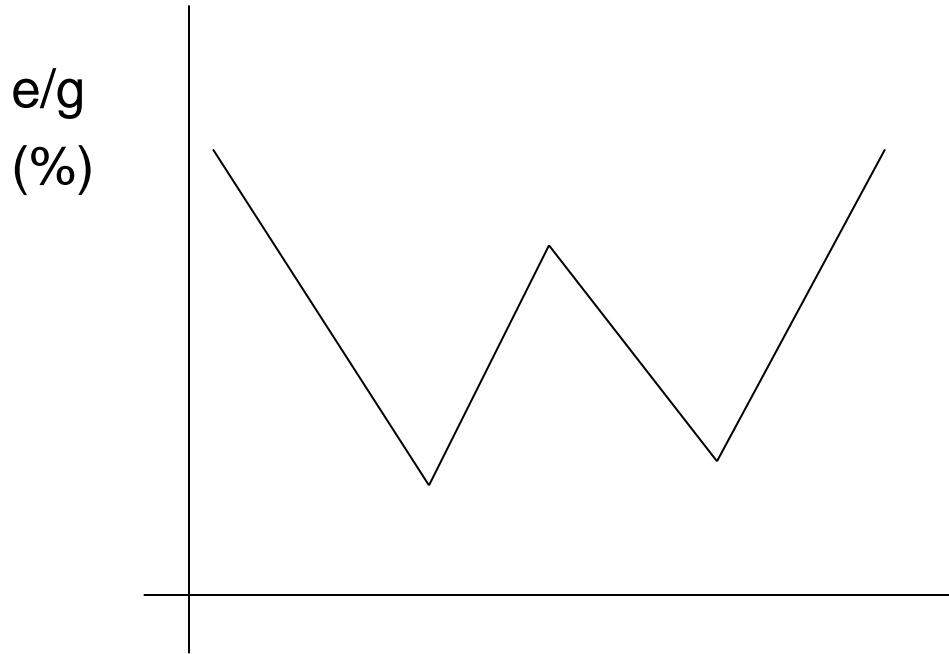
2009 = worst year for employment creation

- Unemployment projected to levels ranging from 210 million to 239 million unemployed worldwide in 2009 => global unemployment rates of 6.5 and 7.4 per cent respectively
- An increase of between 39 and 59 million unemployed people since 2007
- 200 million workers are at risk of joining the ranks of people living on less than US\$ 2 per day between 2007 and 2009
- The global labour force is expanding at an average rate of 1.6 per cent, equivalent to around 45 million new entrants annually, while global employment growth is expected to drop further to between 0 and 1 per cent in 2009

ILO projects that...

- Earlier predictions were that it could take between 6 to eight years for a full recovery
- If the recovery in output growth is weak and its job content also weak, the world could be in for a 6 year or longer period of severe labour market distress
- If policies to counteract recession and stimulate growth are focussed on job content, the distress can be alleviated within 3 years

Fears of a “W” if recovery efforts are not well implemented



Recovering from the crisis

A Global Jobs Pact

Mr. Lawrence Egulu - ILO/ROAF, Addis
Ababa

The ILO's response to the global financial and economic crisis: The Global Jobs Pact

- The Global Jobs Pact was adopted by the 2009 International Labour Conference following strong support voiced during a three-day ILO Global Jobs Summit by heads of state and government, vice-presidents and ministers of labour, worker and employer representatives and other leaders
- The Global Jobs Pact is a framework for the period ahead and a resource of practical policies for the multilateral system, governments, workers and employers
- It was designed to guide national and international policies aimed at stimulating economic recovery, generating jobs and providing protection to working people and their families

Contents of the GJP

The GJP consists of five parts:-

- decent work response to the crisis;
- principles for promoting recovery and development;
- decent work responses, consisting of:
 - accelerating employment creation, jobs recovery and sustaining enterprises,
 - building social protection systems and protecting people,
 - strengthening respect for international labour standards,
 - social dialogue: bargaining collectively, identifying priorities, stimulating action;
- the way forward: shaping a fair and sustainable globalization; and
- ILO action

Principles for promoting recovery and development

- Priority to **employment and building social protection** as part of international and national action to aid recovery and development.
- Enhancing support to **vulnerable** women and men hit hard by the crisis including youth at risk, low-wage, low-skilled, informal economy and migrant workers;
- **Maintaining employment and facilitating job transitions** and access to labour market for jobless, e.g. through public employment services, skills development;
- **Avoiding protectionist solutions**, including wage deflation and undercutting labour standards;
- **Social dialogue, tripartism and collective bargaining;**
- **Economic, social and environmental sustainability;**
- Effective and efficient regulation of market economies to enable **sustainable enterprises and employment;**
- **Strengthened policy coherence** including increased development assistance to least developed and countries with restricted fiscal space.

