

# **Southern Voice on Post -MDGs**

## ***Dhaka Expert Group Meeting***

### **Setting the Agenda**

#### **Session Two**

#### **MDGs (2015): The Unfinished Agenda**

Presentation by

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Organised by

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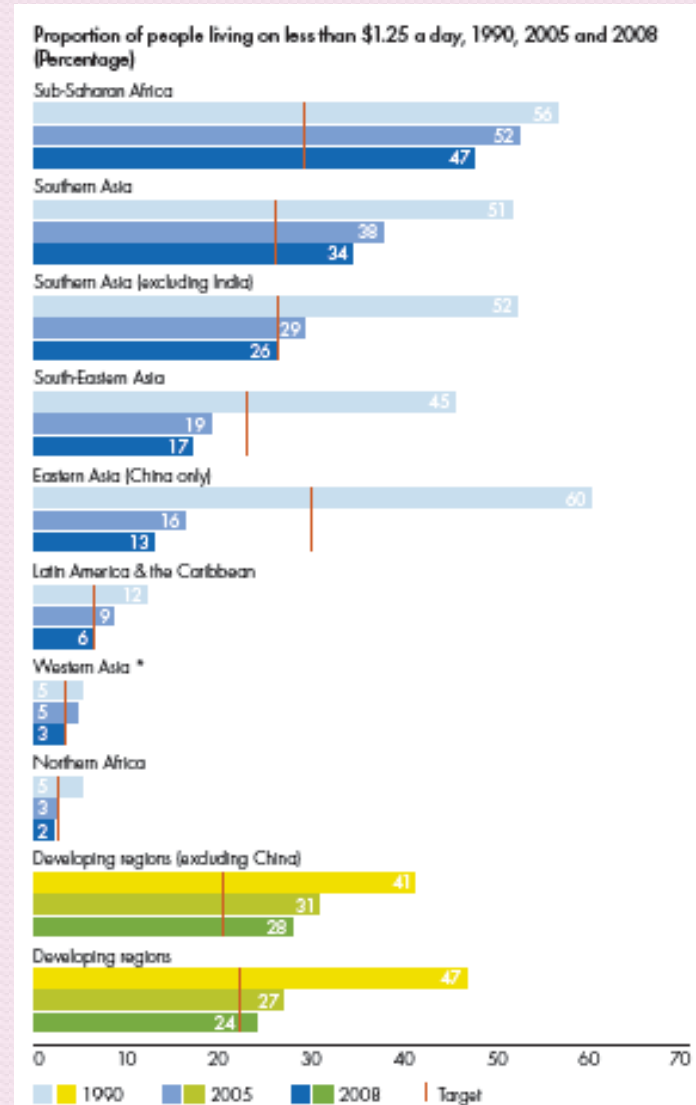
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# 1. Brief Overview of the Progress in Goal 1

- The world is on track regarding Goal 1 of MDG
- **Extreme poverty (Goal 1.A)** is falling in every region
  - Global poverty rate at \$1.25 a day fell in 2010 to less than half its 1990 value ahead of the 2012 deadline
  - In the developing regions, proportion of people living on >\$1.25 a day fell from 47% to 24%
  - No. of extreme poor in the developing regions fell from 2 bill. to 1.4 bill. during 1990 to 2008
- However about 1 billion people will still be living on >\$1.25 a day in 2015
- Slow progress in case of **Goal 1.B (Full and productive employment and decent work)**
- **Eradicate Hunger (Goal 1.C):** Number of malnourished (850 mill) have stabilised since 1990

