

Introduction

We commit ourselves to promoting the goal of full employment as a basic priority of our economic and social policies, and to enabling all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work.

— *Commitment 3 of the Copenhagen Declaration on Social Development, adopted by the World Summit for Social Development, Copenhagen, 1995*

Since the World Summit on Social Development — held in Copenhagen from 6 to 12 March 1995, the United Nations has underscored the role of productive employment in reducing poverty and promoting social development. At the 2005 World Summit held in September 2005, world leaders had undertaken the commitment “to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of (their) relevant national and international policies”.¹ Moreover, in paragraph 5 of the ministerial declaration adopted by the Economic and Social Council on 5 July 2006, Members and Heads of Delegations participating in the high-level segment resolved to promote full and productive employment and decent work for all.² Further, the Secretary-General has, in his report on the work of the Organization issued in 2006, proposed to include a new target, echoing the above-mentioned commitment of the 2005 World Summit, under Millennium Development Goal 1.³

At the core of the United Nations approach to full and productive employment and decent work, is the Universal Declaration of Human Rights⁴ which states in article 23(1) that everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. Ensuring free choice of employment means enabling people to work out their own work trajectories over their working lives. Choice is about the absence of coercion and control, or other social obstacles to the exercise of one’s capacities. Since choice matters, policymakers should seek to create policies

and institutions that improve choice for all people. To spread decent work, policymakers should start by developing strategies designed to strengthen economic freedom and rights instead of merely focusing on overall job creation.

However, it should be stressed that unemployment is a weak indicator of decent-work deficits. In most of the developing world, “employment” and “unemployment” are crude measures, at best, of the state of people’s livelihoods and well-being. The reality is that in developing countries, most people simply cannot afford to be unemployed. The focus in developing economies should therefore be not only on unemployment and unemployment indicators but also on underemployment and under paid employment.

Also, the notion of employment is increasingly being replaced by the concept of sustainable livelihoods. The notion of employment traditionally refers to a stable wage relationship, whereas sustainable livelihoods encourages us to think more about how people work and how they wish to work. The notion of sustainable livelihoods conveys the idea that development and work should be seen as integrated sets of activities that entail more than just the earning of incomes (Scoones and Wolmer, 2003). The term refers to the range of linked activities potentially undertaken by most people, including domestic work (such as caregiving), paid labour, commuting to and from working activity, petty trading, labour circulation, social networking, secondary work, voluntary community work, charitable work, and the various activities associated with learning skills, training and the dissemination and receiving of information.

The notion of decent work has become part of the lexicon of work and labour analysis since it was introduced by the International Labour Organization (ILO) in 1999. Decent work for the person performing it should be satisfying, that is to say, it should promote personal development and contribute to the well-being of society as well as to the well-being of his or her family. A society committed to the promotion of decent work would be one in which people are living in conditions of basic economic security and of equality of good opportunity to develop and apply their competencies safely and with a broadening range of economic, social and cultural rights.

More specifically, decent work involves opportunities for kinds of work that are productive and that deliver fair incomes, security in the workplace and social protection for families, better prospects for personal development and

social integration, freedom for people to express their concerns, organize and participate in decisions that affect their lives, and equality of opportunity and of treatment for all women and men.

In each of these areas, people throughout the world face deficits, gaps and exclusions in the form of unemployment and underemployment, poor-quality

