



# Working out of poverty:

## FACTS ON the ILO and the Millennium Development Goals



International  
Labour  
Organization

***“We can help build the foundations of peace by significantly reducing poverty, finding new ways to expand decent work and developing viable, job-producing enterprises.”***

Juan Somavia, Director-General of the ILO

Five years ago the United Nations endorsed an ambitious programme of Millennium Development Goals (MDGs) aimed at creating a better and more secure world by the year 2015. As the UN prepares to hold its biggest ever World Summit, the distressing truth is that progress has been agonizingly slow.

Roughly half the world's population still lives on the equivalent of about two US dollars a day. This slow and uneven progress asks for an urgent rethink of our economic and social policies aimed at halving world poverty by 2015.

This responsibility can be summarized in a single phrase: ***working out of poverty.***

Individuals, families and communities have a right to expect that those in positions of public and private authority can come up with a set of policies that give people a fair chance at a decent job.

Meeting the global employment challenge requires not just more but also better jobs. The majority of people in developing countries live and work in the back alleys of the marketplace, the so-called informal economy.

Yet, solutions are possible. To start with, policy paradigms have to change and recognize that employment, and the promotion of enterprises that create jobs, is the most effective route to poverty eradication. Work is presently the missing link in the efforts to reduce poverty.

A new policy paradigm should focus on investment and entrepreneurship, employment, income generation and decent work for all. Policies are needed that make employment central to economic and social policies – a globalization where no one is left behind. If the international community, working together, can just deliver the convergence of policies that will allow every woman and man to work their way out of poverty, the rest will follow.

### ***Poverty – Basic Facts***

- Although new jobs have been created, the fact remains that official unemployment has grown by 26 percent in the last ten years.
- In 2004, a healthy 5.1 percent global economic growth rate resulted in a disappointing 1.8 per cent increase in the number of employed people.
- Yet, these figures mask the larger problem of underemployment and the billions of people who are unable to work in ways that maximize their productive potential.
- The global labour force will grow by over 400 million by 2015: even rapid employment growth of 40 million jobs per year would reduce the global unemployment rate by only about 1 percentage point in ten years.
- Nearly 86 million young people are jobless worldwide, accounting for 45 per cent of the world's unemployed. The global unemployment rate among youth is 13.8 percent, up from 11.7 percent a decade earlier.
- Cumulative loss of labour force participants worldwide due to HIV/AIDS was projected to reach 28 million in 2005. The figure is likely to go up to 48 million by 2010, and could reach 74 million by 2015.

## Decent Work and the Millennium Development Goals

The ILO Decent Work Agenda contributes to all 8 MDGs in the global fight against poverty.

**Goal 1:** halving the proportion of the world's people with income of under one dollar a day, and **Goal 8:** global partnership for development, are overarching goals towards poverty reduction.

They, along with **Goal 7** on sustainable development, rely on decent work for their attainment.

Achieving **Goal 3** on gender equality is a condition for meeting all the MDGs. Gender mainstreaming is embedded in all of the ILO's work.

Decent work for parents and the elimination of child labour are essential to attain the goal of universal primary education (**Goal 2**).

Social protection contributes directly to the health-related MDGs (**Goals 4, 5 and 6**), and other aspects of the Decent Work Agenda contribute indirectly.

Respect for rights at work sustains progress towards poverty reduction while reinforcing **democracy** and underpinning societal **peace**. Freedom of association and the elimination of forced labour, child labour and discrimination enable people to free themselves from poverty.

Effective **dialogue** between government, employers' and workers' organizations supports inclusive policy reform. Institutions that foster social dialogue support improved governance and social **stability** – necessary conditions for achieving all of the MDGs.

*For more information, please contact:*

**International Labour Office**  
4 route des Morillons  
CH-1211 Geneva 22  
Switzerland  
Tel. +41 22 799 7912  
Fax +41 22 799 8577  
[www.ilo.org/communication](http://www.ilo.org/communication)  
**ILO and the MDGs:**  
[www.ilo.org/mdg](http://www.ilo.org/mdg)

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## The Decent Work Agenda and the Millennium Development Goals

The ILO goal of Decent Work for All and the pledges in the UN Millennium Declaration go hand in hand. The Decent Work Agenda strives for economic growth with equity through a coherent blend of social and economic goals. It has four elements:

**Employment** – the principal route out of poverty is productive work

**Rights** – without them, men and women will not be empowered to escape from poverty

**Protection** – social protection safeguards against poverty

**Dialogue** – the participation of employers' and workers' organizations in shaping government policy for poverty reduction is key

The Millennium Development Goals (MDG's) are based on the United Nations Millennium Declaration (2000). The Declaration focuses on development and poverty eradication through peace and security, values and human rights, democracy and good governance.

The ILO works closely with other multilateral organizations and civil society in support of the Millennium Declaration. The ILO's structure — comprising representatives of employers and workers as well as governments — brings together vital allies in the fight against poverty and makes it sustainable.

The ILO's unique experience in adopting international labour standards through dialogue involving governments, employers and workers has produced universal social norms, and methods of assisting in and monitoring their implementation. These standards form part of international human rights law and national legal systems.

Within the UN system, the ILO takes the lead on two specific MDG indicators that refer to the world of work: Indicator 11 – share of women in non-agricultural wage employment; and Indicator 45 – Unemployment rate among youth aged 15-24.

**The International Labour Organization (ILO)** is a specialized agency of the United Nations, founded in 1919. It has 178 member States.