## Extreme Poverty: 1990-2008

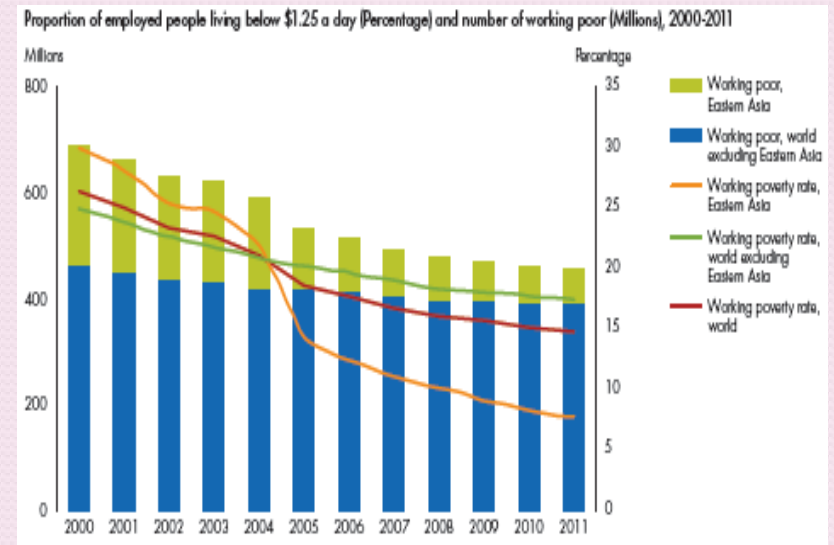


Source: UN (2012): MDG Report 2012

## 2. Current State of Progress of Goal 1.B (achieve full and productive employment and decent work for all)

- **Working Poor:** About 456 mill. workers in the world living below the \$1.25/day poverty line in 2011
  - A reduction of 233 mill. since 2000
- Heavily influenced by dramatic reduction in extreme poverty among workers in Eastern Asia
  - Proportionately, it declined from 26.4% to 14.8% between 2000 and 2011
- **Labour Productivity:** Developing regions lagged far behind the developed countries in labour productivity
  - (\$64,319 vs. \$13,077 in 2011): 1/5<sup>th</sup>
- Limited gains: Latin America and the Caribbean, sub-Saharan Africa and Oceania
  - More than doubled: Eastern Asia
- Weak productivity outside Asia: Persistence of working poverty

### Working Poverty (>US\$1.25): 2000-2011



### Labour Productivity: 1991-2011

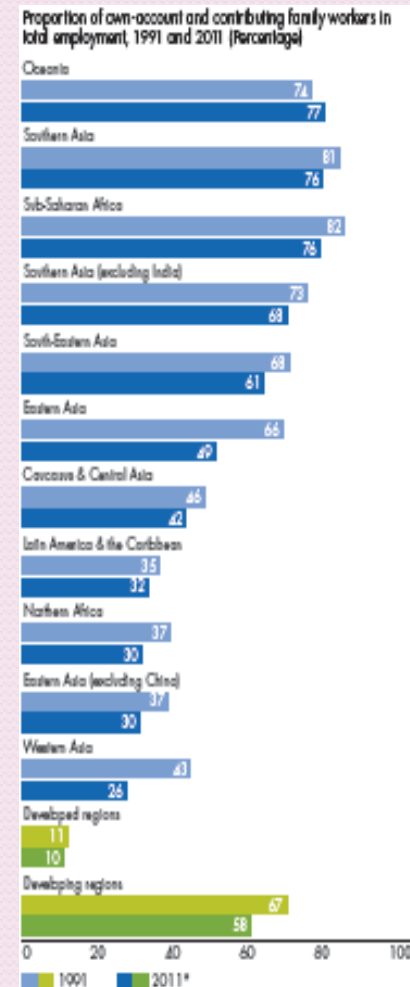


Source: UN (2012): MDG Report 2012

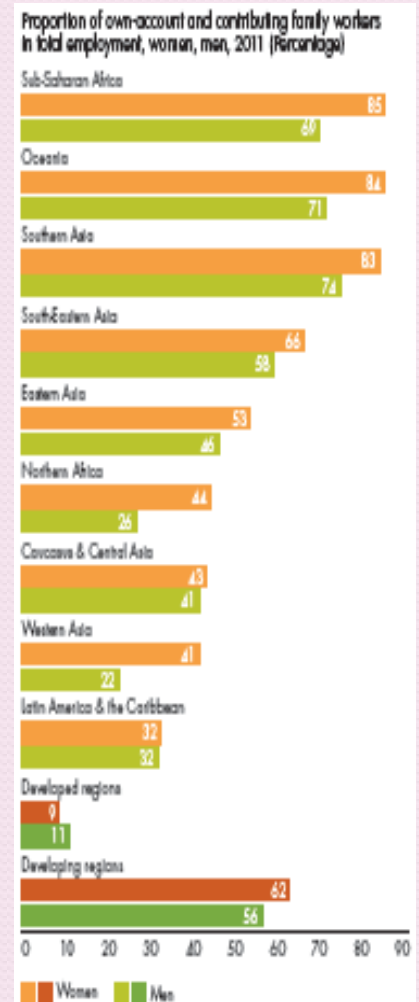
## 2. Current State of Progress of Goal 1.B (achieve full and productive employment and decent work for all)

