Employment and Decent Work in the Post-2015 Agenda – Goals, Targets and Indicators

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Addressing the jobs challenge will be imperative to make the post-2015 sustainable development agenda credible and relevant. But while there is widespread consensus that the future development framework should help meet the global demand for productive and decent jobs, agreement is less clear about the priorities for action, the scope and impact of new initiatives and how to reflect them in goals and targets that are realistic, transformative, simple to communicate and measurable.

This note briefly reviews the relevant proposals currently under discussion at the 12th session of the Open Working Group on Sustainable Development Goals. It suggests focusing on both the quality and quantity of jobs in order to drive a genuine transformative shift. It offers some preliminary suggestions on how to reformulate and operationalize the target areas proposed so far.

The co-chairs’ “zero draft” for the OWG 12th session proposes a sustainable development goal (SDG 8) on “Promote strong, inclusive and sustainable economic growth and decent work for all”. Several illustrative targets specifically relating to employment and decent work are proposed under this goal, including full and productive employment and decent work for all; youth employment; SMEs and entrepreneurship; protection of worker’s rights, including migrant, combating child labour, promoting employment formalization and lowering the costs to the worker of overseas migration. Additional illustrative target areas relating to employment, social protection and decent work are mentioned under different proposed SDGs.

Taken together, those illustrative target areas provide a full set of critical entry points for action. They encompass most elements of the decent work agenda, with social dialogue to be set among the main means of implementation. They account for a comprehensive global agenda to address the jobs challenge and, by this token, promote stronger, inclusive and sustainable growth and development. To ensure coherence of action and synergies, the ILO’s Governing Body had called for the adoption of an explicit goal on employment, decent work and social protection. Should action be dispersed across different goals and targets, it will be important to highlight cross-references and inter-linkages among targets, to avoid working in silos. Social protection, skills development and women empowerment, for

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1 An earlier version of this note was prepared for an informal meeting hosted by the ILO and the Permanent Mission of Italy to the UN in New York on 13 June 2014. It draws on a variety of inputs from Vinicius Pinheiro and several other ILO colleagues.

2 For instance, social protection floors and employment/decent work are mentioned under the proposed SDG 1 on poverty; skills development under SDG 4 on education; decent work for women under SDG 5 on gender equality; decent industrial jobs under SDG 9 on industrialization; the GDP share of labour income and migrant work under SDG 10 on equality; and freedom of association under SDG 16 on peace, rule of law and institutions.
instance, are important ingredients in developing the human capital and productive capacities needed
to sustain inclusive growth and job creation.

There is real potential in combining employment and decent work with economic growth under a single
SDG, as proposed in the zero draft. No sustainable job creation can occur in the absence of economic
growth. However, it would be wrong to assume – as done in the recent past – that higher levels of
output would automatically lead to the number and quality of jobs that are needed for economic
transformation and social inclusion. Many poor people are already at work, but their chances to remain
poor are high. Significant progress under the new agenda will require a combination of policies to
promote economic growth through productive investment and private sector development at the same
time as ensuring that the jobs that are generated are decent - i.e. provide those who can access them
with a genuine chance to get out of poverty and do not fall back, with no one discriminated against
because of gender, age or other grounds. Balancing both sets of policies is important. They should be
seen as mutually supportive and as such adequately reflected in the final formulation of the
accompanying targets for the proposed SDG 8.

In a nutshell, better jobs do not mean lower growth and fewer jobs. Evidence from ILO research shows
that good quality jobs matter for development. It was a combination of productive capacities, private
sector investments and entrepreneurship - supported by strong government institutions – that helped
foster economic growth and structural transformation in the developing countries most able to make a
significant dent on poverty. But as people were moving from subsistence farming to industry and
advanced services, from unemployment or informal work to formal jobs and from low to high skill
activities, well-designed labour market policies and programmes were critical to sustain incomes and
livelihoods, spread out improvements in job quality and productivity, and shore up progress in the fight
against poverty. There remain many gaps and decent work deficits that must be addressed in the new
development agenda, including breaching of standards enshrined in international human rights and
fundamental principles and rights at work, but there also many examples of good and innovative
economic and social policies to rely on.

Achieving decent work within the post-2015 framework should be seen as “a dynamic process of
successive improvements in wages, working conditions, labour institutions and standards of employment
and social protection that is related to the structural transformation of an economy”, a process that in
turn spurs further transformation through a virtuous circle of expanding inclusive growth, stronger job
creation and poverty eradication. To capture such dynamics would make an SDG on growth and jobs
powerful and indeed transformative. Attention should be paid, however, not to put too many issues in
a single basket, making the goal complex and difficult to implement.

