

Research Report

The Economic and Social Council Effective Implementation of the Global Jobs Pact



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Forum	ECOSOC
Issue:	Effective Implementation of the Global Jobs Pact
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Introduction

With the recent economic crisis, global unemployment has risen drastically, increasing poverty and income inequality. The consequences of growing unemployment are dire to the entire global community. According to the International Labor Organization (ILO), there were 210 to 239 million unemployed in 2009, which amounts to 6.8% of the labor force, the highest rate of unemployment since 1991. The consequences hereof not only take the form of reduced standards of living, but also political instability, large-scale protests, and industrial instability. To tackle this, the ILO has unanimously established the Global Jobs Pact as of 2009, aiming to place unemployment as a priority in the agendas of all nations, hoping to counter the current rising unemployment rates worldwide. The pact introduces numerous angles to improve unemployment levels, providing more jobs whilst simultaneously attempting to supply better social protection for workers. The focus of the Global Jobs Pact lies on encouraging investment, employment and social protection. It is thus clear that if implemented effectively, the Global Jobs Pact can have a prominent effect on the global economy, giving it the boost it needs to recover from the economic recession. Increased employment and economic growth would then translate into increased social benefits and reduced social tensions globally.

Definition of Key Terms

Global Jobs Pact

The Global Jobs Pact was initiated by the ILO in June 2009 with the cooperation of governments, employers and workers representatives. Together, this *'global policy instrument addresses the social and employment impact of the international financial and economic crisis. The fundamental objective of the Global Jobs Pact is to provide an*



internationally agreed basis for policy-making designed to reduce the time lag between economic recovery and a recovery with decent work opportunities. It is a call for urgent worldwide action: national, regional and global.’ (ILO) The pact consists of ‘a set of balanced and realistic policy measures that countries, with the support of regional and multilateral institutions, can adopt to ease the impact of the crisis and accelerate recovery in employment.’ (ILO) The Pact also calls upon all member states to place employment and the creation of adequate jobs as a priority in national agendas. It also promotes ‘job-centered policies’ for nations, further hoping to reduce unemployment. ‘Guided by the Decent Work Agenda and commitments made by the ILO constituents in the 2008 Declaration on Social Justice for a Fair Globalization, the Pact recalls that respecting fundamental principles and rights at work, strengthening social protection, promoting gender equality and encouraging voice, participation and social dialogue are critical to recovery and development. It proposes a portfolio of policies aimed at:

- *Generating employment*
- *Extending social protection*
- *Respecting labour standards*
- *Promoting social dialogue*
- *Shaping fair globalization*

In short, the Pact is about promoting jobs and protecting people, about responding to both the people’s agenda and the needs of the real economy.’ (ILO)

Decent Work Agenda

The Decent Work Agenda was formulated by the ILO to highlight the criteria for which the ILO strive to achieve regarding employment. It emphasizes the priorities of ILO, ‘based on the understanding that work is a source of personal dignity, family stability, peace in the community, democracies that deliver for people, and economic growth that expands opportunities for productive jobs and enterprise development.’ These priorities have consequently taken on a global dimension as governments and societies use it as a foundation for their own development of employment standards. Decent Work aims to aid globalization in a fair way, as well as reduce global poverty and promote sustainable and equitable development. Therefore, the Decent Work agenda is key to the Global Jobs Pact, guiding its efforts and objectives. Some of the criteria set for Decent Work include:

- No child labor
- No forced labor



- No inequality
- No danger at work
- Working in dignity
- Work able to feed the family
- Work that gives the worker a voice
- Work that shields from discrimination
- Work with protection and safety
- Work that raising standards of living
- Work that allows the worker to retire in dignity

2008 Declaration on Social Justice for a Fair Globalization

This can be considered an updated version of the objectives of the ILO, with a focus on the currently globalized economy. This Declaration builds on previous declarations, adapting to the current economic climate. However, despite updates, the declaration also confirms and reaffirms previously stated aims and objectives, emphasizing the importance of collaborating through the ILO to obtain social justice and economic progress, especially in the current era of globalization. Once again, there is much reference to the Decent Work Agenda.

