

# Accelerating global actions towards decent work: with special focus on youth

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## A: Introduction

1. The General Assembly has called for a Third Decade with the theme of “Accelerating global actions for a world without poverty” in line with the 2030 Agenda for Sustainable Development.<sup>1</sup> In doing so it expressed concern “at the global nature of poverty and inequality, underlining the fact that the eradication of poverty in all its forms and dimensions, including extreme poverty, and of hunger is an ethical, social, political, environmental and economic imperative of all humankind.” It recognizes that there is a need to better understand the multidimensional nature of development and poverty and stresses the importance of using multidimensional indicators and developing transparent measurements of progress on sustainable development.
2. The 2030 Agenda equally calls for an integrated approach to the many aspects of sustainable development. This is, however, easier said than done and runs counter to the long-running pattern of specialization with separate Ministries and international entities responsible for the promotion of different policy fields. Specialization has created invaluable in-depth knowledge that has contributed to many aspects of poverty reduction and the institutional foundations for sustainable development. Nevertheless, the potential for policy synergies has not been fully realized nor has the risk of policy conflicts always been avoided. The challenge, therefore, is to establish policy-making and implementation settings in which the insights of specialism are contextualized in support of the integrated and participative vision of the 2030 Agenda. The specific contribution of the 3<sup>rd</sup> Decade could be to promote the identification and exploitation of such policy synergies as a means for accelerating progress towards poverty eradication.
3. This paper addresses the goal of accelerating global actions towards decent work, with a special focus on youth, as one of many possible vectors for tackling the conceptual, institutional and practical challenges underlying the development of an integrated system-wide action plan. In doing so it follows the General Assembly resolution in encouraging “greater inter-agency convergence and collaboration within the United Nations system in sharing knowledge, promoting policy dialogue, facilitating synergies, mobilizing funds, providing technical assistance in the key policy areas underlying the decent work agenda and strengthening system-wide policy coherence on employment issues, including by avoiding the duplication of efforts”.<sup>2</sup>

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<sup>1</sup> Resolution (72/233) on Implementation of the Second United Nations Decade for the Eradication of Poverty (2008–2017)

<sup>2</sup> Paragraph 47 of 72/233

4. The paper briefly sets out the global employment and social outlook with a focus on its impact on poverty eradication in developing countries. The scale of working poverty in high income countries is also described. The concepts of “absolute” and “relative” poverty both are used. The latter brings into perspective high and rising inequalities and therefore the importance of action to narrow the gaps between the top strata of society and the bottom and middle ranges.
5. The paper then examines the policy portfolio available to member states to accelerate the creation of decent work opportunities. With the population of many developing countries continuing to grow the importance of decent jobs for youth is highlighted.
6. Sustainable growth and development is closely intertwined with the acceleration of decent work opportunities. Employment policies, as commonly conceived, therefore need to be equally closely interlinked with the full range of policies needed to realize the goals of the 2030 Agenda. Illustrations of how such synergies can be identified and exploited are offered.
7. The paper concludes by suggesting that the UN action to follow up the General Assembly resolution on the 3<sup>rd</sup> Decade should therefore focus on ways of promoting an integrated approach to poverty eradication by member states with the support of the UNDS. It proposes that the multidisciplinary experts gathered for the Addis meeting could usefully examine practical as well as conceptual approaches to integrated action.

## **B: Decent work challenges**

8. In 2017, extreme working poverty remained widespread, with more than 300 million workers in emerging and developing countries having a per capita household income or consumption of less than US\$1.90 (PPP) per day.<sup>3</sup> Overall, progress in reducing working poverty is too slow to keep pace with the growing labour force in developing countries, where the number of people in extreme working poverty is expected to exceed 114 million in 2018, or 40 per cent of all women and men in employment.
9. Emerging countries, on the other hand, achieved significant progress in reducing extreme working poverty, which is expected to affect less than 8 per cent (around 190 million) of workers in 2017. The incidence of extreme poverty should continue to fall, translating into a reduction in the number of extreme working poor by 10 million per year in 2018 and 2019. Nevertheless, moderate working poverty, in which workers live

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<sup>3</sup> World Employment and Social Outlook: Trends 2018 International Labour Office – Geneva 2018. This report uses the term “developing countries” to group to low-income countries with GNI of USD 1,005 or less. “Emerging countries” are lower and upper middle-income countries with a GNI per capita between USD 1,026 and USD 12,475.

on an income of between US\$1.90 and US\$3.10 per day in PPP, remains widespread, affecting 430 million workers in emerging and developing countries in 2017.

