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# ► Advancing social justice

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Report I(A)

## ▶ **Advancing social justice**

Report of the Director-General

First item on the agenda

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## ► Preface

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We face a disparate yet overlapping set of challenges, ranging from the fallout of the COVID-19 pandemic, the rising cost of living, extreme weather events and geopolitical instability to a looming global debt crisis. Their effects on the world of work are significantly delaying, if not reversing, progress towards social justice.

This report, my first to the International Labour Conference, sets out my vision for advancing social justice and promoting decent work. It examines some of the stark realities facing the world of work today – the persistent injustices, inequalities and insecurities – on which we must now act. It considers the actions that will be required by the ILO and by governments and employers' and workers' organizations to address these realities through decent work. And it highlights the strategic opportunities that exist, both nationally and internationally, for furthering our human-centred and rights-based approach, including through integrated inter-agency action.

Our global ambition must be commensurate with the scale of the challenges we face. Harnessing our unique tripartite convening power and guided by our enduring values, we need to forge a Global Coalition with other key actors, including in the multilateral system, that works to advance social justice and renew the social contract.

I encourage all delegates to consider and engage on my report. Your views and ideas will shape that global ambition. Your knowledge and experience will be invaluable in determining the direction of travel. And your unwavering commitment to our mandate of social justice will provide the momentum we need to place this fundamental objective at the centre of all national and international policies.

Gilbert F. Hougbo  
Director-General

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## ► Chapter 1

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### The quest for social justice

*“Whereas universal and lasting peace can be established only if it is based upon social justice ...”*

1. We live in times marked by compounding crises. Each crisis reveals longstanding weaknesses in our prevailing systems and policies. Beneath these fault lines lie structural inequalities that with each disruption push millions of people even further behind. The periods of uncertainty that each crisis provokes deter businesses from investing, prevent economies from creating sufficient jobs and leave many workers and their families unsure as to how they will afford the most basic necessities. Almost three quarters of respondents to a recent global poll said that they are “struggling” or “suffering”, while only just over one quarter consider themselves to be “thriving”.<sup>1</sup> The perception that something in society is deeply unfair – and the social malaise this invokes – is among the most important causes of social instability today.
2. The conviction that universal and lasting peace can be established only if it is based upon social justice moved the founders of the ILO to make social justice the ultimate goal of an organization focused on improving the conditions of labour.<sup>2</sup> That initial social contract – premised on the recognition of the principle of freedom of association – enabled a unique form of governance to emerge. Governments and employers’ and workers’ organizations came together at the ILO to address the often-unacceptable working conditions and widespread insecurity, deprivation and industrial unrest of the time. Tripartism, which at the time of the founding of the ILO hardly existed at the national level, became an established procedural means to advance social justice.
3. The Declaration of Philadelphia of 1944 powerfully reaffirmed the ILO’s mandate for social justice based on the fundamental values of human dignity and freedom, equality and equal opportunity. It made the attainment of social justice the central aim of all national and international policies, placing the economy and economic policies at the service of this fundamental objective.<sup>3</sup>

### What is social justice?

4. Societies, policies and institutions can be characterized as just or unjust. But what conception of social justice informs this assessment? How can this perspective guide continuous and concerted action towards the achievement of social justice?
5. Social justice is reflected in the aspiration that “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”.<sup>4</sup> It is premised on the intrinsic value of human dignity, as expressed in the ILO’s founding principle that “labour is not a commodity”.<sup>5</sup>

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<sup>1</sup> Gallup, “Gallup Global Life Evaluation Index”. The poll was carried out between April 2021 and January 2022.

<sup>2</sup> Preamble to the ILO Constitution. This principle was also included in Part XIII of the Treaty of Versailles of 1919.

<sup>3</sup> Declaration of Philadelphia, Part II(b) and (c).

<sup>4</sup> Declaration of Philadelphia, Part II(a).

<sup>5</sup> Declaration of Philadelphia, Part I(a). This principle was also included in Part XIII of the Treaty of Versailles as “labour should not be regarded merely as a commodity or article of commerce”.

6. It is about fairness, equality and having a voice and the agency to shape one's own life. It is about having access to opportunities for employment and an adequate standard of living so that each person can live a productive and dignified life. It is about shared prosperity and a measure of security when income is interrupted, insufficient or intermittent. And while it may seem to go without saying, it is about the rule of law and access to justice within a society.
7. Beyond being a moral imperative, social justice enables societies and economies to function more cohesively and effectively. It unlocks the productive potential of countries and people and paves the way for sustained reductions in poverty and inequality – prerequisites for inclusive growth. It engenders peace, stability and intergenerational solidarity.
8. Social justice can be broadly described as having four dimensions. The first dimension is **universal human rights and capabilities**. Universal human rights include, among others, access to an adequate standard of living, education, healthcare and social security. They also include freedom of association, which provides the foundations for democratic participation and social dialogue. They are reflected in various instruments, including the United Nations (UN) Universal Declaration of Human Rights of 1948, the UN International Covenant on Economic, Social and Cultural Rights and International Covenant on Civil and Political Rights of 1966, and the ILO Declaration on Fundamental Principles and Rights at Work (1998), as amended in 2022, as well as other instruments. This dimension is primarily concerned with the expression of these universal rights in international instruments – including international labour standards – and their implementation in legislation, policies and institutions at the national level that ensure, for example, effective access to public services on the one hand and the realization of enabling rights, such as freedom of association, on the other.
9. Universal human rights can be seen as providing entitlements to certain basic capabilities.<sup>6</sup> The capabilities approach – which has significantly influenced deliberations at the ILO on a human-centred approach to the future of work and the understanding of human development within the United Nations – considers capabilities and the substantive opportunities to make use of them a necessary condition for advancing social justice. From this perspective, the indignities and misery inflicted by poverty reflect not only a lack of income, but also a deprivation of capabilities, for example, a deprivation of adequate nutrition, health care and quality education, necessary to ensure human dignity and productive engagement in the economy and society.
10. The second dimension concerns **equal access to opportunities** for employment and productive activity that enable people to pursue their material well-being in conditions of economic security. It focuses on substantive opportunities to engage in economic activity and to be rewarded for such effort, including the opportunity to attain meaningful work and to contribute to society.<sup>7</sup> It is based on principles of “fair equality of opportunity”<sup>8</sup> and equal treatment. It is primarily

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<sup>6</sup> Capabilities are understood as people's capabilities, or abilities, to do and to be those things that are deemed valuable. For example, the freedom to be well nourished, to be in good health and immune from disease, and to be educated. The capability approach shifts the focus in the assessment of human development and well-being from one of resources to what people are able to “be and do” with these resources. See Amartya Sen, *Development as Freedom* (Oxford New York: Oxford University Press, 1999); and Martha C. Nussbaum, *Creating Capabilities: The Human Development Approach* (Cambridge, MA: Belknap Press of Harvard University Press, 2011).

<sup>7</sup> For a discussion of contributive justice, see Michael J. Sandel, *Justice: What's the Right Thing to Do?* (Farrar, Straus and Giroux, 2009).

<sup>8</sup> John Rawls in *A Theory of Justice* (Harvard University Press, 1971) advances two principles of justice as fairness: first, the guarantee of equal basic freedoms for all; and second, fair equality of opportunity with the (lexically subordinate) “difference principle” (p. 302). See also Alexander Kaufman, *Rawls's Egalitarianism* (Cambridge University Press, 2018).

concerned with policies and measures that provide access to opportunities for productive and freely chosen employment.

