



## I. Eradicate extreme poverty and hunger

As the ILO's Declaration of Philadelphia notes, "**poverty anywhere constitutes a danger to prosperity everywhere**" [5]. The ILO promotes poverty reduction at the policy level and in practice through its **Decent Work Agenda**.

A fair globalization is a necessary condition to attain both MDG 1 and decent work. As part of sound macroeconomic policy, freely chosen and productive employment – underpinned by rights, social protection, and democratic participation as embodied in social dialogue – is key to poverty reduction.

### Pro-poor Growth – Decent Work – Fair Globalization

"Efforts to fulfil our collective commitments to fight poverty will fall short unless we focus on creating job opportunities and decent work for all."

*ILO Director-General, on the International Day for the Eradication of Poverty, 2004.*

Economic growth is essential but not sufficient for the achievement of MDG 1. Macro-economic and structural policies that promote employment, economic inclusion, empowerment and social investment are key. **Growth must be "pro-poor"**, which implies changes in the institutions, laws, and practices that perpetuate poverty.

In its 2004 report, the [World Commission on the Social Dimension of Globalization](#), launched by the ILO, suggests practical means of ensuring that the benefits of globalization reach more people. Building on the Monterrey consensus on financing for development, it recommends making **decent work a global goal** along with fairer rules to support development (see MDG 8).

#### Decent work and poverty reduction

The ILO approach to poverty reduction is promoting **decent work for all**. Its four pillars are:

**Employment** – the principal route out of poverty is through work and income;

**Rights** – without them, people will not be empowered to escape from poverty;

**Social protection** – it safeguards income and underpins health;

**Dialogue** – the participation of employers' and workers' organizations in shaping government policy for poverty reduction ensures that it is appropriate and sustainable.

Together, these four pillars of the ILO Decent Work Agenda support coherent and gender-sensitive poverty reduction strategies.

At the country level, the ILO works for the inclusion of decent work goals in **Poverty Reduction Strategies** [9, 11]. The four pillars of the Decent Work Agenda serve as entry-points based on the national priorities of governments and employers' and workers' organizations. These social partners are vital civil society allies in the fight against poverty.

The ILO undertakes research and analysis in areas that are essential to poverty reduction, using sex disaggregated labour statistics and indicators. The data are reflected in the *Yearbook of Labour Statistics*, *Key Indicators of the Labour Market*, and *Global Employment Trends*. For MDG monitoring, the ILO is the lead agency tracking progress in relation to the employment of women (Goal 3, Indicator 11) and youth (Goal 8, Indicator 45).

Working with partners, the ILO examines the interplay of economic and social policies and their impact on the world of work. In advising governments, it analyses the impact of global developments in trade, capital flows, commodity prices and economic fluctuations on poverty, employment, social protection and rights for men and women, boys and girls. The ILO backs up policy advice with practical tools and capacity-building initiatives.

### Working out of poverty – Employment is key

"Poverty elimination is impossible unless the economy generates opportunities for investment, entrepreneurship, job creation and sustainable livelihoods. The principal route out of poverty is work."  
*Working out of Poverty*. ILO, 2003.

The world is facing a jobs crisis, especially for youth. This undermines social stability. The work and income available to poor people are usually not enough to break out of poverty. Successfully **reducing poverty and hunger requires treating decent and productive employment as a central part of macroeconomic policy** (see MDG 8). It would also contribute to achieving the other

#### Target 1

Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day

#### Indicators

1. Proportion of population below \$1 (PPP) per day
2. Poverty gap ratio
3. Share of poorest quintile in national consumption

#### Target 2

Halve, between 1990 and 2015, the proportion of people who suffer from hunger

#### Indicators

4. Prevalence of underweight children under five years of age
5. Proportion of population below minimum level of dietary energy consumption

**1 US dollar per day** is considered to be the minimum a person needs to survive. Since 1990 extreme poverty has fallen in East and South East Asia, while it has increased in other developing regions. In sub-Saharan Africa nearly half of the population still live on one dollar or less a day.

#### World Summit for Social Development (1995):

created a global consensus to fight poverty. The Copenhagen Declaration promotes full employment and secure and sustainable livelihoods through freely chosen, productive and decent work.



# Decent Work and the Millennium Development Goals – MDG 1

MDGs. Adequate employment for parents would reduce child labour, for example, which in its worst forms deprives children of education and feeds the cycle of poverty.

The ILO assists governments in formulating national policies, including those inspired by the Global Employment Agenda [12], an international strategy to promote freely chosen productive employment.

Core elements of the Global Employment Agenda are –

- productive employment for poverty reduction and development
- active labour market policies for employment, poverty reduction, security in change and equity
- trade and investment for productive employment and market access for developing countries
- technological change for higher productivity, job creation and improved living standards
- macroeconomic policy for growth and employment
- decent employment through entrepreneurship
- employability by improving knowledge and skills.