10. The decline in the numbers living in extreme or moderate poverty is matched by an increase in the the number of near poor workers. ILO research estimated that slightly more than a quarter of the workforce of 142 low and middle income developing countries (25.2 per cent) in 2011, up from 15.3 per cent of workers in 1991, were living just above the moderate poverty line then estimated at between \$2 to \$4 per day.<sup>4</sup> The risk for this income group of falling into more severe poverty is high should ill-health, unemployment or one of the many of life's contingencies strike.
11. Working poverty is most prevalent amongst own account workers and contributing family members, a group termed "vulnerable" by the ILO because they typically lack any form of social protection and often work in the rural and urban informal economy. Globally, the significant progress achieved in the past in reducing vulnerable employment has essentially stalled since 2012. In 2017, around 42 per cent of workers (or 1.4 billion) worldwide are estimated to be in vulnerable forms of employment. This share is expected to remain particularly high in developing and emerging countries, at above 76 per cent and 46 per cent, respectively. Worryingly, the ILO projections suggests that the trend is set to reverse, with the number of people in vulnerable employment projected to increase by 17 million per year in 2018 and 2019.
12. Gender disparities in employment are of particular concern. On average, women are less likely to participate in the labour market, facing a global gender gap in participation of over 26 percentage points, and are less likely to find a job when they do participate. These gaps are particularly wide in Northern Africa and the Arab States, where women are twice as likely to be unemployed as men. Once in employment, women face segregation in terms of the sector, occupation and type of employment relationship, resulting in restricted access to quality employment. For instance, 82 per cent of women in developing countries are in vulnerable forms of employment in 2017, compared to 72 per cent of men.
13. The lack of employment opportunities for youth (i.e. those under 25 years of age) presents another major global challenge. Young people are much less likely to be employed than adults, with the global youth unemployment rate standing at 13 per cent, or three times higher than the adult rate of 4.3 per cent. The challenge is particularly acute in Northern Africa, where almost 30 per cent of young people in the

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<sup>4</sup> Employment and economic class in the developing world, Steven Kapsos and Evangelia Bourmpoula, June 2013 International Labour Office

labour market are without a job. Importantly, gender inequalities are already established among young workers, rendering future progress in reducing gender gaps even more difficult.

14. Looking ahead, demographic trends are diverging between higher and lower income countries. Dependency ratios are rising in many countries as the older population (above 65) rises while that of working age (20-64) stabilizes or falls). However, in many lower income countries a youth bulge continues to have a dramatic effect on the size of the working age group. For example, the African labour force in the 20-24 age group is expected to increase from 66 million in 2018 to 89 million by 2030. With increased life expectancy and reduced birth rates ageing and rising dependency ratios will also start to affect lower income countries over the next two to three decades. However, during the time span of the 3<sup>rd</sup> Poverty Eradication Decade, before dependency ratios start to increase, there is a demographic window of opportunity for lower income countries to get richer before they get older. A rapid acceleration in the decent work opportunities for young women and men in or about to enter the labour market is therefore vital.
15. A further underlying structural shift that will impact development and poverty reduction is the ever-increasing share of the service sectors in employment. The employment share in agriculture is set to continue its long-term downward trend. Furthermore, the share of manufacturing employment is expected to continue its decline in upper middle-income and developed countries, and to grow only marginally in lower middle-income ones. This confirms the ongoing trend of “premature deindustrialization”, whereby lower-income countries are seeing declining shares of industrial employment at earlier stages of development compared to developed countries. This phenomenon could render the positive impacts of structural transformation in reducing informal and vulnerable employment smaller than commonly expected, given that most workers moving out of agriculture are anticipated to find employment in a range of market services, where the incidence of poor working conditions is higher than in industry. Various forms of technological change, particularly digitalization, are also shifting employment patterns and the skill content of a wide range of occupations worldwide.<sup>5</sup>
16. In many high-income countries, working poverty is high and rising. However, international comparisons using the \$1.90 level can be misleading. As Angus Deaton has recently pointed out, there are necessities of life in rich, cold, urban and individualistic countries that are less needed in poor countries. A needs-based absolute poverty line for rich countries designed to match more accurately the \$1.90 line for