11. The third dimension encompasses the broader notion of **fair distribution**. It is concerned with fairness in distributional outcomes including a just share of the benefits of economic growth, with attention to the most disadvantaged or vulnerable in society.<sup>9</sup> Social justice is of course not only about the right way to share the benefits of productivity gains; it is also about the right way to recognize and value the work that sustains societies and supports the daily functioning of economies – such as paid and unpaid care work. This dimension is primarily concerned with institutions that address inequality and advance inclusion and shared prosperity, encompassing both pre-distribution and redistribution policies. It includes the consideration of how power imbalances might affect distributional outcomes and the institutions that offset these imbalances.
12. The fourth dimension concerns **just transitions**. This dimension captures the manner in which significant transformations affect people's well-being over time. This includes transformations associated with globalization, technological, demographic, environmental and other transformations, and compounding crises. It addresses the capabilities necessary to build resilient societies and economies. It is reflected in the ILO Centenary Declaration for the Future of Work (Centenary Declaration), adopted by the International Labour Conference in 2019, with its focus on a human-centred approach to the transformations under way in the world of work.<sup>10</sup> This dimension is primarily concerned with the policies and measures that maximize opportunities and mitigate risks, enabling people to navigate the transitions that these transformations and compounding crises imply.
13. These four dimensions are interrelated and interdependent (figure 1). Societies manifest them in the way in which they govern themselves, particularly in the choices they make in related areas of policy design and implementation. Such choices give expression to the implicit social contract of any society.<sup>11</sup>

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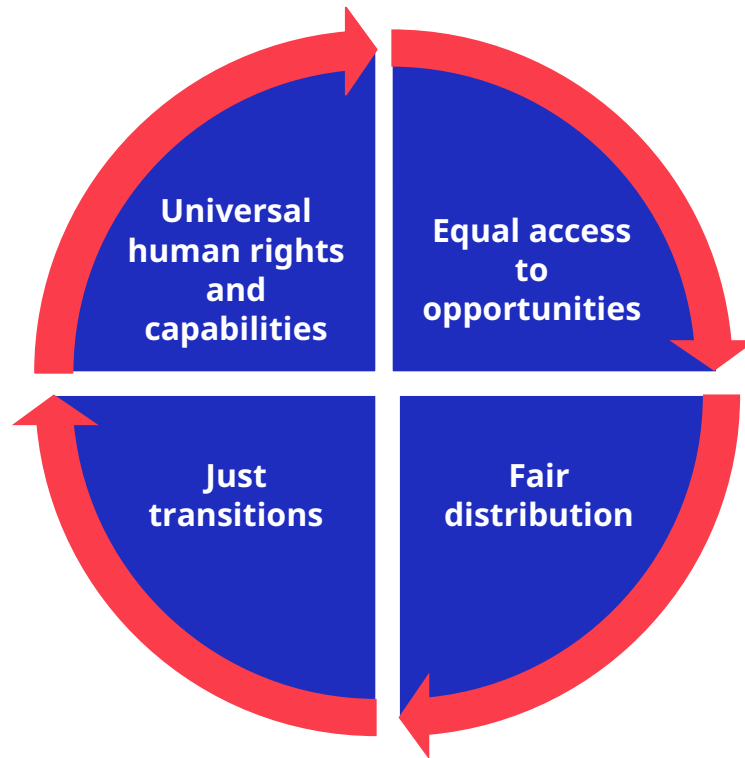
<sup>9</sup> The Declaration of Philadelphia refers to policies that will ensure “a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection”. See also John Rawls, *A Theory of Justice* (Harvard University Press, 1971) for an account of the difference principle, according to which inequalities are to be arranged so that they are “to the greatest benefit of the least advantaged”.

<sup>10</sup> It is also reflected in the recognition by the UN General Assembly of the right to a clean, healthy and sustainable environment as a universal human right. See UN General Assembly, resolution 76/300, [The human right to a clean, healthy and sustainable environment](#), A/RES/76/300 (2022).

<sup>11</sup> While it varies across countries and over time, a social contract can be understood as an implicit arrangement that defines the relationship between the government and citizens and between different groups of the population. It reflects a common understanding about how a society is organized; the norms and rules that govern how collective institutions operate and how resources are distributed (including the determination of public goods); the individual and collective responsibilities in that regard; and the policies that are designed to achieve social justice. See ILO, *Social contract and the future of work*, Issue Note No. 4, The Future of Work Centenary Initiative, 2016.



► Figure 1. Advancing social justice

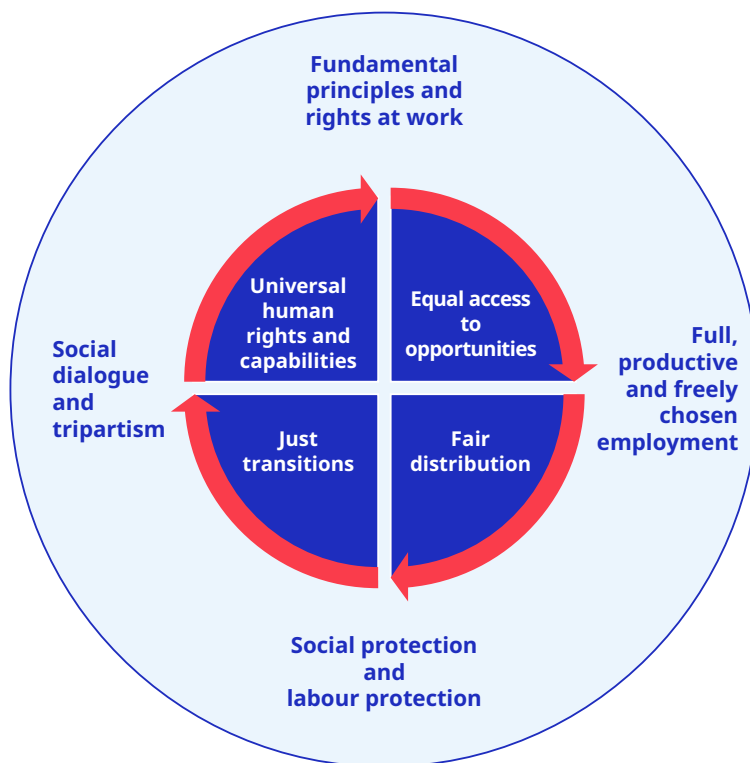


## Advancing social justice through decent work

14. The availability of and access to decent work plays a central role in advancing social justice across these four dimensions. Labour income constitutes the main source of income for most households. Access to full, productive and freely chosen employment and to social protection provides the basis for improvements in living standards and enables people to develop and fully realize their potential. Increases in labour income and social transfers reduce inequality and enhance inclusion. Furthermore, if regulated and well organized, work can provide a source of personal well-being and social integration. Sustainable enterprises have an important role to play in providing such opportunities for fair participation in the creation and sharing of the benefits of economic activity and for just transitions.
15. In this connection, the realization of the fundamental principles and rights at work provides the capabilities necessary to access opportunities for freely chosen employment on an equal basis, and to balance labour relations for fair distributional outcomes. These enabling rights also give employers' and workers' organizations the agency they need to forge pathways for sustainable development with just transitions, including through social dialogue and tripartism.
16. As such, the Decent Work Agenda, as set out in the ILO Declaration on Social Justice for a Fair Globalization (2008), as amended in 2022, establishes a clear set of objectives for meeting the universal aspiration for social justice (figure 2). It provides a normative framework for the attainment of enabling rights and entitlements to other capabilities. It promotes social dialogue and the participation of employers' and workers' organizations in the tripartite governance of labour markets and in just transitions. It addresses access to opportunities for full, productive and freely chosen employment and the progressive extension of social protection so that all can enjoy an adequate standard of living. And it establishes policies and institutions that ensure a fair share

in the fruits of progress and help people navigate the transitions they will face throughout their working lives. The priorities in this regard are addressed in Chapter 3.

► **Figure 2. Advancing social justice through decent work**



17. At the same time, causal links exist between decent work and other aspects of human development reflected in the various dimensions of social justice. For example, effective access to healthcare services and to quality education improves capabilities to access employment and releases the productive potential of countries, while access to decent work enhances the likelihood that workers and their families will have adequate nutrition, enjoy good health and obtain quality education.
18. Reinforcing the links between decent work and other aspects of human development has the potential to engender a positive and sustainable development trajectory through improved levels of education, a well-nourished and healthy population and workforce, better skills and productivity and increased levels of income. An adequate living wage and social protection can significantly improve the financial resources available to low-income households, thereby reducing their possible reliance on contributing family members that are still children. Accordingly, these children are able to continue their education, improving their own prospects and those of future generations. This in turn reduces the inhibiting effects of inequality on intergenerational mobility.
19. By the same token, a failure to advance social justice in respect of an adequate standard of living, access to effective healthcare and a quality education undermines progress towards decent work. For example, over 244 million children and young people across the world are still out of school, and it is estimated that seven out of ten children in low- and middle-income countries cannot read

and understand a simple story at the age of ten.<sup>12</sup> These deprivations in access to quality education mean that many millions of children are at work and could soon be joined by millions more. They impair the future opportunities of these children to access decent employment and a standard of living adequate for their own health and well-being and for that of their families – to say nothing of protection against risks over their lifetimes. These failures represent more than individual “deficits in human capital”; they represent a crisis that constrains productive potential and the capacity of countries to advance and secure decent work.

