

## **Seventh Annual Global Development Conference**

### **Institutions, Globalization and Employment, Panel Organized by the ILO**

The purpose of this panel is to highlight how, in the current context of globalization, certain institutions and institutional developments can help to increase a fuller and better utilization of labour in terms of higher employment and more decent work.

It will first consider how international financial institutional developments affect employment quantitatively and qualitatively, incomes and poverty and how increased coherence between international and national financial and social institutions and policies could improve employment possibilities. The panel will then consider institutional coping mechanisms at the national level to deal with the labour market consequences of globalization and consider how active labour market policies can contribute to better coping and anticipation mechanisms for labour. Finally the panel will deal with new forms of institutions that are evolving to meet the employment and development challenges of the informal economy and suggest the principles that can support a more enabling institutional framework for addressing the informal economy.

**Chair** (Grzegorz W. Kolodko)

**Discussant** (Debapriya Bhattacharya, to be confirmed))

#### ***1. Financial Openness and labour : A challenge for global institutions***

Rolph van der Hoeven

The paper discusses the effects of financial openness on labour by looking at growth and financial volatility, by providing some evidence on the direct effects of financial crises on employment and by examining the effects of crises on wage shares in national income. It provides several policy responses that could make the international financial institutions more conducive to policies for productive employment , including their leverage on policies in industrialized countries, rules for the international system and policies in developing countries in designing and implementing coherent policies.

#### ***2. Labour market consequences of globalization and the institutional coping mechanisms at the national level : The role of active labour market policies***

Ümit Efendioğlu

The presentation will introduce the recent ILO book entitled “Active labour market policies around the world: Coping with the consequences of globalization”. After highlighting the various functions of active and passive labour market policies, it will review the available evidence on the levels of spending on both types of policies and their effectiveness in developed, transition and developing countries. Direct as well as indirect impacts will be considered. Recent policy trends in and institutional requirements for active labour market policies will then be elaborated upon and the role of these policies and institutions in mitigating the effects on labour of globalization-induced structural change will be discussed.

### ***3. Employment promotion and the informal economy: building enabling institutions***

Manas Bhattacharya

The paper, in the first part, will examine the traditional institutional approach to the informal economy and employment. The second part of the paper will refer to the new forms of institutions that are evolving to meet the development challenges of the informal economy. Finally, based on an evaluation of the performance of institutions, old and new, the paper would suggest the principles that can support a more enabling institutional framework for addressing the informal economy.