



RESEARCH REPORT

Committee: Special Conference on SDGs

Question of: Decent work and economic growth

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Introduction:

Over the past 25 years the number of workers living in extreme poverty has declined dramatically, despite the lasting impact of the 2008 economic crisis and global recession. In developing countries, the middle class now makes up more than 34 percent of total employment – a number that has almost tripled between 1991 and 2015.

However, as the global economy continues to recover we are seeing slower growth, widening inequalities, and not enough jobs to keep up with a growing labour force. According to the International Labour Organization, more than 204 million people were unemployed in 2015.

The SDGs promote sustained economic growth, higher levels of productivity and technological innovation. Encouraging entrepreneurship and job creation are key to this, as are effective measures to eradicate forced labour, slavery and human trafficking. With these targets in mind, the goal is to achieve full and productive employment, and decent work, for all women and men by 2030.

The Issue:

The role of business

Roughly half the world's population still lives on the equivalent of about US\$2 a day. And in too many places, having a job doesn't guarantee the ability to escape from poverty. Substandard working conditions are often related to poverty, inequality and discrimination. In many contexts, certain groups – such as workers with disabilities, women workers, youth, and migrants, among others – face particular obstacles in accessing decent work and may be especially vulnerable to abuses.

- Over 60 per cent of all workers lack any kind of employment contract
- Fewer than 45 per cent of wage and salaried workers are employed on a full-time, permanent basis, and even that share is declining.
- By 2019, more than 212 million people will be out of work, up from the current 201 million
- 600 million new jobs need to be created by 2030, just to keep pace with the growth of the working age population.

Businesses are engines for job creation and economic growth and foster economic activity through their value chain. Decent work opportunities are good for business and society. Companies that uphold labor standards across their own operations and value chains face lower risk of reputational damage and legal liability. Instituting non-discriminatory practices and embracing diversity and inclusion will also lead to greater access to skilled, productive talent.

Inclusive and sustainable economic growth can drive progress and generate the means to implement the Sustainable Development Goals. Globally, labour productivity has increased and unemployment is back to pre-financial crisis levels. However, the global economy is growing at a slower rate. More progress is needed to increase employment opportunities, particularly for young people, reduce informal employment and the gender pay gap and promote safe and secure working environments to create decent work for all.

In 2017, the global growth rate of real GDP per capita was 1.9 per cent and is expected to remain at about 2 per cent from 2018 to 2020. This is significantly less than the 3 per cent rate attained in 2010 and slightly higher than the 2015 rate of 1.63 per cent. Real GDP growth rate for least developed countries is expected to increase from 4.5 per cent in 2017 to 5.7 per cent in 2020, which is less than the 7 per cent envisioned by the 2030 Agenda.

Since the global economic downturn of 2009, labour productivity (measured as GDP per employed person) has been increasing in the world, recording positive annual growth rates consistently since 2010. In 2018, the world's labour productivity increased by 2.1 per cent, its highest annual growth since 2010.

Informal employment, which has an impact on the adequacy of earnings, occupational safety and health and working conditions, remains pervasive: in three quarters of countries with data on the subject, more than half of all persons employed in non-agriculture sectors are in informal employment.

Based on data for 62 countries, the median hourly gender pay gap stood at 12 per cent. The median gender pay gap exceeded 20 per cent in managerial and professional occupations, among workers in crafts and related trades and among plant machine operators and assemblers.

The global unemployment rate has finally recovered from the global economic crisis. In 2018, the global unemployment rate stood at 5.0 per cent – matching pre-crisis levels. Youth were three times more likely to be unemployed than adults.

In 2018, one fifth of the world's youth were not in education, employment or training, meaning that they were neither gaining professional experience nor acquiring or developing skills through educational or vocational programmes in their prime years. There is a stark gender difference. Young women were more than twice as likely as young men to be unemployed or outside the labour force and not in education or training.

Many workers around the world are exposed to undue risks in their workplaces. Based on recent data from some 55 countries, a median of 3 deaths occurred per 100,000 employees and a median of 889 non-fatal injuries occurred per 100,000 employees.

Access to finance is on the rise globally, but the mode of access seems to be changing with growing reliance on technology. From 2010 to 2017, the number of automated teller machines (ATMs) per 100,000 adults grew by close to 50 per cent from 45 to 66 globally, and from 2.3 to 5.8 in the least developed countries. The number of commercial bank branches per 100,000 adults grew by only 2 per cent between 2010 and 2017, with more customers using digital banking solutions.