- 20.** The ILO has long understood that the pursuit of social justice in respect of an adequate standard of living, effective access to healthcare and quality education is essential for the realization of its own mandate.<sup>13</sup> In a similar vein, it is not possible to achieve sustainable development without decent work. This is our common agenda.

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<sup>12</sup> United Nations, *Report on the 2022 Transforming Education Summit*, January 2023.

<sup>13</sup> See Philadelphia Declaration, Part III. See also the Centenary Declaration, which calls on the ILO to further develop its human-centred approach to the future of work through effective lifelong learning and quality education for all (Part III(A)(ii)).

## ► Chapter 2

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### Has the world reached a critical juncture?

21. The world is faced with innumerable challenges – some old, some new. Social and economic development has contributed to an increase in average living standards and expanded opportunities across the world.<sup>14</sup> At the same time, concerns have been growing in recent decades over rising economic inequality within many countries and the widening disparity between the inordinate wealth accumulated by the richest 1 per cent of the population – and the incomes of the rest.<sup>15</sup> The COVID-19 pandemic sent shockwaves around the world, reversing gains in living standards and exposing weaknesses in every society's social and economic policies. This situation is now compounded by a damaging combination of debt, high food and energy prices, extreme weather events and geopolitical tensions and conflict, inflicting suffering on millions of people and threatening to exacerbate poverty, exclusion and inequality. The aspiration for social justice remains elusive for far too many.

### Injustices persist

22. At the end of 2022, 685 million people were estimated to be living in extreme poverty, the majority of whom were in sub-Saharan Africa and in fragile and conflict-affected economies.<sup>16</sup> These people are unable to secure sufficient resources to meet their basic needs for safe drinking water, food and sanitation, health and shelter. Such deprivation is an affront to human dignity. It is often interrelated with other injustices, including child and forced labour. Global estimates indicate that 160 million children were engaged in child labour in 2020, while close to 50 million people were living in modern slavery in 2021.<sup>17</sup> The increases since 2016 in the absolute number of people in child labour by over 8 million and modern slavery by 2.7 million are the antithesis of social justice.
23. Linked to these injustices is the fact that millions of people engage in unsafe or unhealthy work each day in order to earn a living. An estimated 2 million workers die as a result of occupational accidents and diseases each year, and hundreds of millions of workers are injured at work.<sup>18</sup> The resulting human tragedy combined with the loss of economic output and productivity constitute multiple layers of injustice.
24. Regrettably, most intra-state conflicts are linked to exclusion and discrimination involving minorities.<sup>19</sup> Furthermore, globally, more than one in five persons in employment have

<sup>14</sup> Global extreme poverty declined from nearly 35 per cent in 1995 to less than 10 per cent in 2019. World Bank, *Poverty and Shared Prosperity 2022: Correcting Course*, 2022. Global literacy rates have increased steadily, from 68 per cent in 1979 to 86 per cent in 2016. UNESCO, "What you need to know about literacy".

<sup>15</sup> The top 1 per cent of the wealth distribution has taken 38 per cent of all wealth accumulated since the mid-1990s, whereas the bottom 50 per cent has gained only 2 per cent of it. Lucas Chancel et al., *World Inequality Report 2022* (World Inequality Lab, 2022). See also ILO, *Inequalities and the world of work*, ILC.109/IV(Rev.), 2021.

<sup>16</sup> World Bank, *Poverty and Shared Prosperity 2022*.

<sup>17</sup> ILO and UNICEF, *Child Labour: Global Estimates 2020, Trends and the Road Forward*, 2021; ILO, Walk Free and IOM, *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*, 2022.

<sup>18</sup> WHO and ILO, *WHO/ILO Joint Estimates of the Work-related Burden of Disease and Injury, 2000–2016: Global Monitoring Report*, 2021. This estimate is based on fatalities related to exposure to 19 occupational risk factors.

<sup>19</sup> UN General Assembly, *Conflict prevention through the protection of the human rights of minorities: Report of the Special Rapporteur on minority issues, Fernand de Varennes*, A/HRC/49/46, 2022.

experienced violence and harassment at work, whether physical, psychological or sexual, during their working life. For the majority of these victims, this is a recurrent experience.<sup>20</sup> Young women are twice as likely as young men to have faced sexual violence and harassment at work, and migrant women are almost twice as likely as non-migrant women to report sexual violence and harassment.

## Labour market insecurity is widespread

25. As noted previously, the availability of decent employment remains the primary means for securing material well-being and improvements in living standards. Having a decent job enables people to work in dignity and fosters social inclusion. And yet, globally, an estimated 207 million people were unemployed in 2022. The inability to access opportunities for employment has significant implications for the prospects of young people to successfully navigate school-to-work transitions. More than one in five young people (aged 15–24 years) are not in education, employment or training.<sup>21</sup>
26. Even when employment is attained, the reality is that the majority of the world's employed population – more than 60 per cent – works in the informal economy.<sup>22</sup> These workers are twice as likely to live in poverty than those in the formal economy. Insufficiently recognized in law and often unprotected in practice, these workers face much higher risks when it comes to external shocks and economic cycles. A disproportionate share of these workers are women, who are more likely to work in the most vulnerable jobs, as unpaid contributing family workers, domestic workers, platform workers or home-based workers hired on a piece-rate basis.<sup>23</sup>
27. The vulnerable nature of some of the new labour market opportunities is apparent in the rise in insecure forms of work. Casual work is widespread in developing countries and is rising in importance in high-income countries, often in the form of on-call work arrangements where workers are called in to work and remunerated only when needed. The intermittent and short hours that characterize this type of work are usually involuntary and frequently associated with time-related underemployment.<sup>24</sup> This intersects with informality when minimum working hours thresholds preclude access to social security benefits. In 2019, an estimated 165 million working people, a large share of whom were in low-income countries, were seeking more paid hours.<sup>25</sup>
28. Increased climate-related risks and extreme events have further eroded economic security. Climate change endangers jobs, livelihoods and enterprises, and has disparate effects in different parts of the world. Low- and middle-income countries suffer (and will continue to endure) greater climate change impacts than higher income countries, in terms of temperature volatility, exposure to tropical and waterborne diseases, and exposure to rising sea levels, among many other factors.<sup>26</sup> As climate change worsens, a larger number of individuals will be forced to leave their homes and become part of the growing number of "climate refugees".

<sup>20</sup> At the global level, 61.4 per cent of victims said in a recent survey that they had experienced violence and harassment more than three times during their working lives. ILO, Lloyd's Register Foundation and Gallup, *Experiences of violence and harassment at work: A global first survey*, 2022.

<sup>21</sup> ILO, *World Employment and Social Outlook: Trends 2023*, 2023.

<sup>22</sup> ILO, *Women and men in the informal economy: A statistical update*, 2023.

<sup>23</sup> OECD and ILO, *Tackling Vulnerability in the Informal Economy*, 2019.

<sup>24</sup> ILO, *Working Time and Work-Life Balance Around the World*, 2022.

<sup>25</sup> ILO, *World Employment and Social Outlook: Trends 2020*, 2020.

<sup>26</sup> Lucas Chancel, Philipp Bothe and Tancrede Voituriez, *Climate Inequality Report 2023* (World Inequality Lab, 2023/1).

29. This heightened economic insecurity is compounded by policy agendas that have left more than 4 billion people excluded from any form of social protection. They have no access to healthcare and sickness benefits, no support that might assist them to feed, clothe and care for their children, and no access to income in their old age, during periods of unemployment or in the event of the death of the main income earner.<sup>27</sup>
30. While the level of social protection coverage varies by country and region, four groups consistently figure among the most excluded and vulnerable: workers in the informal economy; migrant workers, including those forcibly displaced; young people; and women. Among workers in the informal economy, most are neither affiliated with contributory schemes, nor included by narrowly targeted social assistance schemes, which deem them “too rich” (or “not poor enough”) to qualify – and they therefore fall into the so-called “missing middle”.