Dimensions of socio-economic security and decent work^a	
Decent work	Socio-economic security
1. Opportunities for work (the need for all persons [men and women] who want work to be able to find work)	Labour-market security (adequate employment opportunities)
2. Productive work (essential for workers to have acceptable livelihoods for themselves and their families, and essential to ensure sustainable development and competitiveness of enterprises and countries)	Basic needs security (capacity for safeguarding one's subsistence or basic well-being) Job security (a niche designated as an occupation or "career") Skill reproduction security (opportunities to gain and retain skills) Income security (protection of income through minimum wage machinery, wage indexation, comprehensive social security, taxation to reduce inequality)
3. Security at work (the need to help safeguard health, pensions and livelihoods, and to provide adequate financial and other protection in the event of health and other contingencies. This also recognizes workers' need to limit insecurity associated with the possible loss of work and livelihood)	Employment security (protection against arbitrary dismissal, etc.) Work security (protection against accidents and illness at work, through safety and health regulations, and limits in working time, unsocial hours, night work for women, etc.)
4. Dignity at work (workers should be treated with respect at work, and should be able to voice concerns and participate in decision-making about working conditions)	Security of representation (protection of the collective voice, independent trade unions and employers' associations)
5. Work in conditions of freedom (work should be freely chosen and not forced on individuals, it being understood that certain forms of work are not acceptable in the twenty first century. This means that bonded labour and slave labour as well as unacceptable forms of child labour should be eliminated as agreed by Governments in international declarations and labour standards. It also means that workers are free to join workers' organizations)	Work in conditions of freedom (work should be freely chosen and not forced on individuals, it being understood that certain forms of work are not acceptable in the twenty first century. This means that bonded labour and slave labour as well as unacceptable forms of child labour should be eliminated as agreed by Governments in international declarations and labour standards. It also means that workers are free to join workers' organizations)
6. Equity in work (workers need to have fair and equitable treatment and opportunity at work. This encompasses the absence of discrimination at work and access to work and the ability to balance work with family life)	By definition, this dimension of decent work is implicitly included in the socio-economic security paradigm

^aAdapted from: Igor Chernyshev, *Socio-Economic Security and Decent Work in Ukraine: A Comparative View and Statistical Findings*, Working Paper, No. 76, (Geneva, Policy Integration Department, Statistical Development and Analysis Group, International Labour Office, October 2005).

and unproductive jobs, unsafe work and insecure income, rights that are denied, gender inequality, exploitation of migrant workers, lack of representation and voice, and inadequate protection and solidarity in the face of disease, disability and old age.

Economic security creates good opportunities for decent work, as reflected in activities that are freely chosen. Without such security, people cannot develop their capabilities because, often, they have to take what is readily available, rather than hold out for work that might better suit their skills, background, education and preferences. Without security, they have to curtail their creative and productive work preferences excessively.

Socio-economic security means assured access to basic needs, such as food, water, housing and schooling, coupled with access to good opportunities to pursue productive and creative work in a decent way. A crucial concern is that such activity should be freely chosen to the extent that is feasible, and the trend should be towards greater freedom, rather than less.

The table on the previous page displays the intersecting dimensions of socio-economic security and decent work, and demonstrates that it is the combination of forms of security that could make decent work a reality.

In the first decade of the twenty first century, the world is faced with a series of challenges with respect to work and labour. At root, the broad economic and social context determines how one thinks about work. Every human being has the right to be able to work under decent conditions; but there are always trade-offs, and it would be utopian to imagine that work and labour could be as enjoyable as most of us might wish it to be.

Policies should be devised to ensure that conditions of work steadily improve, especially for those obliged to do the lowest-paid and most onerous forms of labour and work. This is why socio-economic security should be given high priority, for only in a context of such security can people make decent choices and have the option of refusing to put up with degrading or debilitating labour.

Findings

The basic tenet of the World Summit for Social Development encompassed the creation of a “society for all”. The notion of “decent work for all” is a logical

corollary of that principle. Today, the world of work is being profoundly transformed. Sectoral shifts, in themselves, are making the old images of full-time, single-occupation labour and employment inappropriate as guides to the future. Labour markets evolve all the time, but the evidence is that in the current phase of globalization, they have been evolving in the direction of greater levels of economic insecurity and greater levels of most forms of inequality, many of which have a direct adverse effect on the opportunity of people to live a life of decent work and satisfactory employment.

Social cohesion and political stability are important for economic stability, investment and growth and, ultimately, for the health of the labour market and employment opportunities and conditions. Income inequality can compromise social cohesion, lead to political violence and endanger government stability. In other words, income inequality contributes to a political and social environment that is not conducive to decent work and full employment. The fact that, ultimately, lowered social cohesion strains institutions and impedes growth negatively impacts labour-market conditions and is likely to further fuel income inequality.

The statistics are not encouraging: it is estimated that in 2006, 1.4 billion of those working did not earn enough to lift themselves and their families above the two dollars-a-day poverty line. This figure includes about 507 million workers and their families who lived below the one dollar-a-day poverty line.

