



# Jobs and livelihoods at the heart of the post-2015 development agenda

“Development happens through jobs.” This simple statement sums up the enduring reality that work is the way out of poverty for poor households and that the expansion of productive and decent employment is the way economies grow and diversify. For countries at all levels of development, an adequate supply of jobs is the foundation of sustained and growing prosperity, inclusion and social cohesion. Where jobs are scarce or available livelihoods leave households in poverty there is less growth, less security and less human and economic development.

In the current weak and turbulent international economic environment, job creation is the most pressing global development priority. As the United Nations and the global community debate the development agenda for the coming decades, jobs should take centre stage.

The desire for employment and livelihoods with rising incomes, dignity and respect is a development goal that speaks directly to people all over the globe. Work by the ILO and others over recent years demonstrates that policy decisions can have real impact on its achievement and that it is a goal that can be measured.

## The shift to inclusive and sustainable development

Jobs connect people to their society and the economy. Access to safe, productive and fairly remunerated work – as a wage employee or as an own-account worker – is a key vehicle for individuals and families to gain self-esteem, a sense of belonging to a community and a way to make a productive contribution. A shift to inclusive and sustainable development will not be possible if millions of people are denied the opportunity to earn their living in conditions of equity and dignity.

Experience shows that economic growth alone is not sufficient. The strong pre-crisis economic growth of recent decades was not adequate to ensure strong employment creation and inclusive economic results. The challenge of job creation will remain well beyond 2015. Near-term growth is slowing and many large economies are faced with the prospects of a low-growth path for the foreseeable future. The negative effects of slow and unpredictable economic growth

on employment, moreover, will be compounded by structural trends.

Achieving full and productive employment and decent work for all was one of the targets to eradicate extreme hunger and poverty under the Millennium Development Goals. However, due to the confluence of crises of the past years – financial, food, fuel and environmental – most countries have moved further away from full employment and progress in eradicating poverty is uncertain and uneven.

About 45–50 million new jobs will be needed each year over the next ten years just to keep up with the growth of the world’s working-age population and reduce the unemployment caused by the crisis. At the same time, a wave of technological innovation is altering the capacity of modern manufacturing and service activities to generate jobs. Widening inequalities in income and opportunity within and across countries are weakening the social and political fabric of our societies, fuelling a downward cycle of economic, political and social uncertainty.

Climate change mitigation and adaptation also will entail a process of structural change towards the use of renewable energies, climate-friendly technologies and more sustainable modes of production and consumption. In this process, there will be losers and winners in employment and livelihoods, with already vulnerable populations at greatest risk. New market opportunities will arise from the transition to a greener economy and new jobs and incomes will be generated, but in the losing sectors, adjustment costs and resistance will be high if alternative jobs are scarce.

In sum, setting the route toward inclusive, equitable and sustainable development must be anchored in jobs.

## A jobs-centred development agenda

What policies can maximize the generation of productive and decent jobs? A look at the experience of countries that have made significant progress – for instance in Asia and Latin America – provides important evidence based policy guidance. Countries that achieved major job creation and poverty alleviation addressed the structural factors underlying poverty and underemployment. Policies included extensive social protection with active support to

the diversification of their economies, inclusive access to finance and employment-friendly macroeconomic policies that fostered both investment and consumption.

Similar policies were the critical ingredients of the short-term response to the global financial and economic crisis, with well-designed social protection systems playing a leading role in enhancing resilience, stabilizing aggregate demand and protecting the most vulnerable groups. Those policies also strengthen the capacity of countries to develop over the long term.

Other core elements of success included stable and sound government institutions committed to the rule of law, human rights, property rights and a benign environment for starting and growing businesses. Labour market policies and institutions such as minimum wages and employment protection legislation have been key ingredients in ensuring that the benefits of development are widely distributed and workers' rights are protected. In some cases, a strategy to integrate workers into a formal system of benefits and taxes, combined with transfers to boost incomes and the purchasing power of the poorest, has created virtuous, self-reinforcing patterns of increased consumption and increased production, paving the way to a gradual transition out of the informal economy.

## The value of a global framework

As the external economic environment becomes less stable and supportive, progress rests increasingly on domestic policies that foster job-friendly and poverty-reducing growth. While the specific circumstances, priorities and needs of each country differ, employment and livelihood objectives should be core objectives of all national development strategies, with ample space left to national policy design and adaptation.

### What is the value added of integrating those objectives into a new global framework?

It would mobilize international development assistance. Low-income countries need support for the investments in infrastructure that create jobs in the short-run and in skills and innovation that would raise workers' productivity and income over the medium term. Development assistance could help kickstart nascent efforts to establish nationally defined social protection floors and launch labour market programmes to address the special needs of women, youth and vulnerable people.

Knowledge assistance would be as important as hard financial support, if not more. For example sharing of successful practices in mobilizing domestic resources for development and proper understanding of the impact of fiscal multipliers on domestic demand and jobs could avoid pitfalls and accelerate progress.

It would focus attention on the promotion of systems of governance that ensure fairness and equal opportunity and safeguard human and workers' rights.

Most importantly, it would make a difference in the lives of people in all regions.

The spillovers in terms of a balanced and stable growth in global consumer demand, decreasing in-country inequality and enhanced stability, security and peace would be felt the world over.

## Setting goals and monitoring progress

One lesson from the MDGs is that simple and concrete goals make it easier to mobilize public support and that clear numerical targets are a good way to push for delivery and transparent monitoring of progress.

The following overarching jobs and livelihoods goal would be appropriate and realistic:

- Upgrade the objective of **full and productive employment and decent work** as a central goal of the post-2015 development agenda.

This objective was added to the MDGs in 2005 as one of the targets of the first MDG goal, to eradicate extreme poverty and hunger. Setting it as a full and explicit goal and target will command greater attention to this critical need. It should come with agreed parameters to help national stakeholders define targets adapted to the circumstances and needs of their countries, within the overall framework of equality, sustainability and human rights. National targets should provide indicators to address the key components relevant to different national contexts: the special needs of women, youth and vulnerable groups, the weight of agriculture and informality.

- This goal should be supported through the implementation of **social protection floors for poverty reduction and resilience**.

Recent years have seen a breakthrough consensus on the need to invest in social protection floors to move towards universal access to a basic set of guarantees of income security and social protection. Progress in introducing national floors could be measured concretely, encompassing access to health care and pensions, expanding protection against the risks of unemployment and disability and protection against the special livelihood vulnerabilities of women and the elderly.

A separate and important lesson from the MDGs is that progress towards inclusive, equitable and sustainable development requires a process of regular dialogue and negotiation. Ensuring the participation and commitment of stakeholders from governments, parliamentarians and local authorities, the private sector, trade unions, civil society and academia is critical to make the process as inclusive, transparent and effective as possible.