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<sup>5</sup> Inception Report for the Global Commission on the Future of Work, International Labour Office – Geneva: ILO, 2017

poor countries is around \$4 a day. On this basis around 5.3 million people in the USA are absolutely poor by global standards.<sup>6</sup>

17. On average in OECD countries around 11 percent of workers were living in poverty, defined as below 50% of median disposable income in each country in 2013. Denmark at 5.4 per cent and France at 7.1 per cent were amongst the countries with below average working poverty, Mexico at 21.4 per cent and the USA at 17.6 per cent were markedly above. The numbers living below the pre-crisis poverty threshold increased between 2007 and 2011 across the OECD and doubled in Greece. There was also a shift in the age profile of poverty, with young people replacing the elderly as the group most at risk of poverty, continuing a trend lasting for the past 30 years. Poverty rates rose among children and especially among youth while they fell among the elderly.<sup>7</sup>
18. Temporary and part-time work and self-employment account for about a third of total employment in OECD countries. Many non-standard workers are worse off in many aspects of job quality, such as earnings, job security or access to training. In particular, low-skilled temporary workers face substantial wage penalties, earnings instability and slower wage growth. Households that are heavily dependent on earnings from non-standard work have much higher income poverty rates (22% on average), and the increase in the number of such households in OECD countries has contributed to higher overall inequality.

## **C: The Decent Work Policy Portfolio for Sustainable Development**

19. Being in work is not necessarily a way out of poverty, as the trends cited demonstrate. The work needs to be of a decent standard. Realizing decent work requires a multidimensional strategy which includes respect for fundamental principles and rights at work.<sup>8</sup>
20. Amongst the attributes of decent work is social protection. Women and men unable to work, even temporarily, are at high risk of falling into poverty. Inadequate or absent social protection coverage is associated with high and persistent levels of poverty and economic insecurity, growing levels of inequality, insufficient investments in human capital and human capabilities, and weak aggregate demand in a time of recession and slow growth. Building a social protection floor, as envisaged in SDG 1.3 and ILO Recommendation 202, is thus a high priority for many countries and a platform for

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<sup>6</sup> Angus Deaton, The U.S. Can No Longer Hide from Its Deep Poverty Problem - The New York Times 29/01/2018

<sup>7</sup> In It Together: Why Less Inequality Benefits All, OECD 2015

<sup>8</sup> ILO Declaration on Fundamental Principles and Rights at Work, 1998. These rights are freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

poverty eradication.<sup>9</sup> Extending healthcare towards the goal of universal coverage is vital for ensuring a healthy workforce for productive and sustained development. Steady progress towards universal access to health care is thus a vital building block and can in turn be a major driver of decent work opportunities.<sup>10</sup>

21. Viewed from an economic angle, the realization of decent work requires the generation of productive work that creates the resources needed to raise incomes above the poverty line and provide a decent living standard for the whole population. Improved productivity enables employers and workers to tackle low earnings and insecure working conditions. A conducive environment for sustainable enterprises is thus an important element of strategies for decent work.<sup>11</sup>
22. The progressive improvement of a skilled workforce skills is a closely-related feature of decent work for sustainable development, which in turn requires an education and training system offering lifelong learning to the whole population. By developing national skills policies, countries can bring coherence to the system, facilitating coordinated reforms, and clarifying institutional arrangements.<sup>12</sup> While lifelong learning is increasingly important for individuals and countries, equipping young women and men with the skills needed for entry into the labour market is an essential foundation for productive and decent work.<sup>13</sup>
23. As highlighted by the 2030 Agenda, sustainable development and poverty eradication calls for a transformation of the development process to ensure the protection and restoration of the environment as well as sustained and equitable improvement in living standards. Greening growth and development can yield a net increase in both the quantity and quality of jobs. A significant potential exists in emerging and developing countries. For example, targeted international investment of US\$30 billion