The final choice of topics and goals will be made by the General Assembly. Whatever its configuration,
strong and clear targets supported by reliable indicators and adequate means of implementation will be
critical to ensure success in addressing the jobs challenge. Some suggestions for reformulation of the
most relevant target areas proposed in the zero draft are summarized in the table below. Those
suggestions were made taking into account existing frameworks and internationally agreed language as

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http://sustainabledevelopment.un.org/content/documents/18331106tstissuesemploywork.pdf
well as historical and projected trends that can help set an adequate basis for baselines and desired outcomes.

It should be noted that the illustrative global targets suggested in this note and their related core common indicators could be complemented by broader national sets of targets and indicators - including timelines and implementation paths - customized to address the distinctive facets of inclusive growth and decent work depending on countries’ priorities, circumstances and data availability.

Measurability is an important criterion for setting targets, but the scope of indicators varies considerably across countries and regions. This is a constraint to an effective and universal development agenda which should be overcome. Not everything that is of value to sustainable development is currently adequately measured. Labour market statistics are regularly collected in most countries but we do not know enough about the reality of labour markets in developing countries, especially in the poorest settings. For instance, gender disaggregated data and information on the duration, security and quality of employment and the level of wages are especially lacking. As mentioned by the UN Secretary-General in a recent address on poverty eradication, a concerted global effort to improve the national collection of statistics is essential.
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<tr>
<th>OWG Target Area</th>
<th>Illustrative reformulation of global target(s) and possible core common indicators</th>
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<td><strong>1. By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities</strong> (under proposed goal 8. &quot;Promote strong, inclusive and sustainable economic growth and decent work for all&quot;)</td>
<td><strong>By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities</strong> [unchanged]</td>
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<td>and</td>
<td>Possible subsidiary targets and indicators:</td>
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| By 2030 achieve equal access to productive employment and decent work for all, including the poor, persons with disabilities, and other people in vulnerable situations as well as women and young people (under Proposed goal 1. “End poverty in all its forms everywhere”) | ✓ By 2030 provide at least x % of both world’s working age women and men with access to full and productive and decent employment – Indicator: Employment to population ratio (EPR - MDG indicator 1.5)  
*global baseline around 60% with large gender variation: over 70% for males and less than 50% for females* |
|                                                                                 | ✓ Increase the growth rate of labour productivity by x % - Indicator: GDP per person employed in agriculture and non-agriculture (MDG indicator 1.4) |
|                                                                                 | ✓ Increase the share of wage and salaried workers in total non-agricultural employment, by age, gender, location and migrant status |
|                                                                                 | ✓ Increase the participation of people with disabilities in the labour market by x % – indicator: EPR |
|                                                                                 | **By 2030 achieve equal access to productive employment and decent work for all women and men, including the poor, persons with disabilities, and other people in vulnerable situations as well as women and young people** [unchanged] |
|                                                                                 | Possible subsidiary targets and indicators:                                                                                                           |
|                                                                                 | ✓ By 2030, reduce by x % the gap in labour market participation across relevant groups – Indicator: EPR by age, gender, location, migrant status and other grounds |
|                                                                                 | ✓ By 2030, reduce by x % the low pay ratio – Indicator: share of workers with earnings below 2/3 of the median pay.                                      |
|                                                                                 | ✓ By 2030 end working poverty – Indicator: working poverty rate by gender and age, location, region and migrant status – Indicator: share of employed persons living in households in which per capita consumption is below an internationally defined poverty line (MDG indicator 1.6) |
2. **By 2020 halve the number of youth not in employment, education or training** (under Proposed goal 8. "Promote strong, inclusive and sustainable economic growth and decent work for all")

- **By 2020 reduce by x% the share of youth (15-24) not in employment, education or training (NEETs)**

  Possible subsidiary targets and indicators:

  ✓ Reduce by x% youth urban unemployment rates
  ✓ Increase the youth (15-24) employment to population ratio (linked to the relevant target on full employment and decent work)
  ✓ Reduce the youth (15-24) share of working poverty (linked to the relevant target on full employment and decent work)

3. **Create enabling conditions for increased growth and productivity of micro-, small- and medium-scale enterprises (MSMEs), including through policies that promote entrepreneurship, creativity and innovation, and through improved access to markets and financial services** (under Proposed goal 8. "Promote strong, inclusive and sustainable economic growth and decent work for all")

- **By 2030 create an appropriate climate for MSMEs, entrepreneurship and innovation and promote market access and financial inclusion**

  Possible subsidiary targets and indicators:

  ✓ By 2030, the number of newly registered firms per 1000 working age people (15 and 64) in developing countries will increase to x [baseline: 1.27 in developing countries, 4.3 global average]
  ✓ By 2030, the contribution of young firms (less than 5 years old) to total employment will increase to x% in developing countries [baseline: 18.7% in 2011]
  ✓ By 2030, the number of patents filed by young firms (less than 5 years old) as a percentage of patents filed by all firms will increase to x% [baseline: 12% for selected OECD countries in 2009]
  ✓ Increase in lending to MSMEs

