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### ELEVENTH ITEM ON THE AGENDA

## Decent work for sustainable development

#### Purpose of the document

Following its decision to make use of the 2017, 2018 and 2019 March Sessions as a platform for tripartite discussion on the ILO's contribution to the United Nations (UN) high-level political forum on sustainable development ("the forum") annual review on the basis of the theme and Sustainable Development Goals (SDGs) selected for each review, the Governing Body is invited to provide guidance on ways to accelerate progress in "empowering people and ensuring inclusiveness and equality" as the Office further develops its contribution to the 2019 forum (see draft decision in paragraph 52).

**Relevant strategic objective:** All.

**Main relevant outcome/cross-cutting policy driver:** Outcome A, Effective knowledge management for the promotion of decent work.

**Policy implications:** Yes.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Yes.

**Author unit:** Multilateral Cooperation Department (MULTILATERALS).

**Related documents:** GB.329/INS/3/1; GB.329/INS/7; GB.329/HL/1; GB.332/HL/1; GB.332/HL/2; GB.335/INS/10.



## I. Introduction

1. Each year, the United Nations (UN) high-level political forum on sustainable development (“the forum”) of the United Nations Economic and Social Council (ECOSOC) reviews the progress and challenges in the achievement of the 2030 Agenda for Sustainable Development (2030 Agenda). From 9 to 18 July 2019, the forum will discuss the implementation of Sustainable Development Goals (SDGs) 4 (quality education), 8 (decent work and economic growth), 10 (reduced inequalities), 13 (climate action) and 16 (peace, justice and strong institutions) on the overarching theme of “empowering people and ensuring inclusiveness and equality” and in relation to other SDGs, including Goal 17 on “means of implementation and partnerships” as a cross-cutting goal.
2. Preparatory processes are under way for the thematic review of these SDGs at global, regional and country levels. Of particular importance are a series of Expert Group Meetings (EGMs) organized by the UN Department of Economic and Social Affairs in cooperation with other organizations. The ILO has been invited by that department to support the EGM for SDG 8 and will host the meeting from 3 to 5 April 2019 at ILO headquarters. Participants and panellists will include Worker and Employer experts in addition to Government experts, UN experts, experts from academia and non-governmental organizations, and major ECOSOC groups. The Office is also participating in EGMs for other SDGs. The EGMs will produce outcome documents to inform the thematic reviews of the forum.
3. Apart from its overall contribution to the 2019 forum’s main theme, the ILO will produce its own report on SDG 8, decent work and the SDGs to be launched at the forum. Such report will also benefit from the Governing Body discussion on the present document. Moreover, the analysis of the progress on Goal 8 in the newly published ILO report *World Employment and Social Outlook: Trends 2019* will inform both the EGM and the ILO’s report on SDG 8.<sup>1</sup> As is standard practice, the Office also contributes to the Secretary-General’s annual progress report on the SDGs with data on the indicators under its custodianship. The Office is engaging in the preparatory regional meetings for the forum, which are convened by the regional economic and social commissions from March to early May. In addition, the Office is reaching out to countries submitting voluntary national reviews to support consideration of progress on SDG 8 in particular. Some 51 countries have volunteered to submit reports (ten of these for the second time). A specific training event on decent work and the SDGs is scheduled from 8 to 12 April at the International Training Centre of the ILO, Turin, at which tripartite participation from voluntary national review countries is particularly encouraged.
4. This document highlights how the ILO’s perspective on social justice and the centrality of decent work and productive employment in achieving it can provide the conceptual and operational means for identifying gaps and possible actions for achieving the objectives of the 2030 Agenda. As requested in a letter from the President of ECOSOC to UN organizations, it takes stock of existing gaps, lessons learned and actions that have proved to be effective in contributing to full and productive employment and decent work. It complements previous documents discussed by the Governing Body,<sup>2</sup> which provided the basis for the ILO’s contribution to the 2017 and 2018 forums held on the themes “eradicating poverty and promoting prosperity in a changing world” and “transformation towards sustainable and resilient societies” respectively.

<sup>1</sup> ILO: *World Employment and Social Outlook: Trends 2019*, Geneva, 2019.

<sup>2</sup> GB.329/HL/1 and GB.332/HL/2.

5. Given the scope of the theme “empowering people and ensuring inclusiveness and equality” and the interconnectedness and complementarities of the SDGs, the document – while covering all SDGs under review in 2019 – does not address SDGs individually. It discusses specific challenges to equality and decent work creation as well as the broader drivers of productivity and job creation in the context of the transition to greener economies. Moreover, it highlights how labour institutions and comprehensive policies are needed for peaceful and inclusive societies, as well as the importance of policy coherence and the progress of ILO partnerships in implementing the 2030 Agenda.