Decent Work responses

- *Active Labour Market Policies* - Full and productive employment and decent work should be at the heart of crisis responses, including macroeconomic stimulus packages
- *Building social protection* – Sustainable social protection can prevent increased poverty, address social hardship, stabilize economy and promote employability
- *Rights* - International labour standards create and support rights at work
- *Dialogue* - Strengthen respect for, and use of, mechanisms of social dialogue, including collective bargaining, as an invaluable mechanism for design of policies and building commitment of employers and workers to joint action with governments

Shaping a fair and sustainable globalization

1. Policy coherence priorities for ILO:

- collaboration with UN and all relevant international organizations,
- responding positively to G20 invitation to assess the actions taken and those required for the future on employment and social protection, and
- continue active role in the UN Chief Executives Board (CEB).

2. Global Policy Priorities:

- building a stronger, more globally consistent, supervisory and regulatory framework for financial sector, so that it serves the real economy, promotes sustainable enterprises and decent work and better protects savings and pensions of people;
- promoting efficient and well-regulated trade and markets that benefit all and avoiding protectionism. Varying development levels of countries must be taken into account in lifting barriers to domestic and foreign markets; and
- shifting to a low-carbon, environment-friendly economy that helps accelerate the jobs recovery, reduce social gaps and support development goals and realize decent work.

3. Counteracting threat to development and poverty reduction by:

- making international resources available for countercyclical action, keeping commitments to increased aid, including budgetary support,
- Prioritizing decent work opportunities in systematic, well-resourced, multidimensional country programmes, e.g., by:
 - promoting sustainable enterprises, diversify production,
 - provide vocational and technical training and entrepreneurial skills development especially for **unemployed youth**;
 - addressing informality, invest in agriculture, rural infrastructure, industry and employment,
 - building up a basic social protection floor.

Implementing the GJP in Africa

Mr. Lawrence Egulu - ILO/ROAF, Addis
Ababa

Speedy promotion, broad popularization and effective implementation of the GJP

- The GJP is intended to stimulate economic recovery, generating jobs and providing protection to working people and their families
- The ILO extends its expertise to support governments, workers and employers to implement the GJP
- Key ILO activities include:-
 - improving countries' capacity to produce and use **labour market information** for decision making and monitoring progress;
 - assisting countries to **prioritize employment** and social protection in national crisis response and development strategies
 - **collecting and disseminating information** on countries' crisis response and recovery packages;
 - assessing the **actions taken** and those required for the future, working with other relevant organizations;
 - strengthening **partnerships** with other UN agencies regional development banks and other international financial institutions;
 - strengthening **country-level diagnostic and policy advisory capacity**; and
 - prioritizing **crisis response in Decent Work Country Programmes**

Key events (already carried out) in response to the financial and economic crisis

- Special Meeting on “Social Justice for a Fair Globalization: What Vision for Africa?” (Addis Ababa, October 9-10, 2008)
- Preparatory Meeting of the 2nd Social Partners Bureau (Addis-Ababa, January 24, 2009)
- Meeting of Experts on the 1st African Decent Work Symposium (Addis-Ababa, February 27-28, 2009)
- ILO Governing Body Employment and Social Policy (ESP) committee debate on the financial crisis on (Geneva, March 17, 2009)
- Special Meeting of the Tripartite African members of the ILO Governing Body (Geneva, March 20, 2009)
- High-level Tripartite Meeting on the Current Global Financial and Economic Crisis (Geneva, March 23, 2009)
- ILO presence at the G20 Summit (London, April 1-2, 2009)
- 304th Session of the ILO Governing Body (Geneva, March 2009) endorsed the holding of the “Global Summit on Dealing with the Job Crisis”
- 2009 International Labour Conference endorsed the GJP
- “Global Summit on Dealing with the Job Crisis” in Geneva on June 15-16, 2009
- Key endorsements of the GJP/ILO work to counter the Global Financial and Economic Crisis
 - UN Economic and Social Council in July 2009
 - L’Aquila G8 + Summit (July 8-10) hosted by Prime Minister Berlusconi of Italy
 - UN Conference on the World Financial and Economic Crisis and Its Impact on Development Outcome document in June 2009
- ...etc...