## Inequality high and rising

31. Related to labour market insecurity is the question of inequality. The high levels of inequality that characterize our economies and societies manifest in a variety of ways, including in income, in opportunities for labour market participation and in access to basic services such as healthcare and education.
32. Income inequality has increased in a majority of countries. At the same time, in high-income countries, average real wage growth has lagged behind average labour productivity growth. These trends imply that workers are, on average, receiving a smaller share of economic growth. Growing wage inequality – with large gains for the top of the distribution and stagnating wages for workers at the bottom – has been a key factor driving increases in income inequality in recent decades.<sup>28</sup> In developing countries, informal work with low earnings and a high incidence of poverty remains one of the main reasons for often high levels of inequality.
33. In this connection, discriminatory practices continue to exclude women and marginalized groups from labour market opportunities, resulting in inequality of treatment and outcomes. The disproportionate amount of time invested by women in unpaid care work underlies lower female labour force participation rates, alongside higher job search discouragement. The jobs gap – which measures all persons who would like to work but do not have a job – is higher for women and has remained relatively constant for nearly two decades.<sup>29</sup> When it comes to paid employment, globally women earn approximately 20 per cent less than men.<sup>30</sup> Pay gaps are even wider when gender intersects with other grounds of discrimination, such as race, disability and migrant status.<sup>31</sup> For example, in high-income countries, the pay gap between male nationals and migrant women is estimated at nearly 21 per cent per hour.<sup>32</sup>
34. These vertical and horizontal inequalities are reflected in differentiated access to quality public services, including education and healthcare. Under-investment in public services has incentivized

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<sup>27</sup> ILO, *World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future*, 2021.

<sup>28</sup> ILO, *Inequalities and the world of work*, ILC.109/IV(Rev.), 2021.

<sup>29</sup> ILO, *Spotlight on Work Statistics No. 12: New data shed light on gender gaps in the labour market*, ILO Brief, March 2023. The jobs gap differs from the unemployment gap. To be unemployed, a person must be seeking work and available to take up a job at very short notice, typically one week. These criteria are less likely to include women who, while wishing to work, may not be immediately available due to their disproportional responsibility for unpaid care work.

<sup>30</sup> ILO, *Global Wage Report 2018/19: What lies behind gender pay gaps*, 2018.

<sup>31</sup> Brett O'Hara, “Twice Penalized: Employment Discrimination Against Women with Disabilities,” *Journal of Disability Policy Studies* 15, No. 1 (2004): 27–34.

<sup>32</sup> Silas Amo-Agyei, *The migrant pay gap: Understanding wage differences between migrants and nationals*, (ILO, 2020).

private solutions, the supply of which has expanded exponentially, with the public provision lagging behind. As a result, those who can afford private services are often less willing to pay the taxes necessary to ensure the provision of public services and other public goods. This creates a dual system which reinforces inequality. In the case of healthcare services, dominant private-sector provision, without adequate regulation and appropriate social health protection, often goes hand-in-hand with high out-of-pocket expenditure on health, which is the case in many low and middle-income countries.<sup>33</sup>

## Compounding crises

35. These injustices, insecurities and inequalities are exacerbated by multiple and overlapping crises – a pandemic, a dramatic fall in aggregate demand, rising prices, extreme weather events and geopolitical instability, including the Russian Federation's aggression against Ukraine. The interaction of these disparate shocks has resulted in a “polycrisis” with compounding effects that are far worse than the sum of each shock.
36. The COVID-19 pandemic resulted in the loss of hundreds of millions of jobs and induced the largest increase in global poverty since 1990 – and arguably since the Second World War.<sup>34</sup> It had disproportionate effects on the most vulnerable in labour markets, including women and young people,<sup>35</sup> and hit small enterprises the hardest.<sup>36</sup> The current cost-of-living crisis has further eroded the purchasing power of already disadvantaged low-income households, who spend a larger share of their income on basic items, such as food, utilities and housing.<sup>37</sup> And at the extreme of human suffering, acute food insecurity continues to escalate. As of January 2023, around 45 million people in 37 countries are projected to have so little to eat that they will be severely malnourished, at risk of death or already facing starvation.<sup>38</sup>
37. More than three years since the World Health Organization declared COVID-19 a pandemic, the labour market situation remains dire. The global jobs gap, which reflects the unmet need for employment, stood at 473 million people in 2022, corresponding to a jobs gap rate of 12.3 per cent.<sup>39</sup> In addition, previous gains in the formalization of employment have reversed course.<sup>40</sup>
38. Economic uncertainty is dampening business investment and delaying processes of structural transformation and development that would otherwise be fundamental to ensure a sustained and inclusive recovery. Meanwhile, the expiry of the G20 Debt Service Suspension Initiative at the end of 2021, together with rising variable interest rates, has led to significant increases in debt service, undermining the capacity of many governments to invest in and deliver basic public services.

<sup>33</sup> ILO, *World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future*.

<sup>34</sup> World Bank, *Poverty and Shared Prosperity 2022*; ILO, *ILO Monitor: COVID-19 and the world of work, Second edition: Updated estimates and analysis*, April 2020.

<sup>35</sup> ILO, *An uneven and gender-unequal COVID-19 recovery: Update on gender and employment trends 2021*, ILO Brief, October 2021; ILO, *Global Employment Trends for Youth 2022: Investing in transforming futures for young people*, 2022.

<sup>36</sup> World Bank, “Unmasking the impact of COVID-19 on business”, *Policy Research Working Paper No. 9434*, 2020.

<sup>37</sup> ILO, *Global Wage Report 2022–23: The impact of inflation and COVID-19 on wages and purchasing power*, 2022.

<sup>38</sup> FAO and WFP, *Hunger Hotspots: FAO–WFP early warnings on acute food insecurity, October 2022 to January 2022 Outlook*, 2023.

<sup>39</sup> The global jobs gap of 473 million in 2022 consists of 205 million unemployed as well as 268 million people who have an unmet need for employment but do not satisfy the criteria to be considered unemployed. ILO, *World Economic and Social Outlook: Trends 2023*, 2023.

<sup>40</sup> ILO, *ILO Monitor on the world of work. Tenth edition: Multiple crises threaten the global labour market recovery*, 31 October 2022.

Some 54 countries remain in, or are at a high risk of, debt distress, a recipe for defaults and prolonged socio-economic hardship.<sup>41</sup>

## Social contracts unravelling

39. The set of expectations, norms and collective institutions that stitch our societies together and determine which services are to be provided collectively and by whom appears to be unravelling. Torn between the imperatives of equity and cost containment, social protection policies cannot keep everyone afloat. Disaffection and loss of trust in national governance is rising. And the increasing polarization within societies is undermining solidarity. As expressed by the UN Secretary-General in his report, *Our Common Agenda*, there is a “growing disconnect between people and the institutions that serve them, with many feeling left behind and no longer confident that the system is working for them, an increase in social movements and protests and an ever deeper crisis of trust fomented by a loss of shared truth and understanding.”<sup>42</sup>
40. By failing to put the values of human dignity and social justice at the centre of our economies and societies, we leave behind masses of untapped talent, unused productive capacity and unrealized human potential. Moreover, we miss the opportunity to harness the full potential of technological progress and productivity growth to tackle environmental challenges and advance sustainable development.
41. There are ways to reinforce the policies and institutions that make societies inclusive, to direct investment to where the economic and social returns are greatest and to deliver essential public goods and social protection. And there are ways to restore trust in public institutions through social dialogue, effective and inclusive governance and shared prosperity.
42. Periods of compounding crises and upheavals often present important windows for improved cooperation, social dialogue and concertation on prevailing policies and institutional arrangements so that their renewal – and indeed the renewal of the social contract – might enable people to thrive, to be productive, and to contribute to and benefit from society. These policies and arrangements include the conditions that create opportunities for employment and productive activity. And they concern arrangements for the provision and financing of public services – in the area of education, health and care to name a few – and the respective responsibilities in that regard.

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<sup>41</sup> Lars Jensen, “Avoiding ‘Too Little Too Late’ on International Debt Relief,” Development Futures Series Working Paper, UNDP, 2022.

<sup>42</sup> UN, *Our Common Agenda: Report of the Secretary-General*, 2021.