- Vulnerable employment (VE):** Progress is slow in reducing VE
  - 58% in developing regions in 2011 (67% in 1991)
  - Absolute rise by 136 million since 2000, bringing the global number to 1.52 billion
  - Widespread prevalence of informal work arrangements
- Women are far more likely than men to be engaged in VE
  - Share of VE across genders was highest in Sub-Saharan Africa
- Youth tend to find themselves in low-opportunity family based work situations

Own-account and contributing family workers: 1991 and 2011



Own-account and contributing family workers: women, men, 2011

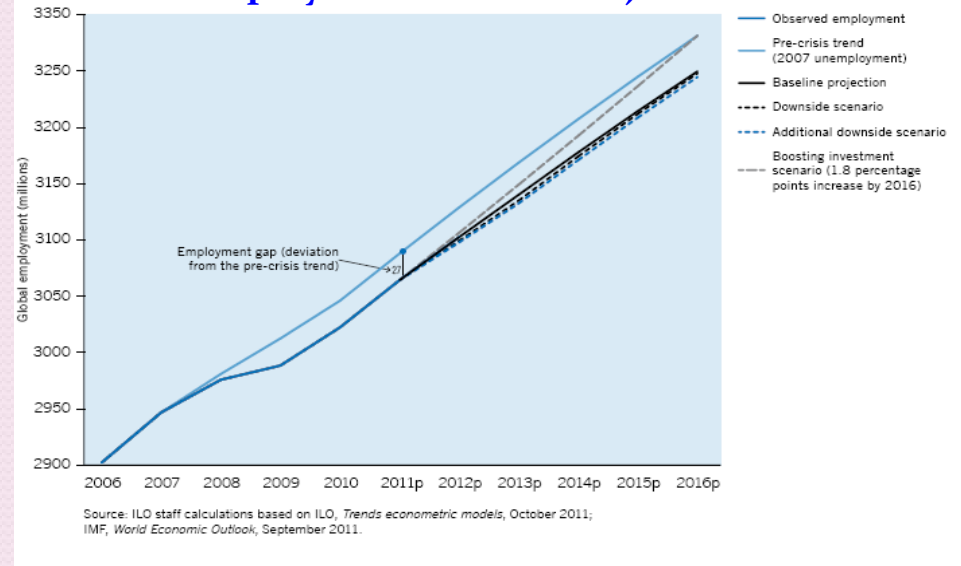


Source: UN (2012): MDG Report 2012

### 3. Global Economic Crisis and Its Impact on Achieving Goal 1.B

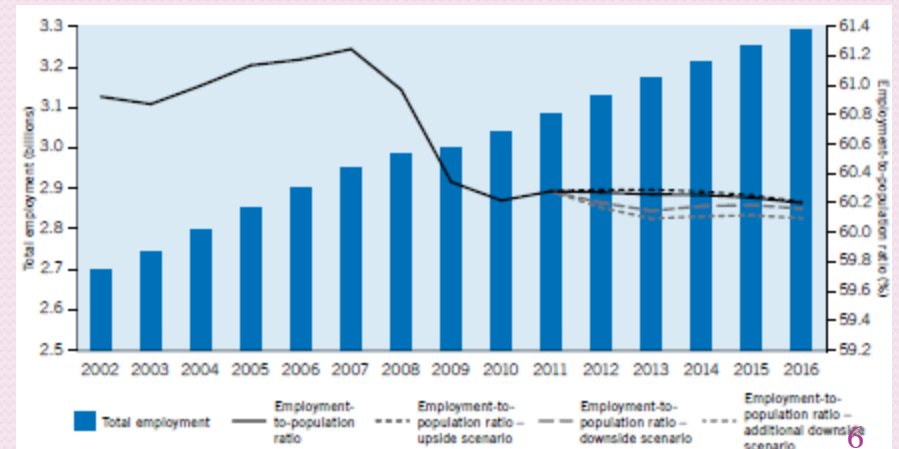
- Progress on achieving Goal 1B has slowed markedly since 2008
  - Less employment than projected
- Incidence of working poverty 1.6 percentage points higher than what was projected**
  - This corresponds to 50 million more working poor in 2011 than projected by pre-crisis trends.
- Youth are particularly hard hit by the crisis**
  - In 2011, 74.8 million youth were unemployed, an increase of more than 4 million since 2007.
- Global economy has substantially reduced its capacity to add new jobs
- Employment-to-population ratio declined sharply during the crisis**