General Overview

The Global Jobs Pact was created for a reason. The economic recession has proven itself resilient to recovery, and therefore it is clear that centralized efforts need to be made to overcome this economic crisis through tackling one of its largest factors, unemployment. Macroeconomics dictates low unemployment as one of five main goals of any economy. Low unemployment would consequently mean more effective use of human capital as resources for production, which can translate into substantial, consistent economic growth, the ultimate solution to the current economic crisis. Furthermore, there are numerous benefits to increased employment that extend farther than the economy, as it alleviates poverty, increases standards of living, rising consumer and business confidence, as well as



stimulating social stability and decreased social tensions. Therefore it is clear that increasing employment as a range of substantial benefits that could translate positively for any economy.

The Global Jobs Pact calls upon *'coordinated global action to maximize the positive impact of policy initiatives on jobs and sustainable enterprises worldwide. Its successful implementation depends on national and international decisions, by governments, business, labour, parliaments, local authorities and civil society, as well as by donors and multilateral institutions.'* (ILO) The Global Jobs Pact hopes for national cooperation in order to achieve increased decent work for all, as dictated by their Decent Work Agenda. They have created guidelines for nations to follow and adjust according to specific national needs, hoping to aid nations towards a sustainable recovery from the economic crisis.

Current obstacles facing the Global Jobs Pact

The obvious problem with investing in employment for most economics is the lack of budgets to do so. The financial crisis has left many governments bankrupt regarding budgets, as exemplified by the eurozone crisis. Governments are in too much of a deficit to afford investment in any sector of the economy, and creating employment is an expensive investment. Furthermore, creating new jobs also requires much private consumer and business confidence. If the monetary investment is not to come from the government, than private institutions and investors must have the confidence in the global economy to invest in its recovery. At the current moment, there is low to none consumer and business confidence for such investments, and thus the ideal of increasing employment is hard to meet. Furthermore, the goal of providing more social security for workers is also a difficult task in the current economic climate, especially as it clashes with the goal of increasing employment. Increasing social security usually entitles strengthening workers' rights, making it harder for firms to abruptly fire employees. This makes the labor force less mobile and flexible, as workers are guaranteed more security of their job. This discourages firms further from employing new workers, as they realize the difficulty they would have firing them if necessary, which is very likely, especially in the current unstable economic climate. Therefore, firms become less willing to expand and increase jobs, whilst governments have no budgets to fund such projects, and private investors/firms have little confidence to invest in the economy. These three points together form a huge obstacle that the Global Jobs Pact currently faces, amongst many others.

Major Parties Involved and Their Views

International Labor Organization

The ILO involves itself with all issues work/employment/labor related. Its aim is to promote *‘social justice and internationally recognized human and labor rights pursuing its founding mission that labour peace is essential to prosperity.’* (ILO) The ILO helps give workers the working conditions they deserve, facilitate communication and transparency on labor related issues, and provide optimum employment opportunities for all. Its main objectives are to:

- *Promote and realize standards and fundamental principles and rights at work*
- *Create greater opportunities for women and men to decent employment and income*
- *Enhance the coverage and effectiveness of social protection for all*
- *Strengthen tripartism and social dialogue*

Furthermore, being the initiator of this Pact, the ILO plays an even more vital role. It has an abundance of expertise to offer, as well as being an international foundation that can be used for neutral communication and transparency between nations and firms. The ILO is thus a great asset to use in this issue.

United Nations Development Programme (UNDP)

‘UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in 177 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.’ (UNDP) The UNDP helps implement all sorts of international goals, such as the Millennium Development Goals. It wishes to promote and aid the development of nations. Employment is a huge aspect of a society and increasing employment is often also a sign of social development. Therefore, the UNDP could also play a role in this issue with their available expertise, resources and insight.

International Monetary Fund (IMF)

The IMF seeks to promote financial stability and cooperation, as well as increased employment and international trade. Because many of the issues and problems the Pact currently faces are financial, the expertise and resources of the IMF could definitely help. Furthermore, they cooperate with numerous nations, organizations and institutions, and thus can help unify national attempts and collectively implement the Global Jobs Pact.