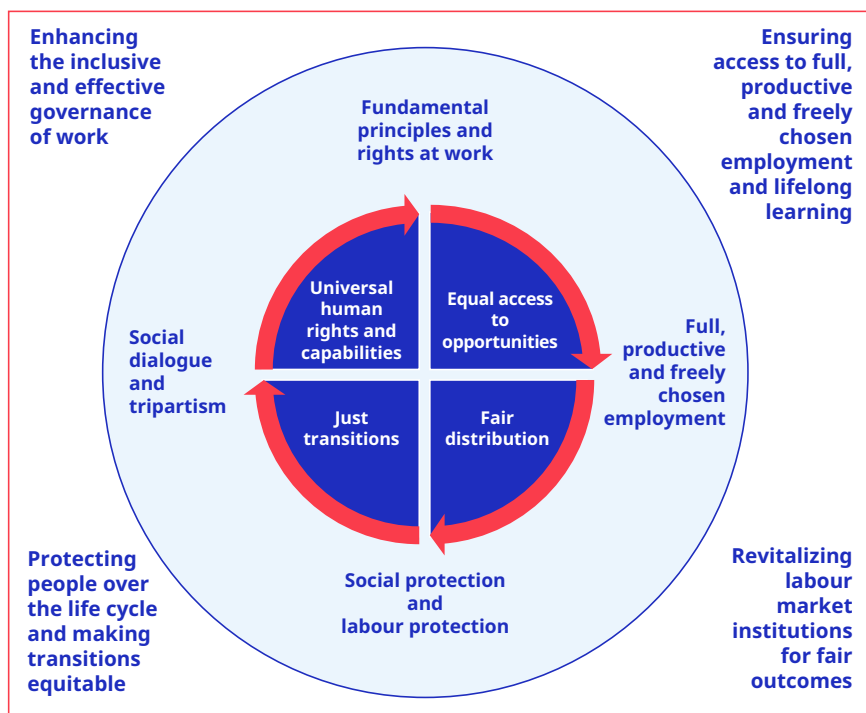


## ▶ Chapter 3

### Advancing social justice, promoting decent work

- 43. The capacity of the ILO to advance social justice depends on governments and employers’ and workers’ organizations coming together to shape policy and determine the priorities that will frame national and global action.
- 44. The Centenary Declaration calls on the ILO to “carry forward into its second century with unrelenting vigour its constitutional mandate for social justice by further developing its human-centred approach to the future of work, which puts workers’ rights and the needs, aspirations and rights of all people at the heart of economic, social and environmental policies.”<sup>43</sup>
- 45. The ILO has already made important strides in advancing a human-centred approach. With the adoption in 2022 of a fifth category of fundamental principles and rights at work, a safe and healthy working environment is no longer a privilege, but an entitlement for all workers.
- 46. Yet, as this report has shown, much remains to be done to advance social justice and promote decent work by furthering a human-centred approach to the future of work (figure 3). Continuous and concerted action, both public and private, is essential to create the conditions in which all people can work in freedom and dignity; enjoy equal access to opportunities for full, productive and freely chosen employment that provides economic security and enables them to thrive; derive a fair share from their productive endeavours and social contributions; and experience just transitions over their lifetimes.

▶ **Figure 3. Advancing social justice, promoting decent work**



<sup>43</sup> Centenary Declaration, Part I(D).

## Enhancing the inclusive and effective governance of work

47. The way in which societies govern work lays the foundations for social justice. The laws, regulatory instruments and institutions that are established afford rights and entitlements, formalize pathways to decent work and facilitate procedural justice. They give expression to universal human rights and provide the regulatory framework for equal opportunities, fair distribution and just transitions. And they enable democratic participation and social dialogue.
48. At the international level, the governance of work is carried out through deliberation by governments and employers' and workers' organizations and the adoption of international labour Conventions which, when ratified, have the force of international law and are subject to ILO supervision. These Conventions, together with non-binding Recommendations, translate aspirations for social justice into a normative framework for the governance of work in all countries. At the national level, this involves the establishment of a combination of laws and regulations; collective agreements; social dialogue among governments and employers' and workers' organizations; and a variety of institutions including labour administrations, judiciaries and dispute resolution agencies.
49. Yet the role of these instruments and institutions is at times called into question and governments may face deregulatory pressures from different quarters. Technological advancements and demands for flexible work may call into doubt the capacity of existing regulatory frameworks to afford adequate labour protection and equality of treatment. The large number of workers in the informal economy, alongside often weak labour administrations in some contexts, poses challenges to regulatory coverage and compliance. A lack of investment in institutional capacities and inadequate implementation and enforcement may further erode the effectiveness of regulatory institutions. Efforts are needed to enhance the inclusiveness and effectiveness of the governance of work so that all workers enjoy adequate protection.<sup>44</sup>
50. Encouragingly, the International Labour Conference has taken important steps in this direction, with the adoption of the Domestic Workers Convention, 2011 (No. 189), and the Violence and Harassment Convention, 2019 (No. 190). In years to come, governments and employers' and workers' organizations will come together at the Conference to consider how to advance social justice in respect of the new forms of work in the platform economy, undervalued work in the care economy and unprotected work in the informal economy. With artificial intelligence (AI) technologies increasingly mediating and allocating work, consideration may need to be given to questions of data privacy and the risks of AI bias, such as discrimination.<sup>45</sup> Moreover, consideration may need to be given to how to ensure access to justice, including labour justice, as a basic principle of the rule of law.
51. In addition, there is much to be done to tackle the injustices of child labour, modern slavery, discrimination and unsafe work environments and to realize the fundamental principles and rights at work. This is both a mandate and an obligation for the ILO.<sup>46</sup>
52. In this regard, the principles of freedom of association and the effective recognition of the right to bargain collectively are at the core of the ILO's normative foundations and its own methods of

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<sup>44</sup> Centenary Declaration, Part III(B).

<sup>45</sup> See Centenary Declaration, Part III(C)(v).

<sup>46</sup> In the ILO Declaration on Fundamental Principles and Rights at Work (1998), as amended in 2022, the Conference declares that "all Members, even if they have not ratified the Conventions in question, have an obligation, arising from the very fact of membership in the Organization, to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions" (paragraph 2).

work. The realization of these enabling rights provides the essential procedural capabilities with which to advance social justice. It establishes the necessary conditions for the effective functioning of tripartite and bipartite models of governance and for social dialogue. There is a need to ensure the effective realization of these fundamental workers' rights in law and practice.

53. Based on these foundations, governments and employers' and workers' organizations can engage in processes of social dialogue on policies, shape joint solutions and build trust. Inclusive and effective social dialogue provides the institutional capacity to forge inclusive development paths with fair opportunities for all, to secure just transitions and to tackle future challenges. And as the experience of the COVID-19 pandemic has shown, it can provide an essential source of resilience.
54. Clearly, technological innovations in the organization of work and production need to be matched with innovations in the governance of that work. The aspiration for social justice, dignity and economic security is a universal one, whether that work is performed through a digital platform or on a production line. The ILO has affirmed the continued relevance of the employment relationship in providing labour protection.<sup>47</sup> Governments, in consultation with employers' and workers' organizations, need to clarify and where necessary adapt the scope of laws and regulations to guarantee effective protection to workers who perform work in the context of an employment relationship.<sup>48</sup> Consideration must also be given to measures that ensure adequate protection for workers that fall outside of this scope, but are in need of such protection.
55. Particular attention should be given to forging pathways to formality and social justice for the millions in the informal economy that are either excluded from the scope of laws and regulations or are legally covered but rendered unprotected in practice due to non-compliance – as is the case with undeclared work. For workers, this must entail the effective recognition of their fundamental principles and rights at work and other protections that have been afforded to them. Enterprises for their part need an enabling environment that encourages the sustainability of their operations, provides conditions for formalization and secures their compliance with laws and regulations.
56. Labour administration plays a central role in the governance of work. While the way in which it operates may vary across countries, labour administration has a vital role to play in influencing the direction of policy, providing the conditions that support the transition from the informal to the formal economy and securing compliance with workers' rights. There is a need to ensure that labour administration has the requisite political support and the administrative capacity to carry out its governance functions, including those of a tripartite nature. Its agency is critical in developing effective regulatory frameworks and securing the fiscal space necessary for pro-employment budgeting and the expansion of social protection.
57. Beyond the ILO's own means of action, there are opportunities to harness synergies that exist between the Decent Work Agenda and international investment and trading arrangements. If designed correctly, these instruments – some binding, some voluntary – can enhance the impact of the ILO's normative framework, particularly with regard to universal respect for fundamental principles and rights at work, while also boosting sustainable economic growth. There is much scope to leverage these opportunities through greater policy coordination.<sup>49</sup> The ILO's priority

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<sup>47</sup> Centenary Declaration, Part III(B).

<sup>48</sup> In accordance with the guidance provided in the Employment Relationship Recommendation, 2006 (No. 198).

<sup>49</sup> For example, in March 2023, the ILO adopted a strategy to advance decent work in supply chains. See ILO, *ILO strategy on decent work in supply chains*, GB.347/INS/8, 2023.

action programme on decent work outcomes in supply chains will significantly advance work in this regard.

