

# Prospects for Full Employment

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New Delhi, November 10, 2011**

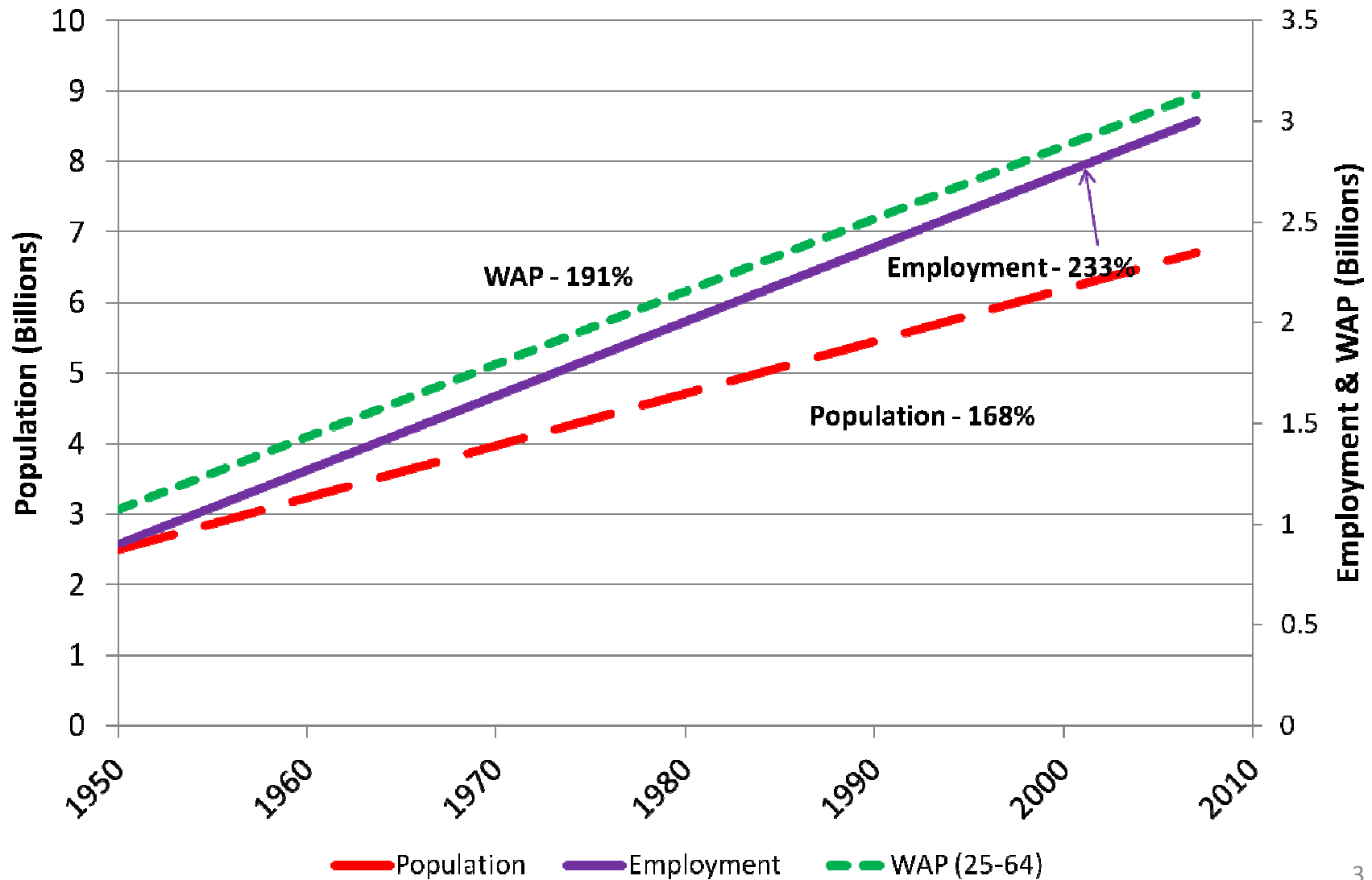