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<sup>9</sup> Building economic recovery, inclusive development and social justice, ILO World Social Protection Report 2014/15 ILO 2014

<sup>10</sup> Working for health and growth: investing in the health workforce. Report of the High-Level Commission on Health Employment and Economic Growth, World Health Organization 2016

<sup>11</sup> Conclusions concerning the promotion of sustainable enterprises - International Labour Conference, ILO 2007. The ILO's tripartite constituents agreed on the following elements of a conducive environment detailed in the Conclusions: peace and political stability; good governance; social dialogue; respect for universal human rights; entrepreneurial culture; sound and stable macroeconomic policy; trade and sustainable economic integration; enabling legal and regulatory environment; rule of law and secure property rights; fair competition; access to financial services; physical infrastructure; information and communications technology; education, training and lifelong learning; social justice and social inclusion; adequate social protection; responsible stewardship of the environment.

<sup>12</sup> Skills and Employability, Policy Brief ILO 2012

<sup>13</sup> Rising to the youth employment challenge: New evidence on key policy issues, Niall O'Higgins; International Labour Office – Geneva: ILO, 2017

per year into reduced deforestation and degradation of forests (REDD+) could sustain up to 8 million additional full-time workers in developing countries.<sup>14</sup>

24. A focus on the generation of decent and productive employment is directly related to the establishment of a sustained growth process. Rising consumption based on improved earnings from work and increased employment stimulates investment which in turn lifts productivity. Rising household and business incomes enable the tax base to be enlarged and public expenditure on health and education as well as investment in the physical infrastructure for development to be increased. As shown by several recent studies, reducing inequalities can also lift and reduce the volatility of growth.

25. Realizing an equitable and sustainable transformation of employment patterns may however be increasingly difficult over the next decade. The traditional path of structural transformation, whereby employment first shifts away from agriculture to low value-added manufacturing, subsequently relocating to more sophisticated manufacturing and services as countries move to higher stages of development, had the potential to reduce the incidence of vulnerable and informal employment, while improving overall working conditions. The current wave of structural transformation differs considerably from past experiences, in that it does not involve significant growth in industry employment and is largely led by employment shifting from agriculture to service sectors. This “premature deindustrialization” is likely to continue in the near future, leading to a slower pace of reduction in informal and vulnerable employment than has been observed in the past.

26. Such a pattern of structural transformation does not bode well for significant improvements in average working conditions, which remain difficult in certain market services to which the bulk of agricultural employment is expected to relocate. In emerging and developing countries internal migrants often cannot find quality employment in formal enterprises and have to take up a low-quality, informal activity on their own account in the service sector. Overall, this translates into a need for strong and integrated policy efforts to promote firms’ formalization and boost job quality and productivity growth in the service sector as important conditions for securing decent work, sustainable development and poverty eradication.

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<sup>14</sup> Working towards sustainable development: opportunities for decent work and social inclusion in a green economy / ILO/UNEP/IOE/ITUC. - Geneva: ILO, 2012. See also: Guidelines for a just transition towards environmentally sustainable economies and societies for all, ILO 2015