## II. Empowering people through decent work and full and productive employment

6. The 2030 Agenda vision is of “... a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination; of respect for race, ethnicity and cultural diversity; and of equal opportunity permitting the full realization of human potential and contributing to shared prosperity”. The 2030 Agenda implicitly calls for the universal realization of social justice<sup>3</sup> and the economic and social potential of people, with the end of all forms of discrimination and the achievement of fundamental principles and rights at work.<sup>4</sup> Empowering people and ensuring inclusiveness and equality require promoting an environmentally sustainable structural transformation that enhances productivity while distributing such gains more equally, as well as creating the conditions for the sustainability of enterprises while enabling workers to fulfil their full potential.
7. “Empowering people” while “leaving no one behind” means that many more employment opportunities need to be created with effective access to rights and the application of standards. The challenge remains formidable: it took nine years for the global unemployment rate to recover to its 2008 pre-crisis level. In addition to the 172 million unemployed in 2018, the global potential labour force, which includes available potential jobseekers, amounted to a further 140 million, meaning a total of 312 million persons are categorized under labour underutilization. Among those in employment, more than 60 per cent are in informal employment, often lacking access to social protection and social dialogue. Working poverty has been falling but remains widespread in some regions. Across the world, 265 million workers live with their families in extreme poverty (living on less than US\$1.90 per person per day), with an additional 430 million workers in moderate poverty (living on between US\$1.90 and US\$3.20 per person per day). Less than half of all working-age women (48 per cent) participate in the labour market, compared with three quarters of working-age men.<sup>5</sup>

<sup>3</sup> See the [ILO Declaration on Social Justice for a Fair Globalization](#), adopted by the International Labour Conference at its 97th Session, Geneva, on 10 June 2008.

<sup>4</sup> These, based on the [ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up](#), include: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

<sup>5</sup> ILO: *Women and men in the informal economy: A statistical picture* (third edition), Geneva, 2018; and ILO: *World Employment and Social Outlook: Trends 2019*, 2019, op. cit.

8. Moreover, half of the world's population does not yet benefit from freedom of association and collective bargaining.<sup>6</sup> In addition, 152 million children are still in child labour, 40 million persons are in different forms of forced labour and forced marriage and countless persons are excluded from learning opportunities, skills development and decent work because of discrimination by sex, age, disability, political or religious convictions and other factors.
9. Decent work provides the means to achieve sustainable development and human dignity and the quality of work produced is often a reflection of conditions at work. According to the latest estimates issued by the ILO, almost 2.8 million workers die every year due to occupational accidents and work-related diseases. Some 2.4 million (86.3 per cent) of these deaths are due to work-related diseases, while over 380,000 (13.7 per cent) result from occupational accidents. Non-fatal injuries are estimated to affect 374 million workers annually, and many of these injuries have serious consequences for workers' earning capacity in the long term.<sup>7</sup>

### III. Create opportunities for all, reduce inequality and end discrimination

10. As income inequality is mostly generated by unequal access to opportunities, often as the result of various forms of discrimination, SDG 10 targets call for both anti-discrimination, regulatory and active economic measures to give a more even access to opportunities. Women and girls, persons with disabilities, indigenous peoples, persons living with HIV or AIDS and migrants face particular challenges. Poverty and inequality are self-perpetuating across their multiple dimensions and manifest as gaps in skills and education, health service provision, living and working conditions, work opportunities and access to resources. The detrimental effects of inequality extend to the cohesion of societies and undermine the sustainability of their economies. The reduction of inequalities within and among countries is the objective of an entire Goal, SDG 10, and several targets of related SDGs.<sup>8</sup>

#### Specific challenges to equal opportunities

11. SDGs 8 and 10 support SDG 5 on gender equality in setting priorities and the means for achieving gender equality. Gender gaps persist in the areas of education and access to skills, employment and labour force participation, occupational bias and pay for comparable work.<sup>9</sup> A result of occupational and sectoral gender segregation, workplace discrimination and stereotyping is the widespread and persistent gender pay gap. In most countries, and in particular those with low women participation rates in wage employment, women's jobs tend to have different characteristics to those of men. Once the "effects" arising from these

<sup>6</sup> The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), are the least ratified of the ILO fundamental Conventions.

<sup>7</sup> P. Hämäläinen, J. Takala and T.B. Kiat: *Global estimates of occupational accidents and work-related illnesses 2017* (Workplace Safety and Health Institute, Singapore, 2017).