## Ensuring access to full, productive and freely chosen employment and lifelong learning

58. Access to freely chosen employment is a human right. It enables workers and their families to secure an adequate standard of living. The availability full, productive and freely chosen employment provides pathways out of poverty and contributes to the reduction of inequalities and greater social inclusion.
59. And yet, as the previous chapter has demonstrated, the goal of full, productive and freely chosen employment at times seems out of reach and labour market insecurity is widespread. Economic growth, while necessary, does not automatically lead to the creation of decent and productive jobs, and each crisis reverses gains that have been made. As reflected in the Employment Policy Convention, 1964 (No. 122), all workers should be able to freely choose and access opportunities for decent and productive employment.
60. To meet this ambition, the focus of macroeconomic policies needs to be based on transformative policies that target the creation of decent and productive employment as the central objective. Such an approach should aim first to directly create jobs, including through public and private investment and other demand-side measures; second, to advance structural transformation; and third to address macroeconomic imbalances, such as the debt burden, in a manner that takes the potential impacts on opportunities for employment and other dimensions of social justice into consideration.
61. These policies should be accompanied by complementary sectoral, social protection and labour market policies focused on sectors with the highest potential for creating decent and productive employment, including in the care, green and digital economies. At the same time, rural diversification is crucial for providing decent jobs outside urban areas, including in the agricultural sector and through sectoral linkages, for example with the agro-processing sector. Furthermore, sectoral policies need to focus on creating an enabling environment for sustainable enterprises, so as to harness the dynamic capacity of such enterprises to create decent jobs.
62. With a climate crisis facing us, the promotion of a job-rich structural transformation must be founded on ensuring environmental sustainability. Opportunities exist to embed employment objectives in climate change mitigation and adaptation strategies – and to integrate sustainability goals in employment and social protection policies. Careful coordination is needed across relevant government ministries and agencies, working together with the social partners to ensure inclusive and sustainable outcomes. The ILO's priority action programme on just transitions towards environmentally sustainable economies and societies will advance such an integrated approach. At its 111th Session (2023), the International Labour Conference will discuss many of these issues and agree on a road map going forward,<sup>50</sup> building on previous tripartite consensus.<sup>51</sup>
63. To address inequalities and provide opportunities to all, employment policies and interventions need to be designed in a manner that improves the prospects of the most vulnerable groups in labour markets. A good example is investments in the care economy. Such outlays will increase

<sup>50</sup> ILO, *Achieving a just transition towards environmentally sustainable economies and societies for all*, ILC.111/VI, 2023.

<sup>51</sup> ILO, *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, 2015.

access to care services, generating good quality employment with access to social protection, particularly for young people, while at the same time removing the barriers faced by women entering and remaining in the labour market.<sup>52</sup> Efforts to enhance access to opportunities for vulnerable groups in this growth sector need to be accompanied by measures that ensure that that these are actually decent work opportunities.

64. There is also a need to ensure that employment policies are gender responsive. This means embedding gender equality concerns in fiscal and monetary policies by, for example, ensuring that tax systems do not penalize secondary earners (typically the female partner) by considering individual taxation. Other measures are necessary to ensure women's access to productive resources such as land and credit. These are particularly relevant in the agricultural sector, but they are also important for the millions of self-employed workers and in the context of micro and small enterprises run by women. They should be linked, where relevant, to business development services.
65. In addition to calling for the creation of opportunities for full, productive and freely chosen employment, the Centenary Declaration calls for a strengthening of the capacities of all people so that they can benefit from such opportunities.
66. The quality of any country's education and training system is central to ensuring equal access to opportunities for employment and facilitating just transitions.<sup>53</sup> This includes quality early childhood care and education. Access to apprenticeships and technical and vocational education and training play a key role in facilitating school-to-work transitions and the inclusion of young people in labour markets. This is another area where the involvement of the social partners and cooperation with other relevant stakeholders is critical for the development of effective and equitable education and lifelong learning systems.
67. Furthermore, effective measures are needed to support people through the transitions they face over their working lives – from school to work, unemployment to employment, job to job and work to retirement.<sup>54</sup> Such support calls for simultaneous investments in skills strategies, lifelong learning, employment services and active labour market policies, as well as social protection policies, and includes job search assistance, career guidance, employment subsidies and public employment programmes, training and entrepreneurship incentives.
68. One of the most transformational processes is the transition from the informal to the formal economy, as has been argued above. Such formalization is a necessary condition to reduce poverty and inequalities, while simultaneously increasing the productivity and sustainability of enterprises and enhancing government's scope of action through available tax revenue. While informality has a myriad of interrelated causes, including those stemming from the regulatory framework and access to land and credit, among these is simply an insufficiency in the capability of economies to generate quality jobs in the formal economy. There is a need to accelerate action by increasing the availability of opportunities for decent employment with access to social protection for the millions of workers in the informal economy, while at the same time improving the skills and productive capacities of people and enterprises to enter the formal economy. The

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<sup>52</sup> ILO, *Global Employment Trends for Youth 2022: Investing in transforming futures for young people*; ILO and UN Women, "A Guide to Public Investments in the Care Economy", Policy Tool, 2021.

<sup>53</sup> Centenary Declaration, Part III(A)(ii).

<sup>54</sup> Centenary Declaration, Part III(A)(iv).

ILO's priority action programme on transitions from the informal to the formal economy will advance such an integrated approach.<sup>55</sup>

69. Social injustices are often both the cause and outcome of fragility and conflict. In fragile and conflict settings, employment policies can play an important role in connecting short-term humanitarian needs to longer-term development objectives, while addressing the root causes of social injustice, including inequalities and social exclusion.<sup>56</sup> The ILO's priority action programme on decent work for crisis response will advance the ILO's agenda on this critical issue.
70. Finally, the types of integrated approaches that will be required to ensure access to freely chosen employment and just transitions, including macroeconomic policies and those targeting care, green and digital economies, require better coordination at the national and international levels and stronger links to social protection policies and financing, as envisaged in the Global Accelerator on Jobs and Social Protection for Just Transitions. This is a crucial area where the ILO needs to reinforce its leadership within the multilateral system, leveraging its strong convening power.

## Revitalizing labour market institutions for fair outcomes

71. A range of labour market institutions determine what people earn from work and the conditions under which that work is performed. Provided that they are inclusive, these institutions are central to reducing inequalities and ensuring fair outcomes. They enable workers to negotiate a fair share of productivity gains. An adequate minimum wage and maximum limits on working time not only affect the distribution of income, they also protect the dignity of workers. And they provide a level playing field and predictable environment for sustainable enterprises.
72. In 2022, the ILO adopted a comprehensive and integrated strategy to reduce and prevent inequalities in the world of work.<sup>57</sup> At its 111th Session (2023), the International Labour Conference will be undertaking a discussion of labour protection, providing an opportunity to review ILO efforts and consider ILO action to support the revitalization of labour market institutions so that these afford inclusive and effective labour protection.<sup>58</sup>
73. Given the impacts of the current cost-of-living crisis, particularly on low-wage workers, action is needed to revitalize wage policies – including minimum wages – to prevent increases in poverty and inequality.<sup>59</sup> Minimum wages have the potential to significantly relieve the pressures facing low-income families, provided that they are regularly adjusted, are inclusive – for example, by including agricultural workers, domestic workers and migrant workers within their scope – and achieve sufficient levels of compliance. In line with the Minimum Wage Fixing Convention, 1970 (No. 131), minimum wage levels should be set in a manner that takes into account the needs of workers and their families, and economic factors.
74. Linked to this is the question of an “adequate living wage” as referred to in the ILO Constitution, intended to deliver decent living standards for workers and their families. A variety of voluntary approaches and regulatory means are being pursued to afford adequate wages, from “living wage” initiatives in supply chains in the apparel and electronics sectors to “safe rates” in

<sup>55</sup> In line with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

<sup>56</sup> ILO, *Employment and decent work in the Humanitarian–Development–Peace Nexus*, 2021.

<sup>57</sup> ILO, *Comprehensive and integrated ILO strategy to reduce and prevent inequalities in the world of work*, GB.346/INS/5, 2022.

<sup>58</sup> ILO, *Leaving no one behind: Building inclusive labour protection in an evolving world of work*, ILC.111/V, 2023.

<sup>59</sup> See ILO, *Global Wage Report 2022–23: The impact of inflation and COVID-19 on wages and purchasing power*.

transportation supply chains.<sup>60</sup> Attention also needs to be given to the situation of workers who are self-employed and do not earn a wage per se.