The GEA places special emphasis on gender equality and on youth.

Specific ILO initiatives include:

- acting as the lead agency in the UN/ILO/World Bank **Youth Employment Network** to promote decent and productive work for youth, who are especially vulnerable to unemployment [13];
- promoting strategies for **training and skills development** with UNESCO [38];
- pursuing an integrated approach to decent work in relation to the **informal economy** [36];
- policies and legal frameworks that are conducive to **micro-, small and medium enterprises** [16], which create most jobs in developing countries. These form part of sound labour legislation that reflects social dialogue involving employers and workers [39];
- **labour-based approaches** in public investment programmes in construction (e.g. roads, irrigation, sanitation, schools, clinics). Such approaches provide productive employment and higher income for the poor and opportunities for local entrepreneurs while expanding infrastructure for growth [24];
- **promoting cooperatives**, in conjunction with the International Cooperative Alliance (ICA), workers' organizations and employers' organizations. Cooperatives generate incomes, provide social services, encourage participation and defend poor workers' interests [21];
- comprehensive participatory strategies for **local economic and social development** with decent work and poverty alleviation as the ultimate goal [34];
- **extending access to microfinance** by linking the experience of trade unions and employers to the microfinance movement [40].

With some 75 per cent of the poor living in rural areas, targeting **agriculture** is vital for reducing hunger and poverty. Globally, agriculture accounts for 40 per cent of workers in developing countries. Food availability is critical, but not sufficient for reducing hunger. Another vital means is **to improve the productivity and incomes of poor workers**. The ILO –

- promotes productive work and decent working conditions in sectors directly or indirectly linked to agriculture;
- takes into account the special characteristics of agricultural work, including gender concerns, child labour and illiteracy [15].

As more and more people move from rural to urban areas, a focus on urban **slums** is also critical (see MDG 7). The ILO works with UN HABITAT in encouraging municipalities to provide quality urban services in ways that improve access for the poor while **creating decent jobs and promoting entrepreneurship**. A set of tools supports this work.

**Millennium Declaration, 2000:** 189 nations committed "to develop and implement strategies that give young people everywhere a real chance to find decent and productive work"

**African Union Summit on Employment and Poverty Alleviation, 2004:** Heads of State undertook to make employment creation a central objective of economic and social policies at national, regional, and continental levels. Similar commitments have been made in other regions.

**2005 is the UN International Year of Microcredit,** recognising micro- credit's contribution to poverty reduction.

**Poverty Reduction Strategies [11]:** describe the macroeconomic, structural and social policies of a country to promote growth and reduce poverty, and define external financing needs, including debt relief. The UNDP and the WB recommend that the PRSPs should provide a road map towards country-level achievement of the MDGs.



## Rights empower the poor

“People in poverty need voice to obtain recognition of rights and demand respect. They need representation and participation. [...] Without rights and empowerment, the poor will not get out of poverty.”  
*Working out of Poverty*. ILO, 2003.

Hazardous, exploitative and unhealthy work environments are more likely to be experienced by poor women and men, children and youth. International labour standards – developed through dialogue between representatives of governments, employers and workers, are tools in the fight against poverty. The ILO promotes rights at work and monitors the implementation of voluntarily ratified Conventions protecting these rights.

The ILO Declaration on Fundamental Principles and Rights at Work [7] highlights the importance for economic and social progress of the eight ILO core Conventions that are reflected in the Declaration’s principles. The ILO supports efforts to make these principles a reality in practice.

Empowerment lies at the heart of poverty reduction, and freedom of association lies at the heart of empowerment. Where health workers and teachers can exercise rights and enjoy decent working conditions, for instance, the poverty-related MDGs on education and health are more likely to be achieved.

The ILO Programme on the Elimination of Child Labour [31] focuses on the worst forms of child labour that perpetuate poverty and educational deprivation. Recognizing that productive employment must be freely chosen, the Global Alliance against Forced Labour is tackling the conditions that keep bonded and forced labourers in a pernicious poverty trap.

ILO work on the rights of indigenous peoples and on equality in relation to gender, race, ethnicity and disability aims at groups most affected by poverty. Gender mainstreaming in all of the ILO’s work acts as a reminder that women are disproportionately poor. Equal opportunities for employment, training and entrepreneurship help to reduce poverty.

**Landless labourers and marginal farmers** have the highest incidence of poverty in the agricultural sector. Women account for about 40 per cent of the total agricultural workforce, but are often paid less than men. Most working children worldwide operate in this sector, where forced labour also occurs.