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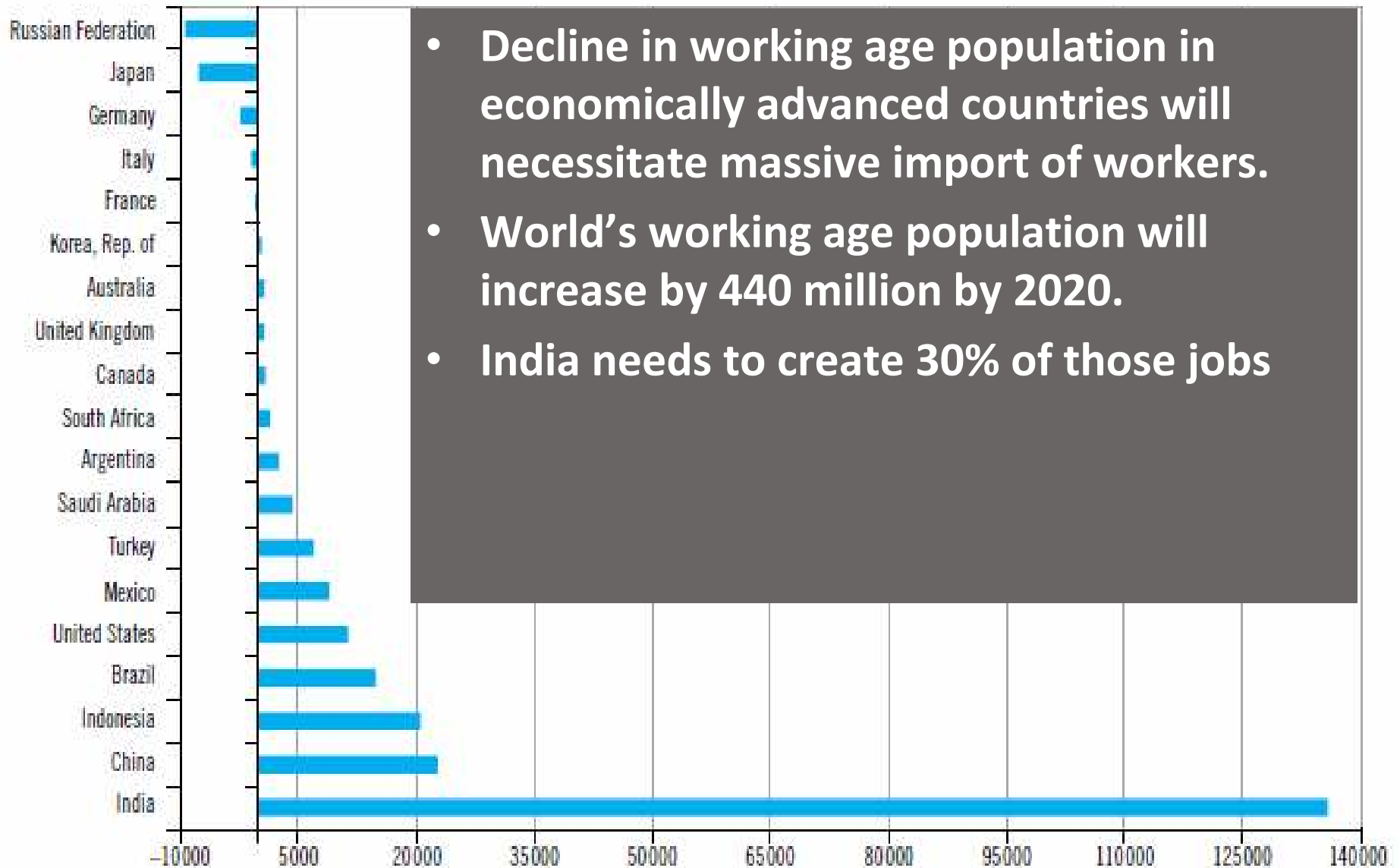
# Factors impacting Employment

