



International
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Chapter summaries

Editors: David Kucera and Dorothea Schmidt-Klau

Chapter 1 summary: Employment-centred macroeconomic policies: A reality in recovery processes? (provisional title). Authors: Sher Verick, Johannes Weiss, Dorothea Schmidt-Klau

This chapter will cover the reoccurring feature of analysing policy trends and summarize ongoing employment policy debates. The chapter will also provide an overview of the key issues addressed in the thematic chapters of the report.

Chapter 2 summary: Gender-responsive macroeconomic policies: Lessons learned from the COVID-19 crisis and beyond (*provisional title*). Author: Valeria Esquivel

The COVID-19 pandemic has been different from previous crises in its depth and extent, and the recovery paths that ensued are still uneven and uncertain. Like previous crises, however, its consequences have not been felt equally. The COVID-19 crisis has laid bare the entrenched gender inequalities that, compounded with other inequalities, plague labour markets. Women were more heavily impacted by the employment losses than men, and the recovery risks leaving them behind. Patterns of growth – i.e., the sectors behind GDP contraction and recovery— are particularly salient in explaining these trends, as women are overrepresented in hard hit and less dynamic sectors. The crisis also showed that employment policies broadly defined (including macroeconomic, sectoral, and active labour market policies) play an important role in cushioning these impacts, as women’s job losses were relatively lower in countries where those policies were put in place.

Gender-responsive employment policies are those that explicitly address the gender-specific effects of the COVID-19 crisis and support the creation of full and productive employment for women and men, including in the care sectors. Within this framework, this chapter focuses on the macroeconomic policies put in place to respond to the crisis and support recovery, to investigate whether and how they became gender-responsive (or failed to do so). The chapter draws on case studies developed in the framework of the UN Women-ILO Joint Programme “Promoting decent employment for women through inclusive growth policies and investments in care” as well as on other policy sources.

Chapter 3 summary: NEET in developing and emerging countries: What do we know and what can be done about it? (provisional title). Author: Niall O’Higgins

In 2015, reducing the proportion of the young people who were Neither in Employment, Education or Training – the NEET rate - was adopted as the SDG 8.6 target (and accompanying indicator). The NEET rate has some advantages over the youth unemployment rate as a measure of the state of youth labour markets but also raises some issues, not least because young NEETs are not necessarily participants in the labour market as traditionally understood. Young NEETs are indeed a highly heterogeneous group and being a member indicates the absence of a characteristic – specifically, the lack of a job or an educational/training opportunity – rather than the possession of one. The variety of circumstances underlying NEET status has important policy consequences and differences amongst young NEETs will affect the appropriate policy response. The obstacles facing young NEETs in accessing decent work are many and varied. The COVID-19 pandemic has led to further increases in NEET rates across the globe, exacerbating the challenges faced by the young in accessing decent work and adding urgency to the vital task of developing and refining effective ways of reducing NEET rates, above-all in low- and middle-income countries.

In this context, the chapter:

1) briefly analyses the main characteristics of NEET, primarily in low- and middle-income countries, how these vary across space, time and individual characteristics, and the variety of policy issues that they raise;

2) discusses, on the basis of existing evidence, different forms and levels of policy response and how they can best be combined to reduce NEET rates and promote youth employment, bearing in mind the heterogeneity of NEET status; and,

3) concludes by identifying specific knowledge gaps, identifying fruitful lines of research needed to enhance the effectiveness of policy interventions to reduce NEET rates and promote access to decent work amongst the young.

Chapter 4 summary: A pro-employment macroeconomic policy framework for Africa (provisional title). Authors: Bernd Mueller, Gilad Isaacs, Ilan Strauss

Creating decent employment opportunities in developing economies is commonly (mis)conceived as only being a challenge of increasing economic growth and fixed capital investment. However, despite African countries seeing relatively strong economic growth after 2002, the improvement in employment outcomes has been less robust, and has worsened over the last decade. One of the main identified causes for this disconnect between growth and productive employment is a lack of structural transformation, i.e. the current economic structures being mostly characterised by low levels of economic diversification and high levels of commodity dependence. The COVID-19 pandemic has further weakened employment outcomes across the continent, with devastating impacts on African economies. Despite expectations that economies will rebound soon, the adverse effects of COVID-19 will reverse hard-won gains on the continent, particularly in employment.

Effective employment generation, spurred by structural and social transformation, necessitates that macroeconomic policy widens its focus from its traditionally stabilising role to a “transformative” role actively targeting decent and productive employment, inclusivity, and sustainability. Macroeconomic policy must directly aim to achieve this, in a mutually supportive relationship with labour market and sectoral policy instruments. This chapter presents such a framework. It argues that the existing market-centric macroeconomic policy regimes – focused on “stabilisation” policies – have failed, and will continue to fail, at employment generation. It demonstrates this insufficiency through unpacking existing macroeconomic policies in Africa, and the concomitant employment outcomes. It then continues to present an alternative pro-employment macroeconomic policy framework, grounded on four foundational postulates. First, achieving decent and productive employment growth requires coordination of, and integration across,

macroeconomic, sectoral and labour market policies under a shared integrated employment policy *framework*. Second, within this, macroeconomic policy – a specific focus of this chapter – has a leading role to play. Third, and consequently, macroeconomic policy should aim to stimulate employment through both demand- and supply-side measures in the short and long run. Fourth, macroeconomic policy must directly target these employment objectives while supporting the sectoral and labour market policies that seek the same outcome.

Only through such a transformative, pro-employment macroeconomic policy framework will African countries be able to achieve sustained structural transformation and productive and decent employment for African women and men, and youth in particular.

Chapter 5 summary: The gendered employment impacts of the Covid-19 trade collapse and recovery. Authors: Xiao Jiang, David Kucera, Loritta Chan

This chapter uses input-output fixed multiplier analysis to estimate changes in the number of women’s and men’s jobs as a result of changes in exports to the US and EU during the Covid-19 crisis for 44 regionally dispersed developing and emerging economies. We construct measures of “structural” gender bias by evaluating how the industries in which women and men workers were disproportionately represented were particularly affected, distinguishing between the period of greatest global trade collapse from the onset of the crisis up till mid-2020 and the period of relative recovery thereafter. Results are situated within discussions on how the causal channels of the Covid-19 trade collapse differed from that of the 2008-09 economic crisis, on possible implications for global trade patterns and the restructuring of global supply chains, and on the impact of recovery policies in developing and emerging countries as well as in the US and EU. A main finding is that during the period of global trade collapse, there was a roughly equal number of countries for which measures of gender bias are unfavourable to women workers as to men workers as a result of changes in exports to the US and the EU. Conversely, during the period of global trade recovery, there was a sizeable majority of countries with measures of gender bias unfavourable to women workers, a reflection of women workers benefiting less than men workers from job gains as a result of changes in these exports. In short, there were more countries with measures of gender bias that were unfavourable to women workers during the period of global trade *recovery* than the period of global trade *collapse*.