75. One institution that continues to play a role in delivering outcomes that are fair, equitable and inclusive is collective bargaining. The evidence is clear: wage inequality, including the gender pay gap, is lower in countries where a greater proportion of workers have their wages set by collective agreements.<sup>61</sup> Collective agreements are also instrumental in establishing equal pay and equal treatment. Yet, according to ILO estimates, only one third of all employees have their terms and conditions of employment set by a collective agreement. There is a need to step up efforts to promote collective bargaining.
76. While much progress has been made in advancing a transformative agenda for gender equality, gender pay gaps persist and women's work in feminized occupations and sectors continues to be undervalued and underpaid. Ongoing efforts are needed to advance equal pay legislation and implement job evaluation and pay transparency measures. In addition, increased investment in care policies is essential to ensure that women do not shoulder the disproportionate burden of unpaid care work and the associated wage penalties that are compounded over the course of their working lives. These include care services, care-related social protection policies and parental leave policies.<sup>62</sup>
77. Linked to the issue of care policies is the way in which societies and labour markets value keywork. The pandemic put a spotlight on the systematic undervaluing of workers who deliver essential services. These key workers earn wages that are 26 per cent lower on average relative to other employees performing work of similar value. There is a need to revalue their work to reflect their social contribution, including through the revitalization of wage policies.<sup>63</sup>
78. The question remains as to how investment in critical public services will be secured – from essential services in general to care services in particular. Clearly, the returns in terms of the productive potential of countries, the assets created and the capacity to withstand, adapt to and transform in the face of crises are there for the taking. But it will require a broad global coalition and partners ready to advance this agenda.

## Protecting people over the life cycle and making transitions equitable

79. Social protection is a human right. It provides access to an adequate standard of living and the capabilities necessary for people to realize their full potential. Together with the provision of public services, social security systems are critical instruments for effective redistribution through transfers and taxes, achieving more equitable outcomes than would otherwise be provided by the market and distributive policies alone. And last but not least, social protection is critical for enhancing the resilience of people, societies and economies, making transitions more equitable and sustainable.
80. Universal access to comprehensive and sustainable social protection would enable people to take advantage of the opportunities that lie ahead. Inclusive social insurance schemes or tax-financed

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<sup>60</sup>ILO, *Setting adequate wages: The question of living wages*, ILO Brief, October 2022. There is no standard or agreed methodology for setting adequate wages. The ILO continues to conduct research on this issue.

<sup>61</sup> ILO, *Social Dialogue Report 2022: Collective bargaining for an inclusive, sustainable and resilient economy*, 2022. OECD, *Negotiating Our Way Up: Collective Bargaining in a Changing World of Work*, 2019.

<sup>62</sup> ILO, *Care at work: Investing in care leave and services for a more gender equal world of work*, 2022.

<sup>63</sup> ILO, *World Employment and Social Outlook 2023: The value of essential work*, 2023.

schemes, or a combination of both, provide for portability, broad risk-sharing, and the sustainable and equitable financing of social protection systems.

- 81.** And yet, as noted in Chapter 2, more than 4 billion people around the world lack access to any form of social protection. The COVID-19 pandemic revealed, in stark terms, the disconnect that exists between the vision of universal social protection, where everyone has access to comprehensive, adequate and sustainable protection over the life cycle, and the reality. Many countries are not able to provide access to healthcare, sickness and unemployment benefits, which took on particular relevance during the pandemic.
- 82.** This underscores the exigency of investing in social protection systems, and especially in social protection floors that can guarantee at least a basic level of income security and access to healthcare for all. Unfortunately, the level of social protection expenditure worldwide remains insufficient to guarantee national social protection floors, let alone provide progressively higher levels of protection to as many people as possible in line with ILO standards.
- 83.** There are diverse options for expanding fiscal space and closing the financing gap for social protection, including increasing national revenue from taxes and social security contributions, with due consideration of the links with employment and sectoral policies. These national efforts need to be grounded in greater international cooperation on taxation and on accommodating macroeconomic frameworks. This includes cooperation with the International Monetary Fund (IMF) to secure fiscal space for social spending.
- 84.** And while domestic resource mobilization must remain the cornerstone of national social protection systems, for developing countries stronger international solidarity and policy coordination is key. For countries with unsustainable levels of external debt, it is critical to find workable solutions for internationally agreed debt restructuring so that they are not compelled to service their debt when they could be investing their limited resources in guaranteeing basic social protection and an adequate standard of living.
- 85.** The international community also needs to consider other ways to help bridge the financing gap for social protection in low-income countries, including through largely unmet official development assistance commitments, increased concessional lending and budget support, or a new international financing mechanism to complement and support domestic resource mobilization efforts.<sup>64</sup> This will require a broader effort than that which the ILO alone can advance.
- 86.** The Centenary Declaration requires the ILO to take forward its constitutional mandate and reinforce cooperation within the multilateral system and with other international organizations.

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<sup>64</sup> ILO, [Conclusions concerning the second recurrent discussion on social protection \(social security\)](#), International Labour Conference, 109th Session, 2021, para. 21(c).



## ► Chapter 4

### Forging a Global Coalition for Social Justice

- 87.** The pursuit of social justice is the *raison d'être* of the ILO. And yet, the capacity of the ILO – or any agency – to advance social justice is constrained by compounding crises, insufficient investment in social development, growing inequalities, faltering global solidarity and unprecedented levels of debt. This set of circumstances threatens to reverse decades of progress on the social dimensions of sustainable development. It is exacerbated by a lack of policy coherence on key objectives, such as the achievement of full, productive and freely chosen employment. We need to forge a broad Global Coalition for Social Justice to strengthen the ability of countries to succeed in narrowing social justice deficits.
- 88.** A Global Coalition for Social Justice would elevate social justice as a global policy imperative requiring greater multilateral cooperation and policy coherence. It would serve as a catalyst and a conduit for initiating or accelerating action in policy areas where the realization of the ILO's mandate for social justice requires solidarity and coordination with other partners to tackle the multiple challenges facing the world of work. A Global Coalition – initiated and forged by the ILO's tripartite partners – would signify a global effort to reach beyond the ILO's own means of action and would engage the multilateral system and international community more deeply and tangibly in supporting national efforts to strengthen social contracts.
- 89.** The benefits of a Global Coalition, including the policy focus it would bring to bear and the increased social gains it would engender – are transformational and empirically verifiable.
- 90.** The ILO estimates that the implementation of a global social protection floor for older persons, in line with the provisions of the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Social Protection Floors Recommendation, 2012 (No. 202), would have profound demographic and economic effects in low-income and lower-middle-income countries, resulting in a 14.8 per cent increase in the gross domestic product (GDP) per capita of those countries in ten years. This economic transformation would in turn reduce poverty by 6 percentage points and gender-based labour income gaps by 3.6 percentage points. Income inequality would also decrease, with the bottom 40 per cent of the income distribution earning an additional 2.5 per cent of total income.<sup>65</sup> The costs are not insurmountable. For example, for low-income and lower-middle-income countries, the annual cost of providing old-age pensions set at the national poverty line would be equivalent to 1.6 per cent of GDP.<sup>66</sup> For sub-Saharan Africa, the annual cost would be US\$23.3 billion, which represents 1.4 per cent of GDP and approximately 12.5 per cent of global annual official development assistance.

### Cultivating social justice through advocacy and policy dialogue

- 91.** The Global Coalition for Social Justice would provide a framework within which the ILO constituents could assemble with a wide range of important stakeholders to increase global, regional and national action to advance social justice for all. It would advocate for the primacy of

<sup>65</sup> ILO, *The ILO Monitor on the World of Work: 11th edition*, 2023, forthcoming.

<sup>66</sup> Estimates based on Fabio Durán-Valverde et al., *Financing gaps in social protection: Global estimates and strategies for developing countries in light of the COVID-19 crisis and beyond*, ILO Working Paper, 2020.

social justice in policymaking and decision-making at all levels, based on social dialogue, and the need for increased investment in that regard.

92. Building on the ILO's experience of mobilizing tripartism to advance social justice, the Global Coalition would support the ILO constituents in identifying social justice deficits and design strategies to address these effectively and sustainably through processes of national social dialogue.<sup>67</sup> These actors have a critical role to play – through social dialogue – in shaping public policies that determine, for example, the quality of public services, which in turn has implications for the world of work.
93. The Global Coalition's advocacy and policy dialogue would be supported by an authoritative knowledge base. A recurrent report would provide an up-to-date picture of the state of social justice in the world. It would focus on pertinent themes and place a spotlight on particularly innovative and transformative policy approaches to advancing human rights and capabilities, securing equal access to opportunities for employment and productive activity, ensuring fair distribution and facilitating just transitions.