In 2017, aid-for-trade commitments increased to \$58 billion and more than doubled when compared to the 2002–2005 baseline, when they represented \$23.1 billion. In absolute terms, the increase was highest in the agriculture sector (\$1.7 billion), the industry sector (\$1.0 billion) and in banking and financial services (\$1.0 billion).

Facts and figures

- 5%

An estimated 172 million people worldwide were without work in 2018 - an unemployment rate of 5 percent.

- 1 million

As a result of an expanding labour force, the number of unemployed is projected to increase by 1 million every year and reach 174 million by 2020.

- 700 million

Some 700 million workers lived in extreme or moderate poverty in 2018, with less than US\$3.20 per day.

- 48%

Women’s participation in the labour force stood at 48 per cent in 2018, compared with 75 percent for men. Around 3 in 5 of the 3.5 billion people in the labour force in 2018 were men.

- 2 billion

Overall, 2 billion workers were in informal employment in 2016, accounting for 61 per cent of the world’s workforce.

- 85 million

Many more women than men are underutilized in the labour force—85 million compared to 55 million

Key Events

Event/Date	Explanation
<p>Asia Regional Conference on reaching SDG Target 8.7: Eradicating forced labour, human trafficking and child labour</p> <p>20 - 22 November 201</p>	<p>The main objectives of the conference were to:</p> <p>Promote comprehensive approaches to eliminating all forms of child labour and forced labour in the context of Alliance 8.7, and setting country-specific targets for SDG Target 8.7;</p> <p>Advance ratification and application of P29, sharing the experience of those countries that have ratified the Forced Labour Protocol or have taken initial steps leading towards ratification;</p> <p>Showcase innovative approaches to tackling forced labour, child labour and human trafficking;</p> <p>Strengthen tripartism and social dialogue on child labour and forced labour in the region.</p> <p>The three-day meeting combined high level panels and thematic sessions on topics of interest with workshops for in-depth discussion and spotlight presentations for sharing experience on topics including setting up national coordination mechanisms to achieve Target 8.7, harmonisation of laws with the provisions of the Forced Labour Protocol, and complaints and referral mechanisms</p>
<p>UN General Assembly ILO and UNCCD to work together on human impacts of desertification</p> <p>24 September 201</p>	<p>The ILO’s Director-General, Guy Ryder, and the Executive Secretary of the United Nations Convention to Combat Desertification (UNCCD), Ibrahim Thiaw, have signed a memorandum of understanding (MoU) in New York that strengthens collaboration between the two UN agencies with the goal of promoting sustainable development.</p> <p>Welcoming the partnership, Ryder said, “Together ILO and UNCCD can step up efforts to accelerate progress towards prosperous and sustainable rural economies that offer quality job prospects and greater protection for their youth and help to fight land degradation.”</p>

	Environmental challenges, such as desertification, land degradation and drought affect sustainable development and have major implications for creating decent work. If not addressed they can exacerbate conflicts, displacement and migration and undermine prospects for the realization of the Sustainable Development Goals (SDGs).
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Previous Attempts to Solve the Issue

In order to solve the issue, 10 targets were created on this SDG:

8.1 Sustain per capita economic growth in accordance with national circumstances, and in particular at least 7% per annum GDP growth in the least-developed countries.

8.2 Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services.

8.4 Improve progressively through 2030 global resource efficiency in consumption and production, and endeavor to decouple economic growth from environmental degradation in accordance with the 10-year framework of programs on sustainable consumption and production with developed countries taking the lead.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

8.7 Take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labor, eradicate forced labor, and by 2025 end child labor in all its forms including recruitment and use of child soldiers.

8.8 Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment.

8.9 By 2030, devise and implement policies to promote sustainable tourism which creates jobs, promotes local culture and products.

8.10 strengthen the capacity of domestic financial institutions to encourage and to expand access to banking, insurance and financial services for all:

8.a. Increase Aid for Trade support for developing countries, particularly LDCs, including through the Enhanced Integrated Framework for LDCs,

8.b. By 2020, develop and operationalize a global strategy for youth employment and implement the ILO Global Jobs Pac

Possible Solutions

- Offer apprenticeship opportunities.

- Foster entrepreneurial culture and invest in or mentor young entrepreneurs.
- Initiate skills development programs moving down company supply chains.
- Put in place mechanisms to identify child labor and forced labor throughout global supply chains, and implement remediation when abuses are discovered.
- Install a firm policy against unfair hiring and recruitment practices, particularly of vulnerable groups such as migrant workers.

Bibliography

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