1. **Demography: population growth and increasing life expectancy \***
2. **Transformation of work: from agriculture to manufacturing to services \***
3. **Mechanization and automation \***
4. **Globalization of trade and outsourcing \***
5. **Rates of economic growth \***
6. **Income distribution \***
7. **Patterns of investment – speculative vs. productive \***
8. **Increase in quality of jobs \***
9. **Higher educational requirements \***
10. **International labor mobility \***
11. **Labor policies \***
12. **Public policies and regulation**
13. **Entrepreneurship**
14. **Self-employment**
15. **Vocational training**
16. **Virtualization of work**

# Pop & Employment 1950-2007



# G20 Working Age Pop 2010-2020



Source: ILO Laborsta, Economically Active Population Estimates and Projections, 1980-2020.

## Paradox of Unmet Needs & Untapped Social Resources

- Unmet needs of 3 billion people living on incomes of less than \$2.50 a day for food, clothes, housing, education, medical care.
- World is aflood with unutilized and underutilized resources.
  - Daily \$4-5 trillion searches the globe for speculative returns
  - Since 1980, global financial assets have risen 20 fold, while real incomes grew just 2.7 fold. The share of corporate profits and financial investments is rising at the expense of labor.
  - 200+ million people are unemployed – 40% youth
  - Billion+ involuntarily underemployed.
  - Only a fraction of the world's intellectual, technological and organizational resources harnessed for productive purposes.
- ***This incalculable waste of Human Capital underlines the fallacy of current theory and policies.***

# Role of Money & Capital

- What is the public good impact of financial markets?
- The huge cost of global financial instability is not being priced – the public is paying for instability and the right to speculate
  - Bailouts
  - Instability reduces long term productive investments
  - Need for huge unproductive foreign exchange reserves
- Potential impact of policies to reduce non-productive investment and incentivize productive investments, e.g. Tobin Tax
- Impact of incestuous relationship between major corporations and investment funds on corporate decisions, including employment

# Human-centered Economy

- The purpose of economic democracy is to provide economic security and welfare for ALL its citizens.
- Economic growth must serve human needs.
- Rising levels of economic inequality are incompatible with real political democracy.
- The fruits of social and economic development belong to the whole society and must be distributed equitably.
- Financial markets must promote economic welfare.
- Speculation that destroys wealth and economic opportunity is not a human right.

# Right to Employment: Rationale

- In today's highly structured society, access to remunerative employment opportunities is the **economic equivalent of the right to vote in democracy**.
- Government that has power to regulate employment also has the responsibility to generate it.
- The state has an obligation to ensure remunerative employment opportunities for all job seekers.
- The right to employment is not a privilege, it is a fundamental human right.
- "Human Rights are not contingent on immediate realizability."  
*Amartya Sen*



# Right to Employment: Precedents

- **New Deal and US Employment Act of 1946** acknowledge the responsibility of national governments for generation of employment.
- **Universal Declaration of Human Rights (1948)** art. 23 & 24 affirm right to work, protection against unemployment, free choice of employment.
- **'International Bill of Human Rights'** (1960s) on civil, political rights, economic, and social rights.
- **ILO Declaration of Fundamental Principles & Rights at Work (1998).**

# Full Employment is an achievable Goal

**“Recognizing the right of every citizen to employment is the essential basis and the most effective strategy for generating the necessary political will to provide jobs for all.”**

*Uncommon Opportunities: An Agenda for Peace & Equitable Development*

Report of the International Commission on Peace & Food (1994)

# Society determines economy

*Primary determinants of economy & employment are social*

- Population growth
- Urbanization
- Regionalization & Globalization
- Greater political freedom
- Rule of law & good governance
- Social equality
- Technological innovation
- Social organization
- Faster transportation & communication
- Access to information
- More & better quality education
- Social aspirations & attitudes

# Social Theory of Employment

- Economy is the whole of which money, markets and employment are parts. Society is the whole of which economy is a part.
- The process of social development is the principal driving force for all social change, including job growth.
- Development encompasses political, economic, social, demographic, ecological, educational, technological, cultural and psychological dimensions.
- Shift the emphasis from over-exploitation of material resources to accelerated development of human resourcefulness whose potential is unlimited.
- As human needs continuously evolve, growth of services has potential for unlimited expansion of work opportunities.

# Sustainable Employment Strategies

- Investment -- redirect surplus to productive investments
- Education -- raise mandatory minimum & tertiary
- Vocational Training – India to train 150M youth by 2022
- Organizational Innovation – India’s STD booths, microcredit
- Technological Innovation – Gunter Pauli’s Blue Economy
- Internet-based Self-Employment
- Complementary currencies tap unutilized resources
- Job Guarantee Programs – India’s MGNREGS
- Minimum guaranteed income & working hour adjustment
- Global Minimum Wage to reduce income inequality

# India's National Rural Employment Program

- An unprecedented initiative recognizing employment as essential for individual economic security & for social stability.
- NREGS guarantees a minimum of 100 days of work annually to 45 million families, affecting more than 200 million people.

# Project Proposals

- Evolve a comprehensive integrated strategy for achieving full employment in one district of India as a model that can be tested and later extended nationally.
- Create a qualitative and quantitative model for global full employment.

# Summary of Conclusions

- Pessimism regarding the future of work is neither new nor justified.
- Full employment is essential for social stability, economic security and social development
- Radical changes in the nature of work necessitate a new theoretical perspective and broader practical approach to the issue of employment.
- Generation of full employment is an achievable goal.
- It cannot be achieved universally within the present framework and values.
- Employment must be recognized as a fundamental human right.
- Human-centered theory is needed that recognizes human welfare as the central purpose & development of human capital as the driving force.
- Full employment can be achieved by comprehensive, integrated strategies based on the perspective of social development as a human process.
- A global model of employment is needed that recognizes the transnational character of both the challenge and the opportunities for full employment.