

Steps to Economic Recovery

With millions of workers now unemployed across the world, governments are faced with the formidable challenge of how to get people back to work. Governments are undoubtedly wise to the fact that this is an important step in the economic recovery of nations. Based on the enormity of their resource base, wealthy countries of the world may find themselves in a more fortunate position to be able to cushion the impact from the economic fallout. This is more likely to be the case, inasmuch that the industrial countries of the world tend to have diversified economies.

Third world countries and small island developing states are facing glaring problems since for the most part, the growth of their economies is dependent on the resources and supplies from the rich countries which are pivotal to the driving of business activities in small economies. The heavy dependency of foreign capital and investments, adds another layer to the dependency syndrome which has long existed. Tackling this problem is not an easy task. Part of the problem which is contributing to the retardation of the growth of third world and small islands states, rest in their inability to make a difference on the world market. In regions of the world where countries or states have a similar resource base and structured economy, it would seem as appropriate that they undertake to consolidate areas of economic activities in an effort towards the building out and strengthening the overall economic capacity.

In a world where people are considered to be the most important investment, it is unexplainable why so much money and other resources which are expended on education, appear to be wasted. On an annual basis, millions graduate from schools, colleges and universities all expecting to find employment. Alongside of this, there is the problem of workers continuing to find themselves underemployed. In the current economic climate where the contraction of economies is the norm, workers who have been trained and retrained are being layoff, retrenched or offered voluntary separation packages. This translates in having many people's skills, talents and expertise being wasted.

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There is the notion that those workers who have been placed on the breadline, are now well positioned to upgrade their skills and to even redirect their attention to engaging in new forms of work. Whilst this sounds reasonable, it is more likely to be an ideal developing strategy, provided that there is a demand for new job skills on the market. With the constant closure of businesses and the limited hiring around, it seems that there are some difficulties ahead for persons who despite making themselves marketable for hire, may yet endure a long wait on the unemployment list.

Education is known as to be a premium and as such, is important to people and workers' development. Dating back to the start of the current economic recession, countries embarked upon a reduction in the spending on education. True to form, the business community followed in like manner and reduced the level of expenditure on training. With the reduction in education and training budgets, the reasonable assumption can be made that workers' education and training has taken a hit. With this being the case, it is possible that this can have implications for the quality and capacity of the workforce going forward; both in the short term and possible long term.

Given the lack of engagement and opportunities for workers who have the skills, talent and experience, there is an urgent need to turn this trend around. It is hardly unlikely that this turn around will come back if employment creation is based on the emerging third sector made up of self-employed persons and entrepreneurs. The current state of play, presents the golden opportunity for countries to look seriously at the diversification of their economy. It means that Governments must undertake to facilitate the development and growth of new sectors. The corporate business sector must undertake to expand rather than moving to contract.

It is imperative that people are placed at the centre of the economic recovery effort. The International Labour Organization in recognizing this, warned that the financial crisis would increase the number of unemployed by 20 million worldwide. It further estimates that as a result of the crisis, the number of working poor living on less than \$2.00 a day could increase by over 100 million.

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As the world looks to overcome the COVID 19 pandemic, there is the school of thought that the world's economic recovery hinges on the ability to arrest the health crisis. While a healthy workforce is key to a productive workforce, it is also necessary to remember the importance of having an educated and skilled workforce. It therefore becomes apparent that health and education are twined to the global economic recovery.