## **D: Policy Integration for Decent Work, Sustainable Development and Poverty Eradication**

27. The brief review of current employment trends and policy approaches for the promotion of decent work serves to highlight the scale of the challenges in accelerating the pace of poverty eradication and establishing a trajectory of development that would lead to the achievement of the SDGs. To varying degrees the goal of decent work set in SDG 8 supports and is supported by action to realize all the other 16 SDGs.<sup>15</sup> Recognition of the importance of an integrated approach by the UN system to sustainable development and poverty eradication is expressed in paragraph 47 of General Assembly resolution 72/233. It “encourages greater inter-agency convergence and collaboration within the United Nations system in sharing knowledge, promoting policy dialogue, facilitating synergies, mobilizing funds, providing technical assistance in the key policy areas underlying the decent work agenda and strengthening system-wide policy coherence on employment issues, including by avoiding the duplication of efforts”. There are several examples of such interagency collaboration. The following review of four examples aims to draw out common features of such collaboration which might be drawn on during the 3<sup>rd</sup> Decade.
28. In October 2015, the UN Chief Executives Board (CEB) adopted a strategy document for The Global Initiative on Decent Jobs for Youth.<sup>16</sup> It was prepared through the UN High Level Committee on Programmes by a Task Team lead by the ILO which included FAO, ITC, ITU, UNCTAD, UNDESA, UNDP, UNEP, UNESCO, UNFPA, UN-Habitat, UNICEF, UNIDO, UNRWA, UN-WOMEN, UNWTO, WIPO, the World Bank Group and (ex officio) the Office of the Secretary-General's Envoy on Youth.
29. The core of the approach is a set of 15 guiding principles. These concern: promoting the access of young people to productive assets; a rights-based approach; promotion of gender equality; recognition of the heterogeneity of youth and the need to promote targeted approaches; a balanced set of interventions; focus on the creation of decent jobs and the improvement of the quality of work; promoting the access of young people to productive assets; expanding investments in youth for quality education and skills development; promoting labour market policies, combining active labour market policies (ALMPs) and social protection measures; combining immediate action with long-term policy interventions; complementarity and coherence between public policies and private sector initiatives; involvement of organizations representing the interests of young people; focus on achieving impact at the country level and pursuing

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<sup>15</sup> The End to Poverty Initiative: the ILO and the 2030 Agenda, Report of the Director-General to the International Labour Conference 2016

<sup>16</sup> The Global Initiative on Decent Jobs for Youth  
<https://www.unsceb.org/CEBPublicFiles/Global%20Initiative%20on%20Decent%20Jobs%20for%20Youth%20Strategy%20Document%20Oct%202015.pdf>

regional perspectives, where appropriate; leveraging existing platforms and lessons learned; and expanded multi-stakeholder partnerships.

30. These are operationalized through:

- a) engaging stakeholders and world leaders in high-level policy action on youth employment;
- b) expanding and scaling up context-specific interventions at the national and regional levels for systematic and coherent policies and interventions on youth employment;
- c) pooling existing expertise and enhancing knowledge development and dissemination on what works for youth employment, including through the development of tools and capacity building; and
- d) leveraging resources from existing facilities and mobilizing additional resources.

31. The Initiative stresses the importance of country ownership of action on youth employment where countries request “the support of the Initiative, along the same lines as the strategic alliance at the global level, a multi-stakeholder partnership will be set up at country level to support the implementation of youth employment interventions...”.

32. The Partnership for Action on Green Economy (PAGE) was conceived in 2012 as a response to the call to action following the Rio +20 Sustainable Development Conference in Brazil. It was then formally established in 2013. It informs, inspires and enables countries to transform their economies to inclusive green economies; that is, economies that eradicate poverty, increase jobs and social equity and strengthen livelihoods while protecting the environment. Working at the national and sectoral level, PAGE is a collaborative partnership between five United Nations agencies<sup>17</sup> as well as the national governments in PAGE countries. The programme, active in 17 countries, works to build capacity within partner countries so they are able to provide an enabling environment to meet their sustainability commitments, particularly the Sustainable Development Goals, through inclusive green economy approaches. The core approach is to achieve sustainable and green growth; create green jobs; address inequality and climate change; advance green industrial development and improve skills, knowledge and institutional capacity. The ILO is also partnering with UNFCCC on a programme entitled Just Transition: Climate change, decent work and sustainable development.

