

# **ILO Think Piece for Identification of emerging development challenges**

## **Working Group B**

*Six years into our global data collection effort, we may have already found the single most searing, clarifying, helpful, world-altering fact. What the whole world wants is a good job. This is one of the most important discoveries Gallup has ever made... Whether you and I were walking down the street in Khartoum, Cairo, Berlin, Lima, Los Angeles, Baghdad, or Istanbul, we would discover that the single most dominant thought on most people's minds is about having a good job.*

Jim Clifton, "The Coming Jobs War"

### **Connecting to People**

1. Over the past decade or so the relative weight of countries that had been classified as developing and those as developed has steadily shifted making the 2015 world look quite different from the 2000 world. These trends are likely to continue if not accelerate so, in so far as possible, thinking about post 2015 should try to imagine 2030 or at least 2020.
2. The weight of current aid donors in the world is diminishing. Rising economic powers are so far not following the DAC model of development assistance in channelling finance for development to their partners. A crude characterization of the implicit understanding of the MDGs might be "if we donors can show our taxpayers clear results in terms of your achieving easy to understand goals then we can progress towards the 0.7% target for aid." This deal really did not work for all sorts of reasons and certainly will not be a suitable political economy foundation for the post 2015 world.
3. Paradoxically the increasingly diverse post 2015 world in which the old categorizations require more and more sub-groupings may be easier to unite around an agenda of issues which are global or at least have a strong resonance in a very large number of countries at different levels of development. This would thus enable political leaders to contextualize domestic agendas within a global framework. The deal this time might be "we are following this global agenda because it makes sense for our country and because if others do the same it will be mutually supporting too."

### **Picking Priorities for a Global Development Agenda**

4. With the idea of identifying and framing issues in such a way that national action both has its own dynamic and also fits well into the need for collective action on a global stage it might be worth looking at some of the findings of opinion polling organizations. In this respect Jim Clifton's quotation above illustrates that one of the reasons of Gallup's discovery is that most people either do not have a decent job or feel that the one they have is in jeopardy. And the situation is dramatic.
5. We are facing a global social time bomb, or more accurately, a series of such time bombs, each one different according to the particular circumstances in various parts of

the world. Around 1.2 billion adults in the developing world are unable to earn enough to keep their families above the US\$ 2-a-day poverty line per person. In contrast, some 61 million people have as much income as the bottom 3.5 billion of the world's population. Income inequality is widening in many more countries that are narrowing social gaps.

6. We have 200 million unemployed and 85 million of those are youth. Globally, we face the prospect of having to grow 40 million jobs every year just to stop unemployment getting worse. That is around 400 million jobs before 2020 to stand still let alone reverse the 30 million increase in unemployment since 2008 and the 29 million who have dropped out of employment but are not recorded as unemployed – the discouraged.
7. Regrettably when the world's leaders meet in 2013 to pick priorities for the global development agenda this situation is not likely to have changed much given the forecast weak performance of the global economy in 2012 and into 2013. Indeed so-called downside risks are stronger than the reasons to be optimistic. Connecting people's concerns about decent jobs to the broader development agenda is vitally important.
8. A job creation target supported by decent work indicators that capture employment quality as well as quantity would be an important driver of a new "out of crisis" development agenda.
9. Closely connected to job creation is poverty reduction or prevention. Full, productive and decent employment is the most important source of income security as well as of the resources needed to protect those who for one reason or another are not able to work and earn a decent living.
10. Again thinking in terms of values that resonate in many different societies, equality and solidarity, arguably understated in the MDGs, remain the foundations for social cohesion. They are the values which underpin the provision of the social protection systems that are essential means of redressing poverty and inequality.
11. Social protection provided through social security guarantees that ensure that all people have access to essential goods and services is an important means to implement these core values in a society. It also is an important instrument for the pursuit of at least six of the eight present MDGs. The report of the High Level Advisory Group of the UN Social Protection Floor Initiative has made a powerful case for the ethical, social and economic dimension of social protection in development articulating the case for the role of national social protection floors, in national social and economic development. (See extract of report in Annex).
12. In view of the multiple role that social protection can play in social and economic development, the post MDG framework should contain an objective that ensures the inclusion of all groups in development and society through extending adequate social protection to all. (See Annex for more detailed proposals.)
13. If the last 15 years are any guide, the next 15 are likely to be ones of considerable economic transformation in all countries. And they need to be to meet the goals for broad based sustainable development set by the Internationally Agreed Development

Goals. Peoples' lives, especially their working lives, are changing at a rapid pace causing considerable uncertainty and anxiety. Some are moving to better jobs or have jobs that are improving but many are not or find their aspirations for a better life blocked off.