Meeting of Experts (Addis Ababa, February 2009)

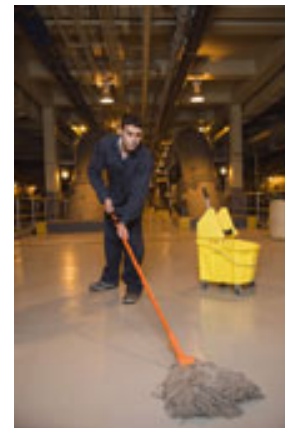
- Convened by the ILO Regional Office for Africa to prepare for the 1st African Decent Work Symposium
- Governments, workers, employers, the AU Commission, the African Development Bank, the UN Economic Commission for Africa, academics, and ILO officials participated
- The outcomes were adopted, together with the “African Decent Work Crisis Portfolio”, as the response towards addressing the economic, employment, labour and social impact of the financial and economic crisis
- The role of social partners identified:-
 - Investment in building their own capacities
 - Setting up of regional, sub-regional and national steering committees, in which social partners are actively involved
 - Avoid xenophobic reactions to migrant workers in host countries
 - Establishment of an early warning system to inform members on how to deal with such crises in the future

Concrete ILO actions in Africa to implement the GJP

- Support to social partners at national, sub regional and continental level:-
 - e.g. ITUC-Africa Forum on the Global Financial and Economic Crisis and the Global Jobs Pact (Lomé, September 2009); Arab Employment Forum (Beirut, October 2009)
- Conference on the social economy - Africa's Response to the Global Crisis (Johannesburg, October 2009)
- Regional Forum for Africa on Women's Entrepreneurship Development - In Response to the Financial Crisis (Cairo, October 2009)
- 2nd Social Partners' Forum (Ouagadougou, November 2009)
- 1st African Decent Work Symposium on "Recovering from the crisis: The implementation of the Global Jobs Pact in Africa (Ouagadougou, December 2009)
- Tripartite Workshop on the Impact of the Financial Crisis on Finance Sector Workers in Selected African Countries (December 2009)
- Crisis rapid assessments in Liberia (completed) and Uganda (forthcoming)
- Etc...

Each one of us has a role to play in effectively promoting the GJP

How do you fit in the big picture?



Trade Union Strategy for Implementing the GJP in Africa

| Decent work responses | WHAT Activity | WHO Main actor | WITH WHOM Collaborating partners) | WHY Key objectives | HOW Resources required | WHERE Venue | WHEN Time frame |
|--|-------------------------|--------------------------|---|------------------------------|----------------------------------|-----------------------|---------------------------|
| accelerating employment creation, jobs recovery and sustaining enterprises | | | | | | | |
| building social protection systems and protecting people | | | | | | | |
| strengthening respect for international labour standards | | | | | | | |
| social dialogue: bargaining collectively, identifying priorities, stimulating action | | | | | | | |
| •shaping a fair and sustainable globalization | | | | | | | |

Mr. Lawrence Egulu - ILO/ROAF, Addis Ababa

Issues for discussion/Final thoughts

- What was the economic performance of your country before the financial and economic crisis? What were the key growth drivers?
- How has the country been affected by the financial and economic crisis?
 - Growth
 - Exports
 - Remittances
 - FDI
 - ODA
 - Etc...
- What was the employment/labour market situation in your country before the crisis and now?
- What has been the national response by the authorities to the crisis? Were social partners involved in designing the crisis response?
- Have national crisis responses adequately addressed trade union concerns? Have trade unions been involved in the recovery discussions? How has the GJP been used?
- African economies were doing well before the crisis, and are now projected to experience slower but still positive growth in 2010. Yet social development indicators remain weak. What actions need to be put in place in your country, the sub region and the continent in general to ensure that economic growth is more employment-friendly?

Thank you for your kind
attention

Further information?

egulu@ilo.org