<sup>8</sup> For instance, target 8.5 calls for equal pay for work of equal value, while gender equality has a dedicated Goal, SDG 5, reviewed by the high-level political forum in 2017.

<sup>9</sup> For a more specific discussion on SDG 5, see GB.329/HL/1.

clusters are removed, the global gender pay gap, estimated using average hourly wages, stands at around 19 per cent.<sup>10</sup>

- 12.** Persons with disabilities face additional challenges in realizing their full potential and more efforts are needed to provide them with decent work opportunities. Employment levels of persons with disabilities are on average half of those without disabilities and their working conditions are worse than those of their peers without disabilities. A more enabling legislative and policy environment is needed to eliminate the physical and attitudinal barriers still too often faced by persons with disabilities and provide them with equal access to skills and the labour market. Better disability disaggregated employment statistics would also support diagnostic and supportive policy measures.
- 13.** Indigenous peoples throughout the world continue to be disproportionally represented among the poor.<sup>11</sup> Leaving no one behind requires specific attention to indigenous peoples in development interventions, their participation in decision-making and support for their initiatives and development priorities. The impact of climate change and shrinking access to land and natural resources push indigenous peoples into the informal economy, with a high risk of exposure to discrimination, forced labour, occupational health and safety hazards and other kinds of unacceptable forms of work. Indigenous women face compounded discrimination based on gender and ethnicity. Including indigenous women and men in the labour market, under conditions of equality and access to social protection, is key for economic empowerment, as is support for indigenous entrepreneurship, cooperatives and enterprises. Levering indigenous peoples' traditional occupations and knowledge to sustain livelihoods and create green jobs at the local level can directly contribute to tackling inequality as well as climate change mitigation and adaptation.
- 14.** Persons living with or affected by HIV also face discrimination and additional challenges in accessing and retaining employment and decent work opportunities.<sup>12</sup> Although antiretroviral therapy is now enabling persons living with HIV to lead healthier and productive lives, they continue to face stigma and discrimination, both in finding jobs and in career progression.
- 15.** The 2030 Agenda recognizes “the positive contribution of migrants for inclusive growth and sustainable development” in countries of origin, transit and destination and the commitment to “cooperate internationally to ensure safe, orderly and regular migration involving full respect for human rights and the humane treatment of migrants regardless of migration status, of refugees and of displaced persons”.<sup>13</sup> Migration today is linked, directly or indirectly, to the quest for decent work opportunities. Migrant workers, especially women, in low-wage and less-skilled jobs, are often forced to find work in the informal economy. They may be subject to exploitative working conditions and violations of international labour standards, in particular fundamental principles and rights at work, including freedom of association and collective bargaining.<sup>14</sup>

<sup>10</sup> ILO: *Global Wage Report 2018/19: What lies behind gender pay gaps*, Geneva, 2019.

<sup>11</sup> The Indigenous and Tribal Peoples Convention, 1989 (No. 169), has so far been ratified by 23 countries.

<sup>12</sup> See the HIV and AIDS Recommendation, 2010 (No. 200).

<sup>13</sup> See targets 8.8 and 10.7.

<sup>14</sup> See ILO fundamental Conventions Nos 87 and 98.

16. At its 106th Session (2017), the International Labour Conference adopted conclusions to support the development of rights-based, gender-responsive transparent and coherent labour migration legislation and policies, including through promoting technical cooperation and capacity-building activities and the collection and production of labour migration statistics at the national, regional and global levels. The ILO's plan of action mandated the Office to work closely with the Special Representative of the Secretary-General who coordinated the development of the Global Compact for Safe, Orderly and Regular Migration, adopted by the United Nations in December 2018. Indeed, the preamble notes that the Global Compact rests on human rights standards, including the ILO Conventions related to decent work and migration, and makes ample reference to decent work throughout the objectives.<sup>15</sup> The ILO's involvement also extends to working with constituents to support refugee populations, in particular with regard to their protection and integration into the labour market.