#### Global Employment Trends: Projection vs. Actual



Source: ILO (2012), Global Employment Trends 2012

#### Employment-to-Population Ratio





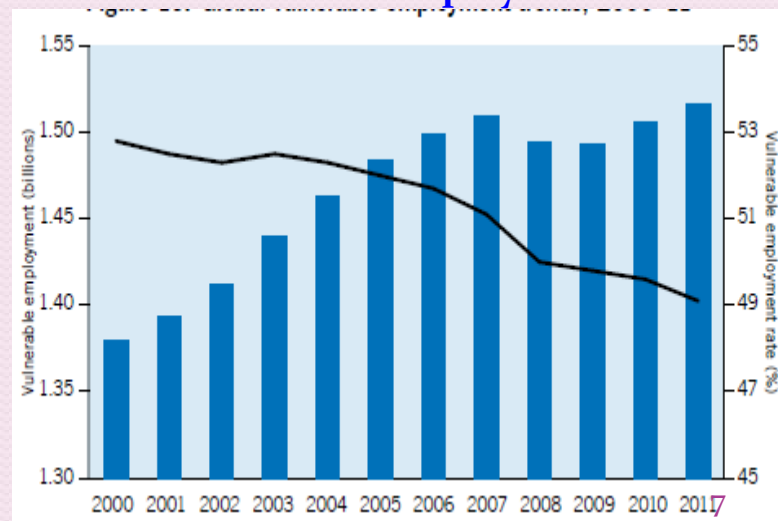
### 3. Global Economic Crisis and Its Impact on Achieving Goal 1.B

- **Productivity growth:** The Impact of the crisis on labour markets has been skewed less towards labour productivity growth.
- **Vulnerable employment:** VE has increased by 23 million since 2009
- The Crisis has three specific stages:
  - First stage: initial shock
  - Second stage: higher public deficits and sovereign debt problems
  - Third stage: Tightening of policies and persistently high levels of unemployment
  - Increased risk of a second dip in growth and employment
- Grim outlook for global labour markets
  - Job poor growth in the developed world and weak productivity in developing regions threatens a broader recovery and limits economic development prospects

Changes in Labour Productivity

	2002–07	2008–11
WORLD	2.5	1.6
Developed Economies and EU	1.4	0.5
CSEE (non-EU) and CIS	6.1	1.1
East Asia	8.6	7.8
South-East Asia and the Pacific	4.1	2.6
South Asia	5.4	6.1
Latin America and the Caribbean	1.4	1.0
Middle East	0.9	0.9
North Africa	1.4	1.8
Sub-Saharan Africa	2.5	1.5