33. To improve coordination of efforts, the Social Protection Inter-Agency Cooperation Board (SPIAC-B) was established in July 2012 in response to a request from the G20. The Board brings together leaders and technical experts from member agencies to coordinate their social protection activities as well as identify new areas of work that

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<sup>17</sup> UNEP, ILO, UNDP, UNIDO, UNITAR

require coordination efforts. SPIAC-B is co-chaired by the ILO and the World Bank and is made up of over 20 members, including United Nations agencies and organizations, multilateral and bilateral development agencies, civil society and other organizations. The non-governmental organizations and think tanks working on social protection issues are welcome as observers at the Board. It aims to improve the coherence and coordination of social protection policy advice and activities of the international development community at the global, regional and country levels. The Board supports the Agenda 2030 and works with its members towards the achievement of the SDGs related to social protection.

34. At the 2016 UN General Assembly, the World Bank Group and the International Labour Organization convened on a conference to inaugurate a Global Partnership for Universal Social Protection with 23 country experiences to show that universal social protection is feasible in developing countries.<sup>18</sup>
35. FAO and the ILO have embarked on an ambitious partnership to extend the standards of the Decent Work Agenda to the agricultural sector and rural areas. While the ILO leads the Global Employment and Decent Work Agenda, FAO has a crucial complementary role to play in promoting decent rural employment, specifically with respect to employment in agriculture, in agro-processing and in rural marketing enterprises and industries. The two United Nations agencies work to:
  - a) Promote rural and agricultural development strategies that are socially, environmentally and economically sustainable.
  - b) Achieve internationally agreed development goals, in particular those that are relevant to decent work, employment promotion, gender equality and social protection.
  - c) Strengthen synergies between ILO and FAO activities at country level in support of national development plans and programmes, including in the context of poverty reduction strategies, development assistance frameworks and common country assessments.
  - d) Develop more coherent and comprehensive normative instruments and provide assistance for their implementation.

## **E: Promoting Integrated Strategies for Poverty Eradication and Sustainable Development**

36. As emphasized in General Assembly Resolution 72/233 and the 2030 Agenda sustainable development and poverty eradication, the UN's role is to provide relevant and effective support to national strategies. The importance of integrated approaches

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<sup>18</sup> <http://www.social-protection.org/gimi/gess/NewYork.action?id=34>  
A concept is available at <http://www.social-protection.org/gimi/gess/RessourcePDF.action?ressource.ressourceId=53992>

to national policy-making and international support is widely recognized if such strategies are to be effective. In recent years inter-agency partnerships within the UN system have blossomed but in an ad hoc fashion and not always adequately back by financial and human resources.

37. In his 2017 wide-ranging report to the General Assembly on Repositioning the UN development system to deliver on the 2030 Agenda – Ensuring a Better Future for All<sup>19</sup>, the Secretary-General identified strengthening the system’s capacity for policy advice as “critical as Governments increasingly request support in how best to integrate the SDGs into their national plans and governance structures, make the necessary trade-offs and prioritize and sequence their actions.” This called for a new skill set within the UNDS to deliver integrated policy advice as well as embedding “multi-stakeholder partnerships into the core business model of the UN development system, pooling system-wide expertise across the partnership spectrum.” He also highlighted the low-level of funding for joint initiatives. Looking ahead he envisioned a key role for interagency coordination through the UN Chief Executives Board and its supporting committees.
38. In designing a System-Wide Action Plan (SWAP) for a Third UN Decade for Poverty Eradication, it is important to draw on past experience of policy integration and the emerging plans for a strengthening of such action within the framework of the 2030 Agenda. In this regard, partnerships for the promotion of decent work offer important insights. These include:
- a) Targeting of scarce human and financial resources on countries requesting UN support for integrated policy advice;
  - b) The identification of key objectives and core principles for collaborative interagency action;
  - c) Joint integrated research and analysis of the impact on jobs and incomes of policies aimed at for example environmental sustainability, infrastructure investment, health care and educational services;
  - d) Joint work by multidisciplinary UN teams with teams drawn from national ministries and civil society partners;
  - e) Improved staff training on integrated policy-making and implementation;
  - f) New approaches to planning and budgeting that incentivize collaborative work and ensure that funding lines are available nationally and internationally to implement integrated programmes.

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<sup>19</sup> <https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/qcpr/sg-report-on-unds-qcpr-june-2017.pdf>