



## **Decent work, social inclusion and development**

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### **Topics of the presentation**

- Concepts of decent work and social inclusion and exclusion
- Global labour market trends
- Sources of change – global production systems
- Implications in terms of social exclusion and decent work
- Towards inclusive social models

### **Social exclusion – concept and application**

- Mechanisms and relationships rather than description
- Spread since the early 1990s
- Forms of exclusion depend on form of social organization
- Links with concepts of deprivation and poverty

### **Decent work – concept**

- Reformulation of the ILO's agenda
- Work as the articulation between economic and social goals
- Many dimensions but an integrated approach
- Not an absolute standard but an agenda for improvement

### **The global labour market**

- Issues and trends - 1
- Not enough job creation globally
- In 2004, 5% output growth, 1.8% employment growth. But labour force grew 1.5%
- 1995-2005: Open unemployment has grown by 25 per cent
- Poverty: In 2005 48% of workers were «working poor» on \$2/day criterion
- §18% on \$1/day criterion



## **The global labour market**

### **Issues and trends - 2**

- Most new jobs in the informal economy
- Precarious wage jobs and informal enterprises
- 7 out of 10 in Latin America
- Over 90 per cent in India and most of Africa
- 70 to 80% of families live in social insecurity
- 40 to 50 per cent in Latin America
- Widening inequalities between winners and losers, new inequalities

### **Sources of transformation in the global economy**

- Liberalization brings intensified competition
- Policy space (pulling up the ladder)
- New global players (China, India) restructuring global markets
- Qualitative change in global production systems

### **Global production systems**

- Employment trends reflect rise of global production networks
- Widening scope of global value chains:
- 60s, 70s: basic factory jobs in vertically integrated firms
- 80s outsourcing of routine service work
- 90s advanced business services
- Now: increasingly design and innovation
- Direct employment effects limited, but multiplier effects in local economies
- Parallel process of job destruction

### **Where we are today**

- New global actors (buyers, suppliers, and intermediaries) and widening scope
- Rapid rise of new production centres
- Higher capabilities required to enter chains
- Widening gap between connected and disconnected in developing world
- Concentration of “winners” in both developed and developing economies

Source: Gary Gereffi, ILO Nobel Prize lectures



### **Global production systems – types of job**

- Low skill supply of inputs (including informal)
- Assembly jobs in export industries
- Full package production jobs
- Advanced production jobs that require design and marketing capabilities
- Knowledge-intensive jobs in offshore services

Source: Gary Gereffi, ILO Nobel Prize lectures

### **A social exclusion prism for globalization**

- Ability of people to take advantage of globalization depends on their not being excluded from opportunities
- Exclusions and inclusions of individuals, groups or communities
- Markets, actors and institutions; different concepts in different societies
- Exclusion as a way of understanding decent work deficits

### **Social exclusion and labour market outcomes**

- Exclusion from employment; exclusion from formal employment
- Exclusion from skills, capabilities, assets, recognition (education, health)
- Exclusion from protection and security
- Enabling rights at work for social inclusion
- Adverse inclusion (child labour, forced labour, excessive intensity or duration)

### **Coherent policies for social inclusion - 1**

- Social models as coherent policies for economic and social inclusion – at the level of the community or the nation
- Decent work at the heart of the social model
- Mainstreaming employment as policy priority
- Productive inclusion – the conditions for creating quality jobs in competitive enterprises
- Need to consider the value chain as a whole

### **Coherent policies for social inclusion - 2**

- Inclusive labour market institutions which provide capabilities and credentials for access to opportunities
- But also protection and basic rights, and prevent adverse inclusion
- A consistent combination of economic and social policies and institutions

### **Conclusions**

- Decent work and social inclusion provide complementary approaches
- No universal model but common principles
- Political commitment to these goals is strengthening
- Need to invest more in understanding the conditions under which they can be reached.