



### Development, Economy and Labour

#### *Shifting focus in the discourse on international cooperation*

In September 2013, The Society for International Development – Netherlands Chapter (SID NL), together with the Round Table of Worldconnectors and the trade union CNV started a reflection process on international labour. SID NL was and still is triggered by the signals we see in the global world, regarding employment, namely:

- The fact that an enormous number of young people in the global South are entering the labour market, but that there are not enough opportunities to offer decent work to most of them. Loads are now working in jobs far below their professional qualification.
- The steep increase of unemployment in (Southern) European countries, where youth unemployment rates are hitting records of 40-50 per cent. The forecasts for the coming years are not promising which might lead to a long-lasting situation of unemployment for many of the youth.
- The pressure for flexibility in labour contracts, due to factors as globalisation and 'just in time delivery', making that people are hired and fired according to the ups and down in production and consumption. In the Netherlands, self-employment is the fastest growing sector of the labour market.
- The fact that the economic growth in Asia and Africa is not leading to a (steady) decrease in informal labour: large groups of people entering the labour market in the Global South are still entering informal jobs, where security and safety are precarious.
- The ongoing processes of migration and off-shoring, to lower the costs of production in the Global competition.

In all of above, the labour-factor seems to be the last part of the chain, handled at will, according to the requirements of economic development. A couple of years ago there was a general expectation that the economy in the global South would develop similar as the one of the global North. With increasing economic growth, the labour market would become more and more regulated and the Western culture of stable end fixed contracts would gradually be adopted. But it seems like reality is heading the other direction where economic ideas of the global North are being replaced by those of the global South. High flexibility and informality is becoming the dominant global trend. The HR departments of large companies are developing future scenarios with a small fixed workforce and a much larger groups of flexible workers whom bear responsibility for their own social security (pensions, health coverage etc).

We believe that labour is becoming an urgent 'Global Social Question'. The notion of 'inclusive development' is now widespread in policy-documents of development agencies and international economic think tanks. The HLP on the post-2015 agenda has dubbed inclusive development as one of the five transitional shifts that have to be made in the near future. The question is if inclusive is more than just a lip service to cover a hard reality of international competition and a race to the bottom which makes life of formal and informal workers more and more precarious. While some argue that it is the reality of the changing world with a global power shift and new emerging economic powers that we have to live with, others are critical at the 'fatal' attitude and point to the fact that what we are now witnessing is the outcome of deliberate national and international policies, which we can change if we want.

At the same time we see that international (development) cooperation is increasingly giving more attention to economic development. For example The Dutch ministry for Development Cooperation has merged with the International Trade portfolio in the ministry of Economic Affairs, becoming the ministry for international Trade and development cooperation. The new minister has announced to put more emphasis on the economic/trade aspect of development and started a new investment fund (Dutch Good Growth Fund) to spur the economic investment in



developing countries. With this double hat, she addressed the issue of the safety of textile workers in Bangladesh and pushed for a covenant of large retail brands in the Netherlands to make sure they are adhering to safety standards in the production chain.

SID Netherlands wants to take the opportunity of the presence of our colleagues from different parts of the world to discuss the issue of labour within the broader framework of international economic (development) cooperation. With the presence of SID-representatives from 'donor' countries as well as from 'recipient' countries we have the possibility to get a closer look at what is changing in the economic global reality and how we as SID-network should reflect on this.

### *Three questions are central:*

- Is there a, broad shared, shift to economic international cooperation or is it a new buzz-word of the development community to legitimize its existence in changing times? If so, Is this a donor-priority? Or is it shared by recipient countries, in the hope that economic cooperation will lead to faster growth and creation of decent jobs?
- Does this shift to economic development cooperation offers opportunities to better address the coherence-between economic ,social and environmental sustainable development ?
- Do we need to put stricter conditions on development cooperation in order to safeguard that investments and other instruments to bolster economic development are guaranteeing the quality of labour (decent work agenda of ILO)? Should creating decent work be one of the top-priorities of this new trend in development cooperation?

### *Process:*

After an introduction by Rolph van der Hoeven as chair of the meeting, representatives from four different SID-chapters are invited to present their perspectives and visions on these three questions , followed by a discussion with the audience.

### **Literature:**

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