

## **The World's Employment Challenge**

In today's world, it cannot be said that governments, the business community and civil society organizations are not being forced to respond to the myriad of challenges which present themselves on a daily basis. These challenges may vary based on what has given rise to each of them. The level of attention paid to individual matters has much to do with their likely short, medium- or long-term impact. The number one problem which currently occupies the attention of everyone, is without doubt that of the COVID 19 pandemic. First and foremost, nothing could be of more importance than that of saving lives, and hence the introduction of vaccines on the market, appears to be the immediate solution to reducing the incidence of death and mortality.

Vaccination programmes across the world, may have struck a snag with the growing level of vaccination hesitancy. The reluctance to be vaccinated is being fueled by the various myths that are being promoted. This has serious implications for the reopening of economies and the restoration to normal day to day life. A cautious approach is being taken to the recommencement of business activity in various sectors, as the fear of contracting the corona virus lingers around. As a consequence of the pandemic, employers have resorted to the laying off or furloughing of staff members. Taking into consideration that the profitability of business is a reasonable concern, the response of employers cannot be faulted. All of this has contributed to a reduction of numbers in the workplace.

With these developments came the inevitability of increase levels of unemployment. The need to observe social distancing is another factor that has impacted on the employment numbers, as some establishments have had to layoff staff because of the constraints of office space. In some cases, the reduction of employment in some establishments needed not to be as drastic as was the case. Some employers saw it as a welcomed opportunity to trim their operational overheads, by reducing their wages and salaries bill. In the context of the pandemic, the promotion of homeworking sounded as an ideal solution. This too has its limitations, as it does not ensure productivity and access to reliable and efficient service delivery. One thing that is known is that home working has changed the way of doing business. This has contributed to growing frustration on the part of customers and members of the general public.

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Whereas the management of the COVID Pandemic has proven to be a major challenge to governments and public health officials, finding the appropriate response to the growing unemployment problem has been equally been challenging. The first and third world countries have initially responded by providing unemployment benefits to the millions of displaced workers. This has proven to be a temporary solution to a protracted problem. It is to be understood that employees who were eligible to receive the unemployment benefit, were those who were laid off or furloughed by the employer, due to circumstances that were as a direct result of the COVID 19 or the declared public health emergency. This eligibility criteria meant that only those employees on a contract of service, gig workers otherwise known as independent contractors or freelancers, and other self-employed persons whose jobs were affected by the coronavirus pandemic, were paid unemployment benefits.

The protracted nature of the pandemic has caused a headache for governments as the social security system bows to the sustained pressures. The problem stems from having to address the needs of suffering workers. For example, in the United States of America, workers are only entitled to receive unemployment benefits for a maximum of twenty-six weeks. With this period of time having been exhausted, the Government of USA introduced the American Rescue Plan Act 2021 in an effort to address the problem. The Act provided for an extension for persons already receiving unemployment benefits and an automatic additional payment of \$300.00 per week for all those who qualified to receive the unemployment benefit. Whilst this serve as a short-term solution in addressing the economic hardship faced by displaced workers, the jury is out on whether it has contributed to workers unwillingness to return to work once this benefit remains available. It now seems apparent that the intended gesture of good will, has turn into a nightmare for employers, who now struggle to recruit workers for employment.

As some workers enjoy the payment of unemployment benefits, it would appear that most have overlooked the fact that many low wage earners who by virtue of their earnings, would not have qualified for the payment of unemployment benefits. The picture is even more gloomy for young persons, who for the most part, would have been displaced and are now unofficially unemployed because of the COVID Pandemic. With business closures, the fact that corporate businesses enterprises

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are doing less hiring of staff and with the public sector employment continuing to contract, there is the looming possibility that unemployment figures will continue to trend upwards.

Using statistics based on unemployment trends in the United States of America, it is estimated that approximately 32.5 million are officially out of work as a consequence of the corona virus. It is projected that 11.9 million or 7.2 % of the workforce will not be recalled for employment. This represents a dismissal outlook for one of the most powerful first world countries. It is left to ponder what would be the fate and state of small island like Barbados, where there is a high incidence of unemployment. The Barbados Statistical Service in its report for the first quarter of 2021, reported that the labour force amounted to 127,700 persons, with 105,700 persons being employed and 22,000 persons unemployed. With an employment rate of 17.2 % unemployment having been recorded in the first quarter of 2021, and with the threat of a lingering pandemic, the outlook for any immediate improvement in the employment numbers, certainly doesn't look bright.

As it relates to addressing the issue of unemployment, it would appear that the world is now facing a dual challenge There must be a concentrated drive to get people back out to work. However, it is to be acknowledged it requires access to employment. Businesses must therefore get back to recruiting, hiring and providing quality jobs. Notwithstanding efforts to stimulate employment and get people back to work, there world must focus on finding a way to overcome the fears of the coronavirus, if the return to business as usual is to be realized anytime in the immediate future.