4. **Increase the share of high productivity sectors and activities in the economy, and strengthen productive capacities through technological upgrading and greater value addition and product diversification, with a particular focus on LDCs** (under Proposed goal 8. "Promote strong, inclusive and sustainable economic growth and decent work for all")

- **By 2030 increase the share of high productivity sectors and activities in the economy, and strengthen productive capacities through technological upgrading, skills development and greater value addition, with a particular focus on LDCs**

  ✓ Targets and indicators for access to certified apprenticeship and technical and vocational education and training (TVET), cross-referencing relevant targets under the proposed goal 4 on education and life-long learning.
5. **End child labour by 2030, protect the rights and ensure safe and secure working environments of all workers, including migrant workers and those in precarious employment under Proposed goal 8. “Promote strong, inclusive and sustainable economic growth and decent work for all”**

- **Protect the rights of all workers, in compliance with ILO Conventions and other relevant standards, and end child labour by 2030.**

  Possible subsidiary targets and indicators:
  - Increase in the number of countries that have ratified relevant international labour standards and whose national legislation provides for equality of treatment in respect of employment (e.g. wages, working conditions, hours of work, social security benefits, skills recognition, unionization)
  - Increase in collective bargaining coverage rate
  - Decline in the incidence of forced labour
  - Reduced incidence of labour market discrimination against women, youth, people with disabilities.

- **By 2030 protect the rights of all migrant workers, in compliance with ILO Conventions and other relevant standards**
  - Wage gap between employed migrants and employed nationals
  - Share of migrant workers in regular employment
  - Share of migrant workers subject to occupational injuries
  - Number of countries having signed and implemented bilateral agreements for the recognition of education/qualifications, skills/competencies
  - Share of migrant workers whose foreign qualifications are recognized by national laws and international agreements on the recognition of foreign qualifications

- **By 2030 eliminate child labour** \(^5\) [baseline: 5.5% annual rate of reduction over the 2008-2012 period; required annual rate of reduction: 20%]
  - Percentage and number of 5-11 year-olds in economic activity – by sex, residence, region, migrant status, orphan status, income
  - Percentage and number of 12-14 years-olds in economic activity excluding light work– by sex, residence, region, migrant status, orphan status, income
  - Percentage and number of 15-17 year-olds in hazardous work– by sex, residence, region, migrant status, orphan status, income
6. **Promote formalization of informal sector activities and employment**  
(under Proposed goal 8. "Promote strong, inclusive and sustainable economic growth and decent work for all")

*By 2030 promote the formalization of informal sector activities and employment through gradual transitions to the formal economy.*

- Decline in the share of total informal employment in non-agricultural employment
- Decline in the share of workers with informal jobs in total employment in formal non-agricultural enterprises
- Increase in the share of formalized SMEs

| 7. **By 2030 lower the overall costs in migration processes and minimize transaction costs of remittances**  
(under Proposed goal 8. "Promote strong, inclusive and sustainable economic growth and decent work for all") |
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| **By 2030 lower the overall costs in migration processes and minimize transaction costs of remittances**  
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| ✓ Share of migrant workers using recruiters registered and licensed under national and international regulations and level of payment of recruitment fees |

| 8. **By 2030, implement nationally appropriate social protection measures including floors, with focus on the coverage of the poor, the most marginalized and people in vulnerable situations**  
(under Proposed goal 1. "End poverty in all its forms everywhere") |
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<td><strong>By 2030 implement nationally appropriate social protection measures and social protection floors for all in need, including nationally-defined guarantees for older persons, for those in working age and for all children</strong></td>
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<tr>
<td>✓ All older persons receive an adequate pension (share of persons above retirement age that benefit from an old-age pension)</td>
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<tr>
<td>✓ All children receive appropriate support (share of families with children that receive minimum support as defined in national legislation)</td>
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<tr>
<td>✓ Those in working age without jobs receive adequate support (share of unemployed in active age who receive a regular unemployment benefit)</td>
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<tr>
<td>✓ All persons with disabilities receive appropriate support (share of persons with severe disabilities who receive a regular disability benefit)</td>
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<tr>
<td>✓ All women receive support in case of maternity (share of pregnant or recent mothers who receive maternity benefits)</td>
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<tr>
<td>✓ All workers are covered against employment injury (share of those covered against an occupational accident)</td>
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<tr>
<td>✓ Nobody is impoverished because of health expenses (share of people impoverished due to health expenditure)</td>
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9. Ensure women’s equal access to full and productive employment and decent work and equal pay for work of equal value (under Proposed goal “Attain gender equality, empower women and girls everywhere”)

- By 2030 ensure women’s equal access to full and productive employment and decent work and equal remuneration for equal work of equal value
  
  ✓ Share of women in wage employment by sector
  ✓ Female employment to population ratio (linked to the relevant target on full employment and decent work)
  ✓ Maternal employment (share of employed women with at least one child aged under 15 living at home)
  ✓ Gender wage gap (female-male difference in between average hourly pay)