### **Mitigating income inequality while supporting opportunities**

17. Wage inequality is a significant contributor to the overall income inequality trend worldwide. In 2010, the top 10 per cent of the highest paid workers in Europe received 25.5 per cent of total wages, while the lowest paid 50 per cent of workers received less than 30 per cent.<sup>16</sup> In many low-income countries, households depend on earnings from self-employment generated by low-productivity activities and in conditions of vulnerability, which contribute to poverty and inequality within and among countries.
18. Target 10.4 calls for “Adopt[ing] policies, especially fiscal, wage and social protection policies, and progressively achieve[ing] greater equality”. Fiscal policies (for both revenue and expenditure) and social protection policies can, in fact, mitigate the effects of increasing inequality and its self-perpetuating character by giving people access to resources that can strengthen their resilience and create opportunities for employment, education, geographical mobility and productive activities.<sup>17</sup> Social protection, in particular, sustains inclusive economic and social development, mitigates the impact of economic fluctuations, reduces inequalities and promotes human rights. Strengthening social protection systems (including by establishing and maintaining nationally determined social protection floors) helps in stabilizing the economy, and in maintaining and promoting employability.<sup>18</sup>
19. As increasing income inequality can potentially place a heavier burden on fiscal balances, there is a need to tackle such problems by increasing the productivity and sustainability of economic systems and with combined policy actions in the labour market. These include minimum wages systems, strengthened collective bargaining, as well as interventions to

<sup>15</sup> The Migration for Employment Convention (Revised), 1949 (No. 97), and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), have been ratified by 49 and 23 countries respectively.

<sup>16</sup> ILO: *Global Wage Report 2018/19: What lies behind gender pay gaps*, 2019, op. cit.

<sup>17</sup> This is consistent with the ILO Decent Work Agenda and the ILO Declaration on Social Justice for a Fair Globalization, 2008, which calls for “policies in regard to wages ... designed to 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”.

<sup>18</sup> See GB.329/HL/1 for a presentation of the role of social protection in the context of the 2017 high-level political forum review on the theme “Eradicating poverty and promoting prosperity in a changing world”.

eliminate wage gaps by addressing discriminatory practices to deal with the challenge of achieving “equal pay for work of equal value” (target 8.5) by 2030.<sup>19</sup>

#### **IV. Enhancing productivity and building productive capacities for sustainable development**

20. Sustainable growth and the generation of full and productive employment rely on environmentally sustainable economic transformation, which is socially inclusive and expands the productive capacities of economies. Economy-wide and industry-level productivity growth needs to be addressed by creating an enabling environment for businesses that fosters investment, growth, employment creation and growth-enhancing structural transformation. Access to credit for small and medium-sized enterprises is crucial for their sustainability and contribution to growth and employment, enabling them to invest in new capital, adopt new technologies and contribute to expanding workers’ capabilities.
21. National development policies and international trade and finance frameworks should promote institutional, policy and regulatory reforms directed at strengthening sectoral productivity growth, technology transfer and adaptation, entrepreneurship, access to finance and formalization of the informal economy, with a focus on the promotion of decent work.
22. Building human and physical productive capacities while steering structural transformation towards a greener economy is key to achieving the 2030 Agenda. This means investing in people and in strategic physical capital in a context of social dialogue and attention to decent job creation. SDG 4 calls for “inclusive and equitable quality education” and “lifelong learning opportunities for all” as a contributor to creating inclusive societies and opportunities for building productive capacities and creating decent work. Moreover, investment in infrastructure is an important component of any development strategy and supports both direct and indirect demand for labour by connecting people, expanding markets and increasing productivity. Institutions that support skills development in the form of lifelong learning, transition from school to work and between jobs, and infrastructure investment framed in broad employment and industrial policies should be strengthened in an integrated manner in a context of reinvigorated social dialogue.<sup>20</sup>

#### **Building productive capacities through skills**

23. The world of work is undergoing major and increasing transformational changes. These trends – including technological, in the organization of work – present enormous challenges for traditional education and training systems.
24. To address these concerns, education and training systems need to adjust and become more flexible and diversified in terms of learning options and pathways. Core work skills such as critical thinking, collaboration, creativity and problem solving will become more vital to enable people to move between occupations and jobs and to transition from the informal to the formal economy. As the pace and scope of technological change accelerates, the

<sup>19</sup> ILO: *Global Wage Report 2014/15: Wages and income inequality*, Geneva, 2015.

<sup>20</sup> ILO: *Work for a brighter future*, Global Commission on the Future of Work, Geneva, 2019. Notably the first pillar of action “investing in people’s capabilities”.

importance of lifelong learning is increasingly recognized and innovations to encourage and provide training for all are more in demand.

25. The skills mismatch should be addressed by bringing education and training institutions closer to labour market needs. This requires enhancing tripartite collaboration, through social dialogue at various levels, to strengthen investment in training and policies, including work-based skills development schemes that provide incentives to companies to provide apprenticeships.
26. ILO development cooperation in skills development follows this applied policy experience and is being elaborated on the basis of research findings and lessons from evaluations of country-specific circumstances. The current portfolio includes: (i) supporting national technical and vocational education and training reform initiatives and the modernization of training provision; (ii) developing the capacity of national constituents in establishing and strengthening quality apprenticeships; (iii) boosting community-based training; (iv) upgrading informal apprenticeships in selected countries in Africa; (v) rebuilding training systems for peace and resilience; (vi) promoting global skills partnerships on migration; (vii) developing the capacity of national constituents in anticipating and matching skills needs; and (viii) supporting partners in developing forward-looking sectoral skills strategies.

