



# **IV Summit of the Americas Creating Jobs to Fight Poverty**

ECLAC

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# Regional Trends

- Weak economic growth led to modest job creation
- En general there was no “jobless growth”, but neither a stronger job intensity of economic growth
- Weak job growth and growing labour market participation led to higher unemployment
- High growth volatility and strong pressure to adjust led to higher job instability
- Informality, [precariedad, migration
- Average formal real wages developed with labour productivity
- Improvements of labour markets in 2004 and 2005

# Main challenges

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- Improve labour productivity (the gap; the frontier)
- Create productive jobs
- Develop mechanisms of protection
- Incentive the integration of specific groups into the labour market

# Need of an integral approach

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- Pro-growth and counter-cyclical macroeconomic policies
- Policies for productive development
- Labour policies (institutions)
- Labour market policies

# Two examples

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- Economic growth with job creation and MSME
- Integration of young people into the labour market

# 1. Economic growth with job creation and MSME

- **Context:**
- Economic growth & a job intensive productive structure
- Pro-growth macroeconomic policies and micro policies that remove obstacles (transversal impact)
- Productive structure of “three speeds” require differentiated policies
- Concentration on MSME: reduce productivity gaps!

# Economic growth with job creation and MSME (2)

- **Microenterprises: Inclusion**
- Incentives for formalization: Simplification of norms and administrative procedures, less tax burden and simple means of declaration
- Access to credit and training in competencies in management and technologies
- Gradual incorporation of workers into the social protection systems

# Economic growth with job creation and MSME (3)

- **SME: Modernization**
- Horizontal policies to improve access de information, credit, technology, and trade networks; development of markets
- Support for association among SME, territorial linkages, linkages with bigger firms
- Systems of information and coordination of instruments for SME promotion
- Subsidies for hiring, linked with training



## 2. Integration of young people into the labour market

- **Context:**
- Intergenerational transmission of poverty requires improvement of job opportunities for young people from poor families
- Key aspects:
  - Productivity and employability (education, training, attitudes etc.)
  - Transition towards the labour market

# Integration of young people into the labour market (2)

- **Proposals:**
- Common regional system of monitoring of progress in education
- Facilitate transition from educational system to labour market: Improve young people's information, assist development of personal strategies
- Improve the information about the characteristics of transition: measurement of desertion, register and follow-up of individual plans, labour market measurement
- Mechanisms to promote first jobs, linked to verifiable training measures

# **Integration of young people into the labour market (3)**

- Improve training and make results transparent (incentives, quality of supply, certification of results)
- Facilitate combination of work and study (schedules, part-time jobs)
- Territorial perspective: Coordination at a national level (supervision, certification) – execution at a local level