#### INTERNATIONAL LABOUR OFFICE

## **Governing Body**

329th Session, Geneva, 9-24 March 2017



GB.329/HL/1

**High-Level Section** *Working Party on the Social Dimension of Globalization* 

HL

Date: 24 February 2017 Original: English

#### FIRST ITEM ON THE AGENDA

## Decent work for sustainable development

#### Purpose of the document

The Governing Body is invited to discuss how the ILO's work on implementing *Transforming our world: The 2030 Agenda for Sustainable Development* supports the realization of the Sustainable Development Goals, with a view to the preparation of the ILO's contribution to the UN High-level Political Forum discussion in July 2017 (see points for discussion at paragraph 44).

Relevant strategic objective: All.

Main relevant outcome/cross-cutting policy driver: Policy Outcomes 1, 2, 3, 4, 5, 6, 8 and Enabling Outcome A.

Policy implications: Yes.

Legal implications: None.

Financial implications: Addressed in the programme and budget proposals.

Follow-up action required: Yes.

Author unit: Multilateral Cooperation Department (MULTILATERALS).

Related documents: GB.329/INS/3/1, GB.329/INS/3/2, GB.329/INS/7, GB.329/POL/1, GB.329/POL/5.

### Decent work for sustainable development: Ensuring no one is left behind

- 1. At its 328th Session (October–November 2016), the Governing Body decided to hold a high-level discussion at its March 2017 session on the decent work dimensions of "eradicating poverty and promoting prosperity in a changing world". <sup>1</sup> This is the theme of the July 2017 High-level Political Forum on Sustainable Development (HLPF) of the United Nations Economic and Social Council, which will conclude with the adoption of a Ministerial Declaration. The HLPF will review a set of the Sustainable Development Goals (SDGs) each year, and in 2017 will examine Goals 1 (poverty), 2 (hunger), 3 (health), 5 (gender), 9 (industrialization) and 14 (oceans), including the interlinkages across the goals.
- 2. Transforming economies for sustainability through the movement of workers from unproductive to more productive work, while ensuring they can fulfil their potential in dignity and equality, is a central issue for the 2030 Agenda for Sustainable Development. <sup>2</sup> This can drive a poverty-reducing growth dynamic in which increased productive capacity enables a rise in labour incomes, increased private sector investment, stronger government tax revenues and increased public investment in social and physical infrastructure. This document therefore surveys the ways in which full and productive employment and decent work support the implementation of *Transforming our world: The 2030 Agenda for Sustainable Development* with a view to the preparation of the ILO's contribution to the HLPF discussion.

### Scale of the challenge of eradicating poverty

- 3. In 2016, three out of ten working women and men in emerging and developing countries some 783 million people were unable to earn enough to lift themselves and their families above the moderate poverty threshold of \$3.10 per day. On current growth trends, working poverty rates will decline in 2017 and 2018, but at a slower pace than in the previous 25 years. The largest numbers of working poor are in South Asia, at 335 million, and sub-Saharan Africa, at 231 million. Six out of ten workers in sub-Saharan Africa and nearly five out of ten South Asian workers are expected to be living in poverty in 2018. The numbers of workers living on less than the extreme poverty threshold of \$1.90 per day is set to fall slightly over the next two years in Africa and more significantly in South Asia, but will still account for nearly one third of workers in Africa and 15 per cent of workers in South Asia in 2018. <sup>3</sup>
- **4.** In emerging and developing countries, children constitute over one third of the poor, and the elderly just under 5 per cent. In 2016, working young women and men were more likely than adults to be living in extreme or moderate poverty 37.7 per cent, compared to 26 per cent. <sup>4</sup> Unemployment in most developing countries is not an option for most people as social security benefits are not widely available. Economically inactive adults are therefore also often dependent on working family members and are often at risk of living in poverty.

<sup>&</sup>lt;sup>1</sup> GB.328/INS/7.

<sup>&</sup>lt;sup>2</sup> https://sustainabledevelopment.un.org/post2015/transformingourworld.

<sup>&</sup>lt;sup>3</sup> ILO: World Employment and Social Outlook: Trends 2017.

<sup>&</sup>lt;sup>4</sup> ILO: World Employment and Social Outlook 2016: Trends for youth.