Timeline of Events

Date	Description of event
2007	Start of the financial crisis
August 13th, 2008	2008 Declaration on Social Justice for a Fair Globalization
June, 2009	The Global Jobs Pact is adopted
June, 2009	The ECOSOC adopts a resolution promoting the Global Jobs Pact

UN involvement, Relevant Resolutions, Treaties and Events

To aid and support the ILO's efforts with the Global Jobs Pact, the ECOSOC committee has adopted a resolution that called upon nations to use the Pact when making decisions regarding tackling the economic crisis. Furthermore, the G20 summit leaders 'welcomed it as "an employment-orientated framework for future economic growth"' (ILO) in Pittsburgh in 2009

- Recovering from the crisis: a Global Jobs Pact, June 2009 **(E/2009/SR.35)**

Evaluation of Previous Attempts to Resolve the Issue

To deal with rising unemployment, numerous methods can be employed. From an economic standpoint, high unemployment can be tackled from different perspectives. Minimum wage can be lowered, or the process of hiring/firing can be made easier. However, these measures come with high ethical implications, as it reduces the overall working conditions. This is usually negatively perceived by society, and thus is not often a popular move by the government. Furthermore, subsidizing firms to create more jobs, or increasing investment, is another option. Governments can also directly provide more jobs themselves, or order investment that requires more labor, such as improving infrastructure. However, as previously mentioned, these projects are expensive, especially for governments with budget deficits. Another way to increase employment is to reduce taxes, thereby increasing the incentive to work due to the higher profit margin. But again, governments cannot afford to do this if there are in a budget deficit. Therefore, it is clear that reducing unemployment is a difficult task for governments during an economic recession.

Possible Solutions

- To aid the implementation of the Global Jobs Pact, it is clear that monetary support is necessary. Perhaps financial aid from international institutions like the IMF could help aid the implementation of the Global Jobs Pact
- To promote social security, appropriate national legislation needs to be implemented. However, such a measure also needs to be carefully thought out, as legislation increasing workers' rights and security can often be perceived as negative for firms and reduce their incentive to hire more workers as they realize how hard it will be to fire them if necessary. Therefore, this might encourage firms to relocation elsewhere, or discourage them for hiring more workers, which is detrimental to the first and foremost aim of the Global Jobs Pact, namely, creating more jobs.
- Another way to help facilitate the implementation of the Global Jobs Pact is through re-education and training of workers. Often, nations suffer from structural unemployment. The economic crisis has in many cases changed the entire economic dynamic of a society. Workers in specific sectors of the economy which once boomed may now find themselves jobless due to lack of demand in their sector but increased demand in alternative sectors. Re-education and training of workers who cannot find jobs due to a structural change in the economy would help in the long-term to ensure optimum productivity and mobility of the labor force.
- The Global Jobs Pact is an international framework, and each nation suffers different and uniquely from the current crisis, with different causes and types of unemployment. Therefore, despite the best intentions of the Pact to unify efforts at reducing unemployment and provide standardized methods of tackling unemployment in a sustainable way, it is not always going to be effective for every nation, as each nation needs their own tailored plan of how to deal with unemployment. If the Global Jobs Pact could continue to cater to the international community as it does, but also provide more nation-specific aid, it would be more effective and easier to implement, as well as more realistic. This could ensure that the Pact can help individual nations with their individual unemployment problems, and thus result in a collective improvement of a reduction in unemployment levels.



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Appendices

- I. Full text of the Global Jobs Pact - http://www.ilo.org/ilc/ILCSessions/98thSession/texts/WCMS_115076/lang--en/index.htm
- II. Informational 'brochure' - http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/genericdocument/wcms_124350.pdf
- III. Report on the implementation of the Global Jobs Pact in Africa - <http://www.socialsecurityextension.org/gimi/gess/RessFileDownload.do?ressourceId=19190>



IV. 2008 Declaration on Social Justice for a Fair Globalization -

http://www.ilo.org/global/resources/WCMS_099766/lang--en/index.htm