## Investment for direct and indirect employment creation

27. Adequate physical and digital infrastructure is a prerequisite for enhancing connectivity, expanding markets and supporting sustainable economic growth and social development, thus laying a foundation for improving quality of life.<sup>21</sup> In particular, productive environment-related, agricultural, transport or other infrastructures, including, for example, irrigation networks, water conservation, slope protection and land improvement and protection measures, have the potential to offer economic benefits, while also protecting the environment and reducing poverty. Those that can be carried out using employment-intensive approaches and local resource-based technologies both provide direct and indirect economic benefits and protect the environment.
28. Construction-related employment can provide an important additional opportunity, especially when work can be planned around and complement peak demands for agricultural labour. In urban areas, infrastructure development can also be an important strategy for job creation, in particular in upgrading informal settlements. Therefore, well-designed employment programmes can contribute to multiple goals such as the creation of physical infrastructure and skills development, while providing a source of income to local communities.
29. The ILO's Employment Intensive Investment Programme has supported constituents in the design and implementation of programmes aimed at jointly addressing employment and public investment in infrastructure gaps, with a focus on specific needs such as generating decent work for young people, women, indigenous peoples and adaptation to climate change.<sup>22</sup>

<sup>21</sup> ILO: *Employment Intensive Investment Programme: Creating jobs through public investment*, Geneva, 2018.

<sup>22</sup> See the [Employment Intensive Investment Programme](#) portal.

## Just transition: Climate action with social justice

30. Research by the ILO and other organizations shows that achieving the objectives of the Paris Agreement on Climate Change can result in significant new job creation.<sup>23</sup> Moreover, there is compelling evidence to suggest that it is not climate action, but rather inaction that will destroy the jobs and livelihoods of millions of people, while achieving SDG 13 can generate net job gains and preserve incomes and livelihoods.
31. The transition to low-carbon economies should focus on creating jobs high in both quantity and quality, and requires well-coordinated policies developed by governments in cooperation with the social partners through social dialogue. The ILO *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, adopted through tripartite consensus in 2015, offers a guiding framework to advance action through planning and anticipation, the articulation of rights, employment, skills, social protection and other measures in a coherent framework to support those negatively impacted by the transition.<sup>24</sup> The Solidarity and Just Transition Silesia Declaration, adopted by Heads of States and governments at the twenty-fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, reflects the ILO's approach to just transition, which focuses on the creation of decent work and quality jobs in accordance with nationally defined development priorities and the importance of the participatory process of social dialogue involving all the social partners.<sup>25</sup>
32. The ILO places particular emphasis on partnerships, the mobilization of key actors and the provision of technical and policy advice in global negotiations and national implementation processes to promote climate action consistently with the employment and social objectives of the 2030 Agenda.<sup>26</sup> A global platform for a just transition, decent jobs and social inclusion could be established to expand ILO technical support to governments and the social partners in an increasing number of countries.

## V. Building institutions and promoting comprehensive policies

33. Promoting just, peaceful and inclusive societies (SDG 16) requires strengthening institutions, including labour market institutions, which guarantee economic security, equal opportunities, freedom and dignity for all. Labour market institutions such as those supporting regulations, employers' and workers' organizations, collective agreements and

<sup>23</sup> The ILO *World Employment and Social Outlook 2018 – Greening with jobs* concludes that taking action in the energy sector to limit global warming to 2 degrees Celsius by the end of the century can create around 24 million jobs, largely offsetting any job losses.

<sup>24</sup> On the ILO and just transition, see also GB.332/HL/2 as the discussion document for its input to the 2018 high-level political forum.

<sup>25</sup> See [Solidarity and Just Transition Silesia Declaration](#).

<sup>26</sup> For example, a Nexus Dialogue on the theme of *Greening with Jobs: A Just Transition to Sustainability*, organized under the auspices of the UN Environment Management Group and hosted by the ILO on 4 October 2018, resulted in ten key policy messages to guide future engagement by UN agencies.

labour administration and inspection systems are the key building blocks for just societies.<sup>27</sup> Comprehensive development policies need to be based on social dialogue and country-specific diagnostics and solutions. Integrated policy frameworks for growth and employment, embedded in national development strategies and based on social dialogue, can address multiple development objectives in various contexts and add specific focus to selected target groups.

