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Workshop on SDG 8: Achieving full and productive employment and decent work for all: The economic challenge of our time

*Wednesday, 16 October 2019, 9.30 a.m.–12.30 p.m.
Hall 15/1 (first floor), Building A, Sava Centre*

Concept note

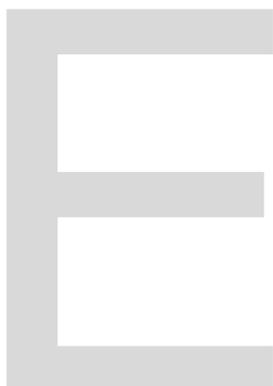
As set out in Sustainable Development Goal (SDG) 8 of the 2030 Agenda for Sustainable Development, full employment and decent work for all should be two key objectives of economic policy in all countries, developed and developing alike. Yet, today, both objectives are proving elusive.

Almost everywhere, the unemployment rate is either stubbornly high or has been reduced at the cost of deteriorating work conditions, precarious contractual arrangements, lower pay and reduced benefits. Worldwide, job insecurity and stagnant incomes for the vast majority coexist with an unprecedented concentration of income and wealth in a small segment of the population and with rapid environmental deterioration.

This workshop will explore the many factors that account for this poor policy outcome and provide parliamentarians with a critical perspective with which they can tackle the problem in their respective countries.

In modern times, full employment and decent work conditions were made possible in industrialized countries by the expansionary, demand-led economic policies of the post-war period. Wages kept up with productivity gains, and stronger bargaining rights for workers generally created the conditions for a virtuous cycle of growing demand for goods and services and rising employment. For several decades, the environmental costs of rapid economic growth in terms of pollution, resource exploitation and ecosystem loss were externalized and not factored into the cost of production or consumption. The economy was thought of as a self-sustaining system separate from nature and not dependent on it.

For a long time, developing countries (many newly decolonized) based their economies on resource extraction and commodities exported to developed countries. While several of these countries succeeded in industrializing and in diversifying their economies beyond the rural sector, most of them remain dependent on commodities and on low-value-added production for global markets, which creates a particular set of issues when it comes to creating good quality jobs for their workforces. In the majority of developing countries the informal sector remains prevalent and conditions of work are generally below those of developed countries.



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Today, the demand-led economic model that enabled the post-war boom in developed countries and helped lift many developing countries along the way through more integrated production processes and growing trade appears to have run aground. Attempts at revitalizing the economic engine through investment-friendly supply-side policies, such as deregulation of labour markets and liberalization of the financial sector, tax cuts, lower trade barriers and cheaper credit, have produced mixed results or failed to work at all.

Trying to make sense of the current economic environment, some policymakers point to *structural* factors, such as saturated consumer markets, job-destroying new technologies and high debt levels, that limit opportunities for productive investments and job creation. Others attribute the persistence of low growth to austerity policies of budget cuts as well as policies that put downward pressure on wages and facilitate further income inequality, which lead to lower purchasing power and lower demand for goods and services. For others still, the problem is that liberalization and deregulation of the marketplace have not gone far enough; only when they are fully implemented (e.g. by making labour markets more flexible, lowering the corporate tax rate, further easing capital mobility, etc.) will growth and employment return to their historic levels.

Transcending the tension between demand-siders and supply-siders, and pointing to the environmental foundations of all economic activity, a growing number of policymakers highlight the environmental limits of growth-inducing policies in a finite planet and propound a new economic model centred on human well-being and on an alternative vision of prosperity delinked from rising levels of material consumption and production.

Whatever the reasons for unemployment and declining job conditions today, there is generally a consensus that, in developed countries at least, a return to post-war policies may not suffice to create new job opportunities for all. Developing countries whose economies need to grow substantially may not be able to replicate the post-war model either. To the extent that classic demand-led policies may succeed in creating new jobs and raising living standards, they will inevitably clash with an environment that is already being exploited at an unsustainable rate. The economy of the future can only be a *green economy* in which economic activity (production and consumption) is effectively decoupled from environmental degradation.

With this background in mind, the workshop will consist of the following two panels:

1. Full employment: The challenge of job creation in the twenty-first century (9.40 a.m.)

This panel will explore some of the factors that account for unemployment and job insecurity today, including austerity policies, rising debt levels, and income and wealth inequality. The impact of fiscal and monetary policy on job creation may also be discussed.

The new technological revolution of the twenty-first century makes it possible to produce even more goods and services with fewer tools and in less time than in decades past, posing a unique challenge to traditional employment-generation policies.

The panel will consider options for job creation in the light of pressing environmental concerns, such as climate change and biodiversity loss. Among other things, it will define the contours of a possible "green new deal" based on investment in public goods and green infrastructure and will discuss the employment implications of emerging green economy models such as the circular economy, the sharing economy and the solidarity economy.

Leading questions for parliamentarians:

- Given the current international division of labour and other economic trends, what policies can sustain employment in both developed and developing countries?
- What is the likely overall impact of new technologies (automation, digitalization, nanotechnology, etc.) on employment, and what policies are needed to facilitate workers' adjustment?
- Is the green economy necessarily conducive to net job growth?
- What place is there for innovative approaches, such as basic income schemes and job sharing (working-time reductions), as a way of managing employment in developed countries where growth prospects may be limited?

2. Decent jobs: The need for proactive labour legislation and other social policies
(11.10 a.m.)

Decent jobs can generally be defined as those jobs in which workers enjoy basic rights and protections, beginning with the right to collective bargaining, a living wage, a healthy work environment, a degree of job security, and social benefits such as income support during periods of unemployment and in retirement (through public or private pensions).

However, according to the World Social Protection Report 2017–19, only 45 per cent of the global population is effectively covered by at least one social benefit, while the remaining 55 per cent, i.e. four billion people, are left unprotected.

The decent conditions that were prevalent in industrialized countries during the post-war boom are generally harder to achieve today. Despite some progress, including in developing countries where social protection floors and workers' protections have been instituted or strengthened, the general trend in the global economy is toward more precarious work arrangements, fewer social entitlements, and lower wages (relative to productivity gains). Almost everywhere, unions are declining and in many countries workers are not able to exercise their right to collective bargaining. Laws to institute minimum wage levels and social protections are highly controversial and there is still no solution to the widespread exploitation of workers in the informal sector.

Leading questions for parliamentarians:

- How can contractual conditions and social protection floors be strengthened for all workers, including in what is known as the gig economy?
- How can all workers be guaranteed a living wage, including through minimum wage legislation?
- How can the informal sector be better regulated so workers can enjoy basic rights and protections?

Each panel will consist of up to four presenters, including experts and parliamentarians, and will be followed by questions and comments from participants.