

# Intuc this week

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## Time To Work Even Closer Together

NTUC Deputy Secretary-General **Halimah Jacob** gives her take on the International Labour Conference in Geneva

**T**he impact of the global economic crisis on jobs and social protection are topics that dominated almost the entire discourse at this year's International Labour Conference.

The International Labour Organization had estimated that up to the end of 2009 alone, an additional 59 million jobs would be lost bringing the total number of unemployed to 239 million. I found the debates rich though, at times, controversial.

On the recommendation of the ILO Governing Body, the conference dedicated one committee to discuss solely the formulation of an ILO Global Jobs Pact. There were broad agreements on some parameters, such as, the need for stimulus packages to focus not just on economic recovery but also jobs recovery which all acknowledged usually lag behind by a number of years. There was broad understanding too that deflationary wage spirals are bad for the economy as it will depress aggregate demand thus impacting on recovery. But the issue of a minimum wage was a hot topic with employers insisting that it can be considered as one of the policy options but not necessarily the key way forward.

Within the Workers Group itself there were mixed views. Some, like the Scandinavian and German unions, preferred to negotiate wage floors directly with their employers rather than through some government appointed statutory mechanism. The African unions wanted reference not only to a minimum wage but to a living wage which they felt should be regularly adjusted to take into account inflation and basic needs.

For the first time in an ILO document, there will be reference made to a basic social protection floor for all workers, as it was agreed that weak social protection had aggravated the hardship caused by the global crisis. The Workers Group wanted coverage to be universal but finally settled on adequate social protection, giving flexibility to take into account national circumstances but within a certain framework. What this framework would be will now be the subject of further intense discussion as deciding that we need a basic social protection floor is one thing but agreeing on what it should cover is another issue.

Some current examples of countries' response to the crisis include Brazil's Balsa Familia which provides cash transfers to



needy families but tied to the children's education. Another example is India's guaranteed employment scheme where the government guarantees an unemployed person with a job within a certain period failing which he would be eligible for some income support. It was also agreed that the package should go beyond providing jobs and ensuring an income, but extend to training and skills upgrading, pensions, unemployment benefits and provision of healthcare as key components.

The nagging concern amongst governments, particularly the developing countries, is how to finance the stimulus packages without increased official development assistance from developed countries. Efforts to secure commitment to progressive taxation as a policy tool to prevent unfair competition among countries met with strong resistance from both governments and employers. There was consensus where pensions are not adequately funded, especially when returns are linked to capital markets, there is need to guarantee minimum benefit. Future designs of pension schemes should also provide better protection to workers. This shows our CPF scheme is after all not a bad scheme as there is at least a minimum guarantee on the returns.

Sitting through the key debates I can sense workers' concerns and frustrations over the gravity of the current crisis especially its impact on the poor and vulnerable groups. But surprisingly the tone has been largely very measured except for the one time when Phillips Jennings, the General Secretary of Union Network International, a global union representing white collar workers, exploded when he expressed workers' anger at the greed, mismanagement and poor regulation of the financial sector which had caused the current miseries.

**“ One thing though that everyone agrees. Jobs recovery will be a long haul. Hence, we need to work even closer together through tripartite social dialogue and collective bargaining to ensure job protection and creation and strengthen social protection.”**

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