## National employment policies and a focus on youth

34. National employment policies have been effective instruments to address such challenges: they have highlighted the importance of active dialogue and collaboration between governments, workers and employers in the identification of priority challenges and the design of policy measures.<sup>28</sup> They have also shown the role of a holistic approach, including demand-side measures such as employment-friendly macroeconomic frameworks and sectoral policies to support structural transformation from low-productivity to higher productivity activities.<sup>29</sup> Unemployment is particularly critical among younger cohorts, undermining their prospects for on-the-job skills acquisition, employability and future earnings. Globally, in 2018 some 64 million young women and men aged 15–24 were unemployed, representing a global unemployment rate of 12.6 per cent – a rate that is more than three times higher than for adults aged 25 and over.<sup>30</sup> Moreover, around 22 per cent of young people are not in education, employment or training, most of them female.<sup>31</sup> Addressing youth employment requires a set of holistic policy measures centred around employment and economic policies, education and skills development, labour market policies, youth entrepreneurship and self-employment, and rights for young people that can also support the achievement of the SDGs, including Goals 4 and 8.<sup>32</sup>

## Promoting decent work for peacebuilding

35. The 2030 Agenda recalls that peace and security are both an objective in their own right and a means to sustainable development. The “sustaining peace resolutions” promote the adoption of an approach that prevents conflict from breaking into violence.<sup>33</sup> Full and productive employment is indispensable for reintegrating conflict-affected population groups such as former combatants, returnees and other forcibly displaced persons by providing them with concrete sustainable livelihood opportunities, especially for young people.

<sup>27</sup> ILO: *Work for a brighter future*, Global Commission on the Future of Work, 2019, op. cit. Notably the second pillar of action “increasing investment in the institutions of work”.

<sup>28</sup> See the Employment Policy Convention, 1964 (No. 122), which has been ratified by 113 countries.

<sup>29</sup> See also ILO: *SDG Note – National Employment Policies*, 2016.

<sup>30</sup> ILO: *Unemployment rate – ILO modelled estimates*, May 2018.

<sup>31</sup> ILO: *Global Employment Trends for Youth 2017: Paths to a better working future*, Geneva, 2017.

<sup>32</sup> See also the resolution and conclusions relating to *Youth employment crisis: A call for action*, adopted by the 101st Session (2012) of the International Labour Conference.

<sup>33</sup> UN General Assembly [resolution 70/262](#) and [Security Council resolution 2282](#) (2016).

36. In June 2017, the ILO constituents adopted the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), a normative instrument that provides guidance to member States, organizations and practitioners dealing with employment and decent work in fragile settings and will guide the ILO's work in policy advocacy and technical cooperation in the area of youth employment for peace. The ILO Jobs for Peace and Resilience global flagship programme combines employment-intensive investments, technical, vocational and entrepreneurial skills training, employment services and private sector and local economic development approaches in a coherent and context-specific manner. The ILO's global flagship programme on Building Social Protection Floors for All also supports the development or strengthening of social protection systems in situations of fragility.<sup>34</sup>

### **Transition to formality to increase productivity and reduce inequalities**

37. A transition to formality is needed for truly inclusive and sustainable growth and the achievement of the numerous SDGs linked to productive employment and decent work.<sup>35</sup> It is estimated that 2 billion of the world's employed population make their living in the informal economy, representing 61.2 per cent of global employment. The rate is highest in Africa, at 85.8 per cent, followed by the Arab States (68.6 per cent) and Asia and the Pacific (68.2 per cent).<sup>36</sup>
38. Informal activities and employment take different forms and typically characterize the work of weaker segments of societies such as young people and older workers, women and migrants, most of whom are the working poor who work in low-productivity micro, small and medium-sized enterprises. Such informal conditions preclude them from effective access to social and legal protection and the means to develop their productive capacities.
39. Structural transformation aimed at facilitating the transition from the informal to the formal economy is a key ILO objective pursued through the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), and its action plan.<sup>37</sup>

<sup>34</sup> On decent work and peacebuilding, as well as informality (below), see also GB.329/HL/1 for the discussion in view of the 2017 high-level political forum review on the theme "Eradicating poverty and promoting prosperity in a changing world".

<sup>35</sup> Target 8.3 clearly associates the formalization of micro, small and medium-sized enterprises with access to finance, while indicator 8.3.1 measures progress via the share of informal employment in non-agricultural employment. The link between poverty and informality goes through the conditions of marginalization and exclusion addressed by targets 1.4 and 10.2.

<sup>36</sup> ILO: *Women and men in the informal economy: A statistical picture*, 2018, op. cit.