Many of the world's youth live in poverty. It is estimated that one-fifth of the total global youth population (over 200 million persons) live on less than \$1 per day, and that roughly one in every two young men and women (515 million persons) live on less than \$2 per day. The plight of the working poor among young people is an issue that has only recently started to gain attention. Furthermore, roughly 1 in every 10 young persons, or a total of 130 million young people, are illiterate, having missed out on, or having been forced to drop out of, primary education during their childhood.

Of the 650 million persons with disabilities, about 470 million are of working age. They are much more likely to be unemployed or underemployed than persons without disabilities. Workers with disabilities tend to fare less well than other workers, especially when unemployment rises. Persons with disabilities are much more likely than those without disabilities to live in poverty, and of the 1.4 billion people surviving on less than \$2 a day, persons with disabilities are

often among the poorest. There is a strong correlation between poverty and disability, as people who are living in poverty are more likely to become disabled, and persons with disabilities are more likely to be poor.

Indigenous peoples are disproportionately represented among the poorest of society. Although indigenous peoples make up only 5 per cent of the world's population, they represent about 15 per cent of the world's poorest; and although labour statistics are frequently not disaggregated by ethnicity, in most countries unemployment rates among indigenous peoples seem to be significantly higher than the national average.

Promoting and generating full employment and decent work for all are increasingly seen as constituting crucial pathway towards achieving the Millennium Development Goals, especially the goal of poverty reduction. However, as this report will show, there are many challenges to be met and obstacles to be overcome in reaching the poorest, the most marginalized and, by implication, the most excluded.

The advance of globalization has had important implications for work and employment outcomes in all countries. However, changes in international and national markets for labour have presented different sets of challenges for different groups in society. Some of the social groups that are more visible than others have managed to dominate the debate on work and labour. The lack of visibility of other groups requires vigorous and sustained action to ensure that their particular concerns and challenges are recognized and adequately addressed by policy-makers. Therefore, giving voice to all members of society, including workers and the unemployed, women, migrants and other marginalized groups, should ensure that their views on matters affecting their lives are heard.

However, this will not be an easy matter. Governments and employers around the world, in their determination to remain or become economically competitive, have taken numerous steps to increase external labour-market flexibility, and in doing so, have engendered greater insecurity among most groups of workers. An extremely flexible system is likely to be a highly unstable one and, above all, the global trend towards employment flexibility means that fewer workers can anticipate being in stable, protected employment.

Furthermore, there has been an informalization of employment and work in many parts of the world. In contrast with past experience, economic growth has not been strongly associated with the growth of formal employment; indeed,

informal activities, however defined, seem to have grown in absolute and relative terms. In fact, the world as a whole as well as many countries seem to be suffering from “jobless growth”. In other words, the economy is growing without any jobs being generated or with a diminishing number of jobs created for any particular rate of economic growth.

Informalization is closely linked to labour casualization. Labour-market restructuring, often creating greater flexibility in the labour market, has increasingly led to the spread of precarious labour relationships, especially employment insecurity, which manifests itself in various forms. Globally, there has been a spread of short-term contracts, giving workers fewer entitlements and little sense of security in their employment. Extensive casualization has long characterized labour relationships in developing countries, but in recent decades it has been growing everywhere. Often, workers retain temporary status even though they have remained in their jobs for many years. The fact that these workers face constant insecurity makes them less inclined to object to workplace changes to wage cuts or to loss of benefits, out of fear of losing their jobs.

The recent deregulation, privatization and marketization of social services have had profound effects on labour markets and employment sectors that had set standards of social security for several generations. This transformation of social services has been a crucial dimension of the transformation of labour and work across the world.

Workers providing social services have tended to experience reductions in employment security and income security, and have tended to lose voice and representation, inasmuch as private sector workers are much less likely to be unionized or to enjoy such workplace safeguards as have been the norm in the public sector. Liberalization and privatization have meant that “permanent” employment, characteristic of civil services until a few years ago, has been diminishing rapidly. Many more workers have been placed on short-term contracts, with periods of short notice for dismissal. Outsourcing and subcontracting have become far more common. All these changes may have helped to reduce labour costs, but at the same time they have created many more insecurities for those providing the services.

Standardized contracts and collective contracts are giving way to more individualized contracts based on bargaining on an individual level between employers and workers. One concern is that since the bargaining strengths of managers

and individual workers differ enormously, a shift to more decentralized and individualized employment relations must tilt the balance in favour of employers.

