

Abstract of Speech Template

Decent Work City - *International Forum on Transforming Cities for Decent Work 2019*

Session 1: Jobs of Tomorrow and Social Protection: Increasing investment in people's (workers') capabilities

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Title: “Social inclusion policy in a multiple challenges context”

While struggling to enlarge, deepen and consolidate its social inclusion process, Brazil is facing multiple challenges at the same time. The country remain one of the most unequal places in the world and the forecasts for the future can be very negative if we consider the complexity of the society and the changes it goes through.

The economic crisis has hit the country in an unprecedented way for a couple of years now. Since 2015, we had 2 years of recession, with negative 3% growth rates, and two years with only 1% growth. The 1980s were called the “lost decade”, because of the 1.6% average growth rate. Unfortunately, we are living an even worst era, because the 2011-2020 decade will likely end having a terrible 0.9% average growth rate¹. As a consequence, recent unemployment figures are the worst the country could expect, with an average 13% rate

The situation is even worst for youth, who count for 40% of the total amount of unemployed people in Brazil: Among people until 24, unemployment rate is close to 30%. We can consider the need of policies for this part of the population the most urgent, especially because of the impact of such workforce segment on the global economy for the next decades. However, one cannot ignore the need of special attention for +50 and +60 adults. We currently live a significant shift in the demographic pyramid: for the first time ever, by 2030, adults older than 60 will outnumber children younger than 10². We are now trying to adapt to that reality, not only by reforming national social security rules, because the fiscal pressure of the retirement systems was too high, but also understanding that people need to work longer, so senior workforce also need to be included in the productive sector – although employers usually refuse to hire or to maintain in position people after a certain age. Thus, we have a double challenge to address labor inclusion at the same time both for young and elderly.

This is particularly complex, when we tackle the tricky questions brought by the new economy and the future of jobs. We all know that according to the estimates of the World Economic

¹ Fonte: Ibre/FGV, com dados do Ipea e do Banco Central

² Fonte: United Nations World Population Prospects (UN WPP) Report, 2019

Forum in 2018, 7.1 million jobs will be extinguished in the world until 2030. On the other hand, only 2 million new jobs are going to be created, especially in the sectors of health and well-being, data analysis, programming and statistics³. The speed and the impacts of the so-called 4.0 industrial revolution varies according to the technology costs and the level of salaries, among other factors. In most of Brazilian industrial sectors, for example, digital technologies are still underused, but their incorporations is getting faster now. A survey by the National Confederation of Industries (CNI) in 2016 concluded that machines, robots and other kind of technologies have the potential to replace half of the current total job positions in Brazil. Although it is not clear when the companies will implement such new tools, that is a huge alert.

In other words, the future of jobs can bring more inequality and exclusion. This is particularly true in a country where despite the low level of automation, 35% of employers are already reporting difficulties in hiring new employees for open positions, due to lack of skills and abilities⁴. New jobs will require even more accurate competencies and capabilities. Local population must improve their professional possibilities very much and very fast, so that we do not suffer more by losing competitiveness and, consequently, investments and more jobs.

Facing those simultaneous relevant matters, a lot of effort is BEING made at National and Local levels. For the first time ever, cities are truly engaged in implementing employment and work policies, which in the past used to be treated as part of the macroeconomic Federal Government responsibilities.

São Paulo Municipality has created multiple strategies to address the situation during the last two years. By planning the city next decade economic development, the vocations and potentialities are stimulated, so that economic activity can recover. Meanwhile, training programs are being increased, in partnership with the private sector, in order to foster the right competencies and skills. Entrepreneurship and self-employment strategies are being push forward as never before, by giving talented people information, support and access to many tools and instruments that can support their businesses to start and to grow. Special attention is accorded to women, handicap professionals, racial and ethnical groups, as well as to youth, to elderly, and to people living in poor areas so that the vulnerable ones have more chances to make money and reach a more decent life standard.

³ Berger, T. and C. Frey (2016), "Structural Transformation in the OECD: Digitalisation, Deindustrialisation and the Future of Work"

⁴ National Confederation of Industries – CNI, October 2019