<sup>37</sup> See GB.329/POL/2 "Outcome 6: Formalization of the informal economy" for the action plan for Recommendation No. 204 to support countries through improved and comprehensive national legal and policy frameworks, strengthened awareness and capacity of constituents, and addressing gender equality and the needs of vulnerable groups in the informal economy.

## VI. Policy coherence, capacity-building and partnerships

40. The resolution on Advancing Social Justice through Decent Work reiterated the relevance of the ILO Declaration on Social Justice for a Fair Globalization of 2008, in addressing sustainable development challenges and the importance of strengthening coherence and effective partnerships within the United Nations and the multilateral system and the promotion of the Decent Work Agenda within “international and regional institutions ... through institutional partnerships and collaboration mechanisms”. The ILO collaborates closely with the other organizations of the UN system and all 2030 Agenda stakeholders and actors, supports capacity-building and provides technical advisory services based on national tripartite consultations to tailor interventions to national needs.<sup>38</sup>

### Monitoring the SDGs and support to national statistical systems

41. The ILO plays a key role in supporting member States in improving their statistical systems and fundamental data in order to understand progress and guide policies on the achievement of the 2030 Agenda. It contributes to the development of internationally agreed methodologies to measure progress in the ongoing global SDG monitoring process.<sup>39</sup>
42. The ILO is currently the custodian or co-custodian of 14 indicators and has made progress towards a tripartite approach for measuring e-progress. In this context, some indicators have been moved from tier III to tier II, including 8.8.2 (Level of national compliance with labour rights (freedom of association and collective bargaining), based on International Labour Organization (ILO) textual sources and national legislation by sex and migrant status) and 8.b.1 (Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy). The methodology for these two indicators was unanimously adopted by the International Conference of Labour Statisticians in October 2018.<sup>40</sup>
43. In its role as a custodian agency, the ILO is responsible for ensuring that the indicators under its custodianship that are reported to the Global SDG Indicators Database are produced in line with relevant international standards.<sup>41</sup> It is also responsible for capacity-building, technical assistance to countries and coordination with other custodian agencies, particularly at the regional and national levels. The ILO has invested considerable resources in harmonizing national labour force survey microdata in order to facilitate the production of internationally comparable databases for SDG monitoring, along with maintaining close

<sup>38</sup> For an update on the UN reform and the ILO see GB.335/INS/10.

<sup>39</sup> See UN General Assembly [resolution 71/313](#) on “Work of the Statistical Commission pertaining to the 2030 Agenda for Sustainable Development” for the adoption of a global indicator framework.

<sup>40</sup> See UN General Assembly resolution 71/313 and International Conference of Labour Statisticians resolutions [ICLS/20/2018/Resolution II](#) and [ICLS/20/2018/Resolution III](#).

<sup>41</sup> The indicators to which the ILO is contributing without being the formal custodian include indicator 16.10.1 on the “Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months”. This is based on “verified cases” on an annual basis and computed based on a set of relevant information by the Office of the United Nations High Commissioner for Human Rights.

contact with national statistical offices and other ministries and institutions producing the required information. In addition, the ILO has been providing technical support, where needed, to national statistical systems to assist them in SDG reporting and monitoring.<sup>42</sup>

### **Specific initiatives and support to intergovernmental groups**

44. Multilateral cooperation and stakeholder engagement are the key components of a set of SDG alliances. In 2017, the ILO, the United Nations Entity for Gender Equality and the Empowerment of Women and the Organization for Economic Cooperation and Development launched the Equal Pay International Coalition, which is a multistakeholder initiative to accelerate action towards reducing the gender wage gap and realizing the principle of equal pay for work of equal value, in line with the Equal Remuneration Convention, 1951 (No. 100). Through an exchange of research data and good practices, the coalition provides practical guidance to all relevant stakeholders (policymakers, businesses and trade unions) on how to move this forward in line with target 8.5.<sup>43</sup>
45. Since 2009, the ILO has co-led the ILO–UN Social Protection Floor Initiative, developing a joint “Delivering as One” model. Other partnerships such as the Social Protection Inter-Agency Cooperation Board, the Global Business Network for Social Protection Floors, in 2015, the Social Protection, Freedom and Justice for Workers Initiative, in 2017, and the Global Partnership on Universal Social Protection are also key to increasing policy coherence and supporting the SDGs.
46. In 2016, the ILO launched “Alliance 8.7”, a partnership aimed at contributing specifically to SDG target 8.7. Alliance 8.7 works with more than 200 partners from governments, international and regional organizations, workers’ organizations, employer and business membership organizations, civil society organizations, academic institutions and other relevant stakeholders and networks. It is structured into four action groups (supply chains, migration, rule of law and governance, and humanitarian settings and conflict) to accelerate action, generate and disseminate knowledge, leverage resources and drive innovation to meet the ambitious SDG target.<sup>44</sup>
47. Evidence of the impact of employment on peacebuilding has led to enhanced inter-agency collaboration aimed at jointly contributing to SDG 8 and SDG 16. In 2018, the ILO and the UN Peacebuilding Support Office aligned their programmatic approaches to enhance