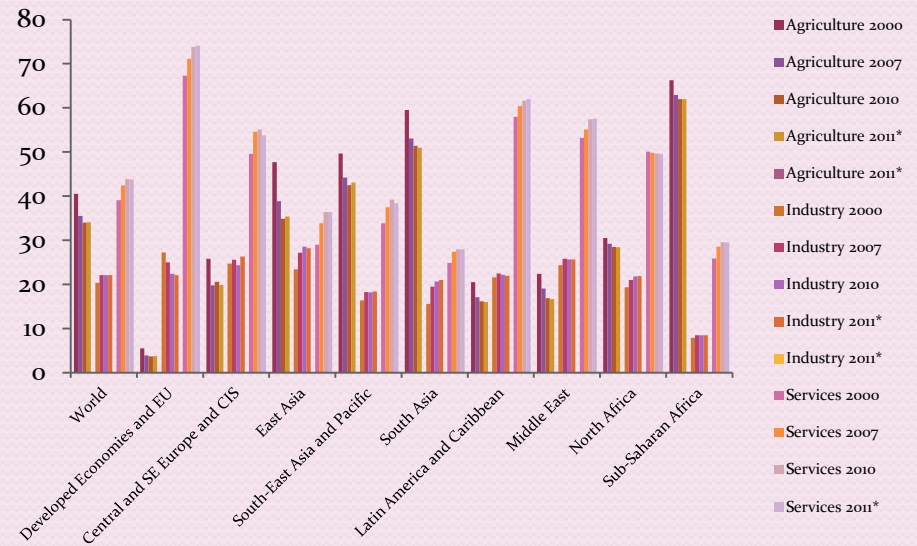
Vulnerable Employment



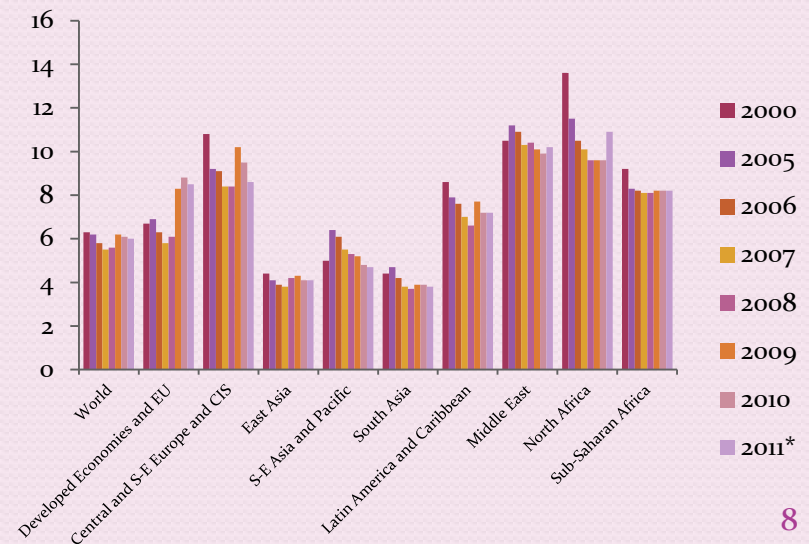
## 4. Other Indicators related to Goal 1.B

- Structure of sectoral employment:**  
 World wide employment share in agriculture decreased between 2000 and 2010
  - Share of industry and services increased sharply during 2000 - 2007 and steady afterwards
- Unemployment** has slowly decreased between 2000 to 2007; but increased afterwards due to GFC
  - Sharply decreased in case of female
  - Youth experienced the same trend
- Global unemployment remained stuck at a rate of around 6%, despite considerable economic growth in 2010 and in 2011.

Sectoral employment share (%)



Unemployment rate (%)

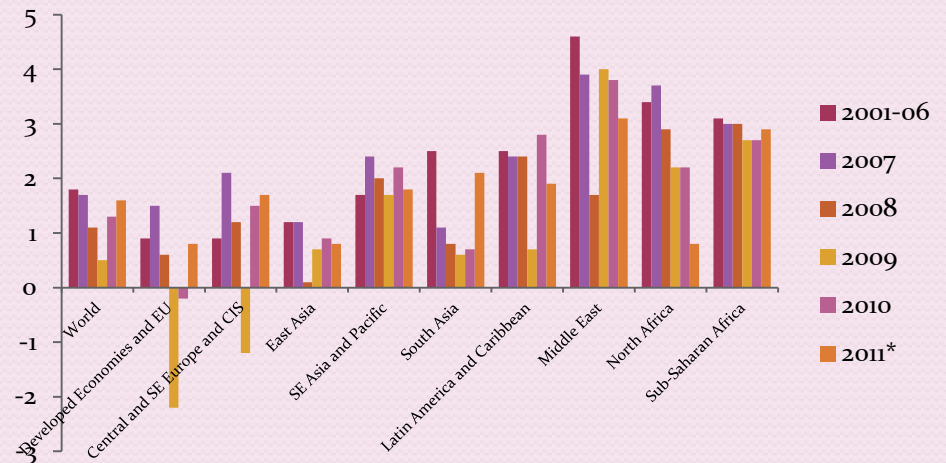




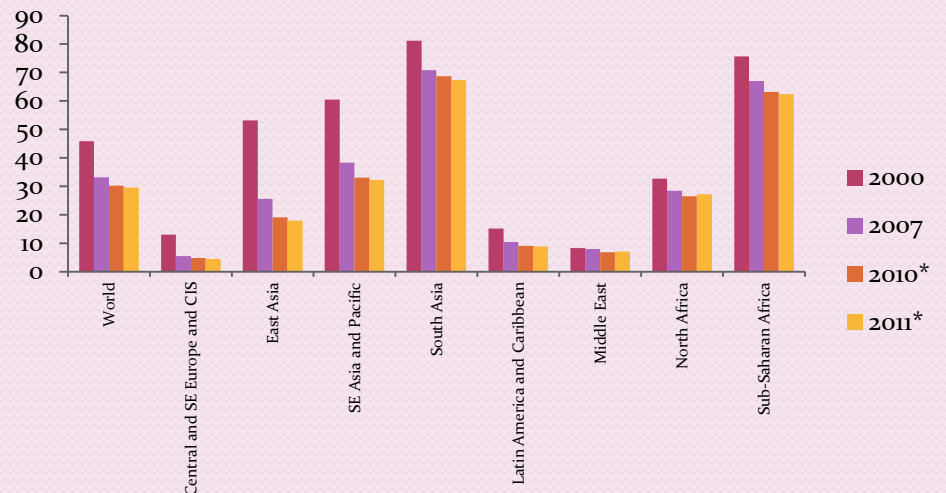
## 4. Other Indicators related to Goal 1.B

- Employment growth:** Worldwide sharply decreased during 2007 to 2009.
  - Increased afterwards
- Working poor (>US\$2):**  
 Share of working poor living on \$2 a day in total employment decreased in all regions over the same period of time.
- Number of working poor living on \$2 a day has decreased for almost all regions except Middle East, south Asia and sub-Sahara Africa during 2000 to 2011.