14. ILO analysis of 2009 and 2010 Gallup survey data shows that out of the 119 countries 40 per cent of the countries show an increase in the scores for a social unrest index (the higher the score, the higher the estimated unrest).<sup>1</sup> In nearly all regions, the vast majority of people are not satisfied with the availability of quality jobs. Out of 118 countries with available data, 58 per cent of countries in 2010 show a larger fraction of people reporting a worsening of living standards than in 2006. Recent data also show that confidence in government continues to remain low and has fallen since the start of the crisis. This is a disturbing combination of factors in which frustration about the dearth of decent work, especially for young women and men, and stagnant or falling earnings is interacting with a sense of powerlessness to remedy matters which in turn reflects a lack of trust in democratic processes and respect for human rights.
15. Rebuilding trust in accountable systems of governance and mechanisms of citizen participation is a development goal in itself and a means for strengthening the effectiveness of public policies that foster social justice. A key part of such an approach is the promotion of respect for fundamental principles and rights at work. Dialogue between freely organized and representative trade unions and employers organizations and governments is a key mechanism for establishing conditions for the growth of sustainable enterprises and decent work opportunities. The ILO's 1998 Declaration sets out basic human rights at work whose respect creates enabling conditions for an inclusive and sustainable trajectory of economic and social progress.
16. A new global development agenda should foster the strengthening of internationally recognized human rights and include a commitment to full respect for fundamental principles and rights at work under conditions of equity, equality, security and dignity.

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<sup>1</sup> ILO World of Work Report 2011

## Annex on social protection floor strategies

### 1. Making Progress on Shared Values Together

The scoping note for Working Group B recognizes “... that some core values and objectives in the Millennium Declaration did not receive sufficient emphasis in the MDG agenda and that they constitute some of the themes that will need further consideration by the Working Group”. Among these are:

“ **Equality.** No individual and no nation must be denied the opportunity to benefit from development. The equal rights and opportunities of women and men must be assured.

• **Solidarity.** Global challenges must be managed in a way that distributes the costs and burdens fairly in accordance with basic principles of equity and social justice.”<sup>2</sup>

Social protection provided through social security guarantees that ensure that all people have access to essential goods and services is an important means to implement these core values in a society. It also is an important instrument for the pursuit of at least six of the eight present MDGs. The 10th ILC in June 2011, whose messages were later echoed by the report of the High Level Advisory Group of the UN Social Protection Floor Initiative, summed up the ethical, social and economic dimension of social protection in development by stating that

*“(a) Social security is a human right.*

*Everyone as a member of society has a right to social security as stated in the Universal Declaration of Human Rights, Article 22. Globally the large majority of women, men and children do not have access to adequate or any social security.*

*(b) Social security is a social necessity.*

*Effective national social security systems are powerful tools to provide income security, to prevent and reduce poverty and inequality, and promote social inclusion and dignity. They are an important investment in the well-being of workers and the population at large, notably by enhancing access to health care, and providing income security thereby facilitating access to education and reducing child labour and in particular eliminating its worst forms. Social security strengthens social cohesion and thus contributes to building social peace, inclusive societies and a fair globalization with decent standards of living for all.*

*(c) Social security is an economic necessity.*

*Full, productive and decent employment is the most important source of income security. Social protection is key to ensure a just share of the fruits of progress for all. Sustainable growth requires good health, nutrition and education, which can foster transitions from low productivity and subsistence level activities to highly productive decent jobs and from the informal to the formal economy. Social security, well designed and linked to other policies, enhances productivity, employability and supports economic development. Adequate social security encourages human capital investment for both employers and workers, enables*

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<sup>2</sup> See, UN: Resolution adopted by the General Assembly, 55/2. United Nation Millennium Declaration, para6., New York 2000

*workers to adapt to change and facilitates equitable and inclusive structural change associated with globalization. As an effective automatic stabilizer in times of crisis, social security contributes to mitigating the economic and social impact of economic downturns, to enhancing resilience, and achieving faster recovery towards inclusive growth.”*

The important role of social protection, in particular the role of national social protection floors, in national social and economic development has over the last few years been recognised by a number of international bodies and fora, such as OECD DAC, UN ECOSOC ( Social Integration Resolution, February 2010), UNGA (The outcome document of the Millennium Development Goals (MDG) Summit , September 2010), the EU ( European Report on Development 2010/2011 on ‘*Social Protection for Inclusive Development*’, December 2010), the G20 Labour and Employment Ministers’ Meeting and Summit in November 2011, and lately the UN CSocD resolution of February 2012

## **2. Proposal**

In view of the multiple role that social protection can play in social and economic development, the post MDG framework should contain an objective that ensures the inclusion of all groups in development and society through extending adequate social protection to all.

If the new framework uses the targeting approach, goals could be:

- (1) By 2030 all people have social protection at least at the level of national floors for social protection,
- (2) By 2030 all people with contributory capacity enjoy higher levels of social protection that were determined in a participatory national dialogue.

A range of indicators could be used at national levels, such as:

- (1)) Percentages of (a) children and of total population with access to essential health care goods and services, (b) children receiving cash and in kind support guaranteeing income security during childhood, (c) men and women in active age who are not working due to unemployment, sickness, maternity or disability and who receive support, and (d) elderly who receive any form of pensions. These measure percentages of population having access to protection through the four basic social security guarantees that embody a complete social protection floor (as to be defined in more detail by the forthcoming ILO Recommendation concerning national floors of social protection to be discussed and possibly adopted by ILC in 2012). The effectiveness of the transfers, in terms of percentages of population under the poverty line should be measured by a poverty objective and its indicators.
- (2)) Percentage of employees, who have – in addition to benefiting from the social protection floor – adequate coverage against at least 3 of the 9 social security contingencies listed in ILO Convention No. 102 of 1952 including those specified in the conditions necessary to ratify the Convention.