This shift of power to employers is further underpinned by the globalization of financial markets, which makes it more difficult to tax relatively mobile factors of production such as capital. In effect, taxation on capital has been falling, while the effective tax share borne by labour income has been rising, further worsening the functional income distribution. Furthermore, and also as a result of globalization, there has been a greatly increased abundance of labour supply. This abundant globalized labour supply contributes to keeping down wages: employers can always impose pay cuts merely by threatening to shift production to lower-income countries.

International labour mobility has lagged significantly behind international capital mobility. Nonetheless, there are signs that a new global labour market is emerging. For managerial and professional workers, the enhanced opportunity for international mobility is unquestionably advantageous. Many of those who are moving around have obtained secure employment contracts with national or multinational corporations. Others move from contract to contract, with high incomes and access to private benefits and investments. However, for many others who have fewer skills, there are various forms of insecurity and deprivation associated with their labour mobility.

Another important factor is the trend away from statutory regulation to self-regulation as part of the liberalization that has accompanied globalization. Self-regulation may engender greater work insecurity. With liberalization, there has been a steady rollback in State systems of social security and reduced expectations of the universality of State provision. Although these reversals have been observed almost everywhere, they have been strongest in some of the most developed “welfare state” countries, and have been evident as well in middle-income and developing countries, which had previously been expected to develop State-based social security systems.

The concept of social insurance has always been the cornerstone of social security systems. However, social insurance is automatically weak in economies dominated by informal economic activities and is surely being weakened further by the growth of more flexible labour relations. In such circumstances, it is unrealistic to envisage social insurance as the cornerstone of social protection in

the future, given the growing informalization, labour casualization, offshoring and labour-market flexibility that are all part of the pursuit of the economic liberalization that defines globalization.

Recommendations

Policies and strategies devised to promote and generate full employment and decent work should take into account the issue of inequality, as there are linkages between inequalities and the achievement of full employment and decent work. Addressing economic, social and political inequalities that underlie labour-market performance as well as the corresponding impact of the labour market on inequalities should underpin policy considerations. Taking these synergies and compensating mechanisms into account is therefore essential in developing policy packages and in shaping political support.

The design of policies able to promote employment and decent work also needs to reflect the demographic and social changes in society, such as the growth in the number of youth and older people, the growth of households headed by single-women, and the displacement of indigenous peoples from environments in which they had survived for so long. For example, policies that do not take into account the number of older people as well as the increasing proportion of youth in the population could create biases against such workers, thereby generating increasing unemployment in their age cohorts, while disregarding the higher productivity that older workers may offer to society. Similarly, policies that fail to account for the growing number of households headed by single women by, *inter alia*, not providing childcare and family health benefits, could fail to increase the number of women in employment.

Political reforms and legal provisions for recognizing greater equality in respect of race, gender and age are also essential for raising businesses' awareness and consciousness of these objectives. The protection of immigrants' workplace rights and civil rights should be embedded in immigration laws and reflected in the enforcement of equal employment opportunity provisions. In fact, the introduction of anti-discrimination laws is needed to ensure that employment growth and decent work do not disproportionately benefit the more privileged members of society.

Social protection systems also need to adapt to more flexible labour-market conditions in order to provide economic security to all workers. With more and

more workers in employment situations that are casual, informal and outside of standard collective contracts, either by choice or by necessity, universality of coverage becomes even more important. In addition, the broadening of the concept of work to include unpaid work demands new ways of thinking about eligibility for participation in, and contribution to, social protection systems.

Finally, it is worth reiterating that it is decent work for all, rather than economic growth *per se*, or even simple job creation that should be placed at the centre of economic and social policy-making. Such a paradigm shift is the starting point for the fundamental change that is needed. International institutions, especially those in the United Nations system, should actively promote the shift and incorporate its underlying principle in their own activities.

Notes

- ¹ See General Assembly resolution 60/1 of 16 September 2005, para. 47.
- ² See *Official Records of the General Assembly; Sixty-First Session, Supplement No. 3 (A/61/Rev.1)*, chap. III, para. 50.
- ³ *Ibid.*, *Supplement No. 1* and corrigendum (A/61/1 and corr.1), para. 24.
- ⁴ General Assembly resolution 217 A (iii) of 10 December 1948.