Annual employment growth, world and regions (%)



Working poor (US\$2 a day) share in total employment



## 5. Critical Gaps and Effective Measures: Global Experience

### 1. Human rights-based approach

- International labour standards: freedom of association and right to collective bargaining, elimination of forced and compulsory labour, abolition of child labour, and elimination of discrimination
- Employment Policy Convention, 1964 (No. 122) has been ratified by 101 Member States
  - Effective application have brought significant gains: productivity, attracting investment, boosting growth, improving working conditions, facilitating social dialogue

### 2. Mainstreaming decent work in national development and poverty reduction strategies

- **Labour-intensive public works programmes** have been undertaken in more than 40 countries worldwide
- **Enterprise development** is a key strategy for combating poverty and inequality
- **“Green jobs”** encapsulates transformation of economies, enterprises, workplaces and labour markets into a sustainable, low-carbon economy providing decent work
- **Development of labour regulations** applying to micro- small and medium enterprises (MSMEs) is a key strategy to balance the goals of improving job quality
- Women cannot fully participate in the labour market because of a division of labour that assigns them most housework and family responsibilities.

## 5. Critical Gaps and Effective Measures: Global Experience

### 3. Youth employment

- An integrated approach is needed with supportive macro-economic policies and targeted measures
- Enterprise development strategies have proven most successful when linked to advice and training on business development services
  - Notably entrepreneurship and enterprise management training

### 4. Social protection and working conditions

- Only 20% of world's population has adequate social security coverage and more than half have no coverage at all.
- Cash transfer programmes have positive impact on poverty

### 5. Social dialogue

- Social dialogue is a key enabling force for achieving employment-related objectives and improving social protection.
- In the current financial and economic crisis, in a number of countries it has resulted in national tripartite agreement to stimulus packages and to labour market policies

## 5. Critical Gaps and Effective Measures: Global Experience

### 6. Impact of Environmental Degradation on Employment

- Over the period 2000-2004 some 262 million people were affected each year by climate-related disasters, and 1.8 billion are expected to suffer from fresh water scarcity by 2025, mostly in Asia and Africa

### 7. Funding Constraints

- Due to a lack of fund (e.g. ODA) the process of implementation and monitoring practical strategies towards the MDGs falters.
  - Aid remains too project-driven and unpredictable for countries to effectively plan scaling-up activities

### 8. Statistical and analytical deficits

- Accurate and detailed data on employment trends is urgently needed.
  - Detailed data and information regularly produced on employment, rights, social protection and social dialogue, especially on the poorest segments of the population and disaggregated by sex, are central to decent work-led policy development and monitoring
- Labour market information and analysis must be viewed as the cornerstone for developing integrated strategies
  - To promote standards and fundamental principles and rights at work, productive employment, social protection and dialogue

## 6. Conclusion: Agenda for Post-MDGs

- The achievement in Goal 1B is far behind the target: Labour productivity, women and youth in job market, vulnerable employment etc.
  - GFC slowed down the growth process
  - Huge differences in regions in terms of performance
  - Overall growth/change in different indicators contributed by single country/region
- Ongoing global economic slow-down which possibly linger in the coming years would slow down growth in employment-related indicators
  - Rise in environmental degradation and their growing adverse impact on employment
- Lack of adequate indicators used to capture the multidimensional issues related to full, productive employment and decent work
- There are critical gaps in a number of issues: human rights, social protection, policy constraints, funding constraints
- Failure to take account of the close and important linkages between demographic change affecting various issues related to population and poverty, food security and environmental integrity, can also result in inappropriate employment and development policies.

## 6. Conclusion: Agenda for Post-MDGs

- Framework for Post-MDGs is expected to highlight issues related to employment, productive capacity and decent work with appropriate formulation considering following multidimensional issues
  - Demographic changes
  - Income inequality
  - Environmental degradation
  - Social Protection and Working Conditions
  - Social Dialogue
  - Growth – poverty-employment linkages
  - Green jobs
  - Labour regulations





Thank you!