

**The employment effects of public investment in
infrastructure, the care economy and the green economy:
the case of emerging economies**

25 May 2023, 16:00-20:00
University of Greenwich, Queen Anne Building Room QA080,
Old Royal Naval College, Park Row, London, SE10 9LS, UK

**Opening Remarks By Evelyn ASTOR, Economic and Social Policy Advisor,
International Trade Union Confederation (ITUC):**

- Distinguished participants,
- On behalf of the International Trade Union Confederation – representing organised labour in over 160 countries – I would like to first of warmly thank Greenwich University for organizing this event and for hosting us.
- And I would like to thank in particular Professor Ozlem Onaran and Dr. Cem Oyvatt for authoring an excellent research report showcasing the employment effects of public investment – a report which we are all here to discuss today.
- I am very honoured to be moderating the discussions today – but before we get into it, I would like to say a few introductory words for why the ITUC, FES and Greenwich University decided to collaborate together on this report – and the particular relevance of this work for the trade union movement.
- The idea of producing this report was born in the midst of the COVID-19 pandemic. At the height of the pandemic, back in 2020, the ILO estimated a loss in 255 million full time jobs. However the scale of job losses, as well as the extent of recovery since then, has been greatly uneven between countries. And this has been, to a large part, due to the policies that governments put in place to retain and create new jobs, as well as the extent of fiscal stimulus that they could employ.
- Beyond the employment impacts of COVID, we must be mindful that the world has been facing **longer-term structural challenges in relation to employment that need to be urgently addressed**– these include climate change and the need to support a transition to a low-carbon economy;

technological change and its implications including automation as well as the rise of new and precarious forms of work; demographic challenges; as well as globalization and the growth of global supply chains.

- In the midst of these challenges, we are facing persistent issues of job quality as well as inequalities in the labour market: including persisting gender pay and employment gaps; high levels of informality, with 2 billion informal workers worldwide; low and stagnant wages; and attacks on workers to collectively organise and negotiate improvements to their working conditions.
- **The Global Union Movement is committed towards advancing a New Social Contract** – with full employment, adequate wages and social protection, fundamental labour rights, equality and inclusion.
- Delivering on this contract will require governments to be proactive in creating new, quality jobs and managing the structural transformations underway.
- They must provide **incentives, direction and coordination for the development of high value-added domestic industries, as well as promote and safeguard employment quality.**
- **They must moreover avoid repeating the failed job creation strategies that have shown not to work.**
- **Deregulation, weakening of employment protection and collective bargaining, and promoting low wages and labour costs,** have all long been part of misguided strategies to support employment and even attract foreign direct investment– under the rationale that such measures lower the costs for companies to do business.
- **Taking such a ‘low road’ strategy for job creation through deregulation has however not been shown to be very effective in supporting increases in employment.** It does, however, increase workers economic insecurity and contribute to widening inequalities, lower productivity, declining labour income and weakened aggregate demand.
- **These race-to-the-bottom strategies will moreover never make it possible for countries to promote positive structural transformation or high levels of employment, let alone high quality employment.**

- **Taking a high-road approach towards quality job creation** inevitably requires **strengthened investment**, including in sectors with strong potential to expand decent work opportunities.
- Across the world, trade unions have particularly advocated for investment in the **green economy, care economy, and in infrastructure** – as these are labour-intensive sectors that also have strong social and environmental benefits.
- The report being discussed here today simulates the employment and GDP impacts of investments in these three sectors – and the findings showcase very large returns for very modest levels of investment – findings that should certainly serve as a wake-up call for government action.