<sup>42</sup> To facilitate this process, in 2018 the Office also launched *Decent Work and the Sustainable Development Goals: A Guidebook on SDG Labour Market Indicators* to serve as a key technical resource for SDG data reporters and users, which will be expanded soon to cover the recently approved indicators by member States.

<sup>43</sup> Key stakeholders today include the governments of Australia, Canada, Germany, Iceland, Jordan, New Zealand, Panama, the Republic of Korea, South Africa and Switzerland, the International Organisation of Employers and the International Trade Union Confederation. A report with first results was presented during the UN General Assembly 2018 to a wider audience (SDG 8.5).

<sup>44</sup> Fourteen countries have expressed interest in becoming a pathfinder country and ten have started to organize national strategy workshops, with Madagascar being the first to establish a multistakeholder national work plan.

employment programmes as a key peacebuilding instrument and facilitate the broader UN effort to efficiently and effectively use employment programmes to sustain peace.<sup>45</sup>

48. Launched in 2016, with the endorsement of the Executive Heads of the United Nations, Decent Jobs for Youth is a global initiative to scale up action and have an impact on youth employment in support of the 2030 Agenda, bringing together the resources and expertise of multiple partners to create synergies to maximize the effectiveness of youth employment investments.<sup>46</sup>
49. The ILO is enhancing its cooperation with other organizations on climate action and has concluded a memorandum with the United Nations Framework Convention on Climate Change. It joined the Nationally Determined Contributions Partnership to play a more active role in supporting the implementation of national climate commitments, working in coordination with other members of the partnership. It is in the process of expanding its cooperation with the Green Climate Fund in order to better contribute to the fund's mandate, while promoting job creation and a just transition for all in the context of responses to climate change.
50. The ILO is supporting intergovernmental groups such as the Group of 20 (G-20) in their contribution to the implementation of the 2030 Agenda. With the Hangzhou, Hamburg and Buenos Aires summits (2016, 2017 and 2018 respectively), the G-20 countries have committed to contributing to the 2030 Agenda by leading by example and through comprehensive and concrete collective actions to direct the global efforts for the successful implementation of the SDGs.

## VII. Conclusion

51. Achieving decent work for all is a critical pathway to empowering people and ensuring inclusiveness and equality. Inequality and decent work deficits are both a result of lack of access to opportunities and are often rooted in forms of de facto discrimination and violation of fundamental principles and rights at work. Income inequality can be mitigated by “fiscal, wage and social protection policies” while the underlying productivity challenges are addressed. Comprehensive policies are necessarily based on social dialogue and should be included in broader development frameworks that include investment promotion, access to finance, formalization, infrastructure investment, as well as developing people's capabilities through skills development. Structural transformation should be aimed at a more environmentally and socially sustainable development by supporting social dialogue and just transition. Labour market institutions and policies are key for promoting just, peaceful and inclusive societies and comprehensive employment policies based on tripartite frameworks and need to be based on holistic approaches. This is particularly relevant to address the challenge of youth employment, supporting peacebuilding and the transition to formality. Finally, policy coherence is a fundamental principle for ILO action, which calls for supporting the capacity of constituents and inter-agency partnerships in the context of the 2030 Agenda.

<sup>45</sup> Specific joint UN programmes with ILO participation are currently being implemented through the United Nations Peacebuilding Fund and under the ILO Jobs for Peace and Resilience global flagship programme in Lebanon, Liberia, Sierra Leone, the Solomon Islands, Somalia and Sri Lanka.

<sup>46</sup> For more information about the Global Initiative on Decent Jobs for Youth, see [www.ilo.org/decentjobsforyouth](http://www.ilo.org/decentjobsforyouth). Key thematic priorities include: digital skills for youth; quality apprenticeships; green jobs for youth; youth in the rural economy; transitions to the formal economy; youth in fragile situations; youth entrepreneurship and self-employment; and young workers in hazardous occupations.

## Draft decision

52. *The Governing Body requested the Director-General to take account of its guidance in further developing the ILO contribution to the 2019 high-level political forum on sustainable development.*