*“All human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.”*

ILO Declaration of Philadelphia (1944)

### Relevant international labour standards and texts [ 7 and 8 ]

Many ILO instruments set the conditions necessary to prevent women and men from falling into poverty or to enable them to escape from poverty, including –

- ILO Declaration on Fundamental Principles and Rights at Work, reflecting the values of the eight core Conventions on –
  - **Freedom of association and effective recognition of the right to collective bargaining**
  - **Elimination of all forms of forced and compulsory labour**
  - **Abolition of child labour**
  - **Elimination of discrimination in employment and occupation**
- Social Security (Minimum Standards) Convention, 1952 (No. 102)
- Employment Policy Convention, 1964 (No. 122)
- Rural Workers’ Organizations Convention, 1975 (No. 141) and Recommendation, 1984 (No. 169)
- Human Resources Development Convention, 1975 (No. 142) and Recommendation, 2004 (No. 195).
- Occupational Safety and Health Convention, 1981 (No. 155)
- Indigenous and Tribal Peoples Convention, 1989 (No. 169)
- Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)
- Promotion of Cooperatives Recommendation, 2002 (No. 193)

## Social protection: Reaching the poor

“Poor people are unprotected people. [...] The earning power of those living in poverty is suppressed by marginalization and lack of support systems. The ILO is working to find new ways to provide social protection...”  
*Working out of Poverty*, ILO, 2003.

The poor are the least protected. Some 80 per cent of the world’s poor men and women have little or no social protection. Sickness - whether from HIV/AIDS or other illness - disability, maternity and old age can plunge a family into poverty and keep it there. Well designed social protection helps secure economic growth and income stability while enhancing equity, thus ensuring the sustainability of growth [87]. By supporting wider access to care services and facilities, social protection also contributes to attaining the MDG goals on health.



## Decent Work and the Millennium Development Goals – MDG 1

The ILO –

- promotes the **extension of social protection to reach the poor through its Global Campaign on Social Security and Coverage for All** in cooperation with governments, social security institutions, trade unions, employers' organizations, community-based organizations and civil society [26];
- pilots the extension of social security to unprotected men and women through the **Global Social Trust**, involving the transfer of contributions from people in wealthier nations to those in poorer countries [27];
- promotes and advises on **safe and healthy working conditions** to protect all workers, with special attention to those in micro- and small enterprises and the informal economy [37].

### Social dialogue for sustainable Poverty Reduction Strategies

---

"People in poverty ... know dialogue is the way to solve problems peacefully. [...] The ILO can offer those living in poverty its experience in dialogue and conflict resolution as a way of advancing their interests." *Working out of Poverty*. ILO, 2003.

The ILO is actively supporting the involvement of employer and worker representatives in **Poverty Reduction Strategy (PRS)** processes in close cooperation with national authorities [10, 35]. The **employment-poverty nexus** in the PRSs, as well as **equity alongside growth**, are key issues. With a view to sustainable poverty reduction, the ILO –

- stresses the role of freely chosen, productive employment and the other aspects of decent work in poverty alleviation;
- assists the social partners in influencing the drafting and implementation of PRSs through social dialogue;
- urges development organizations and governments to listen to the voices of the social partners in the interest of sustainable poverty reduction.

The ILO works with others in the UN system, the World Bank and the IMF in relation to PRSs. Some PRSs now give more emphasis to employment, gender equality, child labour and other world of work issues that are critical for poverty reduction. Greater involvement of employers' organizations and trade unions reflects the role that they and institutions supporting social dialogue play in maintaining the social stability that is so important for development.

### ILO publications relevant to MDG 1

---

- *The role of employment in promoting the Millennium Development Goals*. ILO/UNDP, 2005.
- *The ILO and the follow up of the World Summit on Social Development*. ILO, 2005.
- *Decent Work and Poverty Reduction Strategies (PRSs): A reference manual for ILO staff and constituents*. ILO, 2005.
- *Employment, Productivity and Poverty Reduction*. World Employment Report, ILO, 2004-05.
- *A Fair Globalization – Creating opportunities for all*. World Commission on the Social Dimension of Globalization. 2004.
- *Poverty initiatives in the ILO: a review of past and present approaches*. ILO 2004.
- *Cooperatives and the Millennium Development Goals*. ILO, 2004.
- *Global poverty estimates and the millennium goals: Towards a unified framework*. ILO, Employment Strategy Papers, 2004/05.
- *Reaching the Millennium Goals: How well does agricultural productivity growth reduce poverty?* ILO, 2004.
- *Economic security for a better world*. ILO, 2004.
- *Working out of Poverty*. Report of the Director-General to the International Labour Conference, 91st Session. ILO, 2003.
- *Jobs after War. A critical challenge in the peace and reconstruction puzzle*. ILO, 2003.
- *Jobs and incomes in a globalizing world*. ILO, 2003.
- *Investing in Every Child: An economic study of the costs and benefits of eliminating child labour*. ILO, 2003.
- *Poverty Alleviation through Micro and Small Enterprise Development*. ILO, Bangkok. 2000.

Blue text and numbers in brackets [..] are linked to websites. See attached list of reference materials.

ILO, 4 route des Morillons, 1211 Geneva 22, Switzerland – <http://www.ilo.org>