## Social justice as a cornerstone of a better coordinated multilateralism

94. Decent work is key to sustainable development. While the Decent Work Agenda has been fully integrated into the multilateral system in Sustainable Development Goal (SDG) 8 and in other SDGs,<sup>68</sup> competing priorities involving often difficult trade-offs hamper progress. The Global Coalition for Social Justice presents an important opportunity to integrate tripartism and social dialogue more firmly into a networked multilateralism.
95. The SDG Summit to be convened under the auspices of the UN General Assembly in September 2023 marks a mid-point in the implementation of the 2030 Agenda for Sustainable Development. It will need to provide high-level guidance on transformative and accelerated actions to achieve the SDGs by 2030.
96. The Global Coalition could provide one element of this response. It could be conceived as one of the UN's potential high-impact initiatives for attaining the SDGs by advancing social justice and the social dimension of sustainable development through intensified international multilateral and multistakeholder cooperation, in particular between international agencies. It could give renewed impetus to measures that will turn the tide on poverty and inequality by realizing the synergies arising from inter-agency action on the respective mandates of the different agencies within a shared framework.
97. The Global Accelerator on Jobs and Social Protection for Just Transitions represents one such coherent framework for action, aimed at improved multilateral cooperation, increased investments within national financing frameworks and the development of integrated and coordinated employment and social protection policies at the country level that facilitate just transitions. The Global Accelerator would be a vehicle for realizing the objectives of the Global Coalition. It creates strategic opportunities and specific intervention modalities for achieving social justice in developing countries. It would promote partnerships within the Global Coalition,

<sup>67</sup> This approach will be informed by the comprehensive and integrated ILO strategy to reduce and prevent inequalities in the world of work. See ILO, *Comprehensive and integrated ILO strategy to reduce and prevent inequalities in the world of work*, GB.346/INS/5, 2022.

<sup>68</sup> See also Economic and Social Council, Resolution 2007/2, [The role of the United Nations system in providing full and productive employment and decent work for all](#) (2007).

demonstrating the case for policy integration and international policy coherence, while building momentum and support for essential social investments.

98. Other frameworks for action include: the Equal Pay International Coalition; the Global Alliance for Care; the Coalition of Action on Decent Work and Living Incomes and Wages for All Food Systems Workers, which arose from the Food Systems Summit in 2021; and the Climate Action for Jobs initiative. The newly established High-level Panel on the Teaching Profession that emerged from the Transforming Education Summit in 2022 is another important opportunity to carry forward integrated actions.
99. These initiatives provide practical modalities for advancing social justice and strengthening support for countries seeking to accelerate progress. They demonstrate – in concrete terms – the synergies arising from integrated inter-agency action within a shared framework and the benefits of better coordinated multilateralism.
100. In the build-up to the Summit of the Future in 2024, the Global Coalition could serve as a platform for showcasing these modalities for multilateral cooperation and coordination, including how they might contribute to the achievement of the proposals that emerge from the SDG Summit in September 2023.
101. Our global ambition must be commensurate with the scale of the challenges we face. Together we must build a Coalition that will serve as a leading political platform for accelerating progress on social justice in the run-up to the World Social Summit that the UN Secretary-General has proposed for 2025, and one that can firmly embed the imperative for social justice in any follow-up plan of action.

## International policy coordination for greater policy coherence

102. The IMF, the World Bank and the World Trade Organization (WTO) recognize the need to address inequalities and create opportunities for employment and an adequate standard of living.<sup>69</sup> There is a corresponding need for joint action to support full, productive and freely chosen employment and ensure access to universal social protection, including floors to protect the most vulnerable.
103. There is also a growing need for international coordination on other policy concerns where countries alone are not able to provide the conditions for social justice. Examples include when international tax competition erodes the funding base for social protection and public services, or where weak governance and inadequate institutional capacity to implement and enforce national laws in value chains undermines respect for the fundamental principles and rights at work.
104. Furthermore, far more could be done in practical terms to encourage social investments and ensure that policies, frameworks and institutions advance respect for the fundamental principles and rights at work, support full, productive and freely chosen employment, contribute to universal social protection and enable countries to ensure the inclusive and effective governance of work.
105. The Global Coalition for Social Justice could be a vehicle for high-level dialogue and engagement between the World Bank, the IMF, regional development banks and the ILO so that each

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<sup>69</sup> Article I of the [Articles of Agreement of the International Monetary Fund](#) sets out the purposes of the IMF, which include “to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income [...] as primary objectives of economic policy”. The goals of the World Bank are to end extreme poverty and promote shared prosperity in a sustainable way. In its Preamble, the [Marrakesh Agreement Establishing the World Trade Organization](#) recognizes that trade should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, and expanding the production of and trade in goods and services while allowing for the optimal use of the world’s resources.

institution can better fulfil its mandate and ultimately assist its beneficiaries, namely governments, employers' and workers' organizations, people and enterprises in the countries concerned. It could serve to enhance cooperation and coordination for greater policy coherence at the international and national levels. This might include:

- (a) closer engagement on social safeguards in investment and development projects;
- (b) joint work to identify options for expanding fiscal space for full employment and the establishment of a social protection floor, building on the ILO-IMF pilots<sup>70</sup> conducted between 2021 and 2023 and extending this collaboration to more countries;
- (c) dialogue with the ILO's tripartite constituents on socially sustainable frameworks for debt restructuring;
- (d) joint work between the ILO and the World Bank at the country level to establish rights-based universal social protection systems, building on the Global Partnership for Universal Social Protection to Achieve the Sustainable Development Goals (USP2030); and
- (e) possible engagement with the World Bank and the IMF on an anti-crisis framework to ensure that, in times of crisis, institutional programmes fully integrate the social dimension, safeguarding jobs and guaranteeing a social protection floor to ensure a more inclusive, sustainable and resilient recovery. The COVID-19 crisis showed that this is possible, but it is necessary to ensure that it is also a reality for debt-stressed countries and those with limited fiscal space.

**106.** Similarly, the Global Coalition could enhance the ILO's efficacy through joint research and cooperation with the WTO, considering the social dimension of supply chains in ways that better integrate trade and decent work and facilitate just transitions. The Global Coalition could provide a political platform for efforts to increase support for domestic investment in the institutions of decent work in conjunction with trade and investment and to engage in dialogue on the policies and institutions necessary to take advantage of opportunities and mitigate potential costs.

## Reinvigorated tripartism for a renewed social contract

**107.** In his report *Our Common Agenda*, the UN Secretary-General calls for a renewed social contract, anchored in human rights at the national level. While this call is echoed by many, visions differ on what that renewed social contract should look like.

**108.** The ILO has a key role to play in shaping or renewing these arrangements. Its tripartite composition and function as a normative institution give it distinct advantages in highlighting priorities, advancing social justice and renewing the social contract through processes of social dialogue at the national level.

**109.** In past instances where positions seemed to be diametrically opposed and difficult decisions unavoidable, governments and employers' and workers' organizations have often been able to reach consensus through social dialogue. The value of that tripartite consensus has been borne out in the trust created and the inclusivity and effective implementation of the policies subsequently adopted. That model of governance has been instrumental in ensuring respect for fundamental workers' rights, developing functioning labour market institutions and creating favourable conditions for job creation, inclusive growth and sustainable development.

<sup>70</sup> Two of the pilot countries were programme cases and the other two were surveillance countries. The countries were Iraq, Mozambique, Togo and Uzbekistan.

- 110.** There is an urgent need to reinvigorate tripartism and renew commitments to social dialogue, so that choices on policy design and implementation, on investments in capabilities and on public services and their financing give primacy to social justice. Employers' and workers' organizations will need the requisite recognition and support to enable them to render significant contributions and provide shared solutions. They are the conduits for renewing the social contract through their engagement in social dialogue with governments.
- 111.** We stand at a critical juncture. Poverty anywhere remains a threat to prosperity everywhere. In a time of transformative change in the world of work, the ILO has agreed to carry forward "with unrelenting vigour" its constitutional mandate for social justice.<sup>71</sup> We have adopted strategies to guide our actions. And we have the institutional means to forge consensus, accelerate these actions and fulfil our mandate, including through the deepened engagement of other critical actors as envisaged by the ILO Constitution. Now is the time to build a Global Coalition for Social Justice.

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<sup>71</sup> Centenary Declaration, Part I(D).