- **5.** In developed countries, poverty thresholds are commonly set in relative terms, typically at around 60 per cent of the median household income. Unemployed people are at high risk of falling into poverty, while the share of women and men who are working and living below the poverty line is smaller than in the developing world. Since the global economic crisis, the incidence of poverty has risen in a number of advanced countries. <sup>5</sup>
- **6.** Viewed from the global perspective of the 2030 Agenda, poverty eradication as called for by SDG 1 will require an increase in the numbers of working age women and men in work, an increase in incomes from work, and the building and strengthening of social protection systems to support households, notably families with children, the elderly and adults unable to work. There is also increasing evidence that high levels of inequality slow down progress in poverty reduction highlighting the importance of progress on SDG 10 on reducing inequality within and among countries to SDG 1. <sup>6</sup>
- 7. Major changes in employment patterns are needed for countries to transition out of working poverty. These involve both improved livelihoods in agriculture and other rural industries as well as moves from own-account or unpaid family labour and informal work (often in rural areas) to wage employment and formal (or more formal) jobs in industry or services (typically in urban areas). Improving earnings, working conditions and productivity in agriculture and other rural industries is also vital. Social protection floors are much more sustainable where there is a progressive shift towards formal economic activities.
- **8.** Looking ahead to 2030, the scale of the challenge of creating decent jobs is daunting. From 2017 to 2030, the world's working-age population will grow by nearly 1 billion. If current trends in participation continue, around 520 million people, most of whom young women and men, will join the global labour force. Importantly, nearly three-quarters of this labour force growth will be in South Asia and sub-Saharan Africa. Realizing SDG 5 (Achieve gender equality and empower all women and girls) will entail narrowing gender gaps in the labour market. If, for example, the G20 target of reducing the gender gap in labour force participation by 25 per cent by 2025 were extended to a global level by 2030, some 200 million more women would need to enter the labour force. Eradicating extreme working poverty requires the upgrading of the jobs of 367 million women and men. Another way of viewing these challenges is in terms of the numbers of people who would need to move out of own-account and contributing family work, as this type of vulnerable employment is most prone to poverty incomes. Indeed, to bring the share of own-account and family labour in total employment down to 10 per cent in emerging and developing countries (a rate comparable to developed countries) would mean generating 1 billion formal waged jobs by 2030.

# Policy approaches to eradicating working poverty

**9.** The following section discusses policy approaches to addressing the challenges in eradicating poverty and creating decent and productive work for those at risk of being left behind or who are vulnerable to social and economic exclusion.

<sup>&</sup>lt;sup>5</sup> ILO: World Employment and Social Outlook 2016: Transforming jobs to end poverty.

<sup>&</sup>lt;sup>6</sup> ILO: *The End to Poverty Initiative: The ILO and the 2030 Agenda*, Report of the Director-General, International Labour Conference, 105th Session, 2016; and World Bank Group: *Taking on Inequality*, 2016.

# Ensuring decent work in agriculture and rural economies

- 10. Six out of ten working women and men living in extreme or moderate poverty work in agriculture, and nearly 80 per cent of the world's working poor live and work in rural areas (based on estimates from countries with available data). Labour market institutions, organization and representation tend to be weak in rural areas and workers are often unable to exercise their rights. Working poverty is concentrated among families subsisting on small farms and as landless labourers. Work is often undertaken informally, and when family members migrate to urban areas in search of better jobs they can often only find informal work in services such as street trading, domestic work and construction.
- 11. Young people (aged 15 to 24) 85 per cent of whom live in developing countries, mostly in rural areas account for a disproportionately high share of the working poor. <sup>7</sup> Forced labour remains a serious problem in some countries.
- 12. Although women's employment in agriculture has decreased over the last 20 years, this sector remains the most important source of employment for women in low-income and lower-middle-income countries. Discrimination against women has an important negative impact on agricultural productivity; studies suggest that if women had the same access to productive resources as men, it could raise the overall agricultural output in developing countries by 2.5 to 4 per cent. <sup>8</sup>
- **13.** The rural working poor and their families constitute a high proportion of the hungry and malnourished. According to statistics from the Food and Agriculture Organization of the United Nations (FAO), 795 million people live in hunger, three-quarters of them live in rural areas and around half of them are from smallholder farming communities. <sup>9</sup>
- **14.** The ILO's contribution to this multifaceted approach to the eradication of rural poverty and hunger is set out in a portfolio of policy guidance notes on the promotion of decent work in the rural economy. <sup>10</sup> A distinctive element of the ILO's approach is the engagement of organizations of rural workers, small farmers and cooperatives, as well as larger enterprises. The five policy pillars are:
  - supporting inclusive agricultural growth for improved livelihoods and food security;
  - promoting economic diversification and triggering productive transformation for rural employment;
  - promoting access to services, protection and employment-intensive investment;

<sup>&</sup>lt;sup>7</sup> B. Losch: Structural transformation to boost youth labour demand in sub-Saharan Africa: The role of agriculture, rural areas and territorial development, ILO Employment Policy Department Working Paper No. 204, 2016.

<sup>&</sup>lt;sup>8</sup> Asian Development Bank and FAO: Gender equality and food security – Women's empowerment as a tool against hunger, 2013.

<sup>&</sup>lt;sup>9</sup> FAO: The State of Food Insecurity in the World 2015.

<sup>&</sup>lt;sup>10</sup> Portfolio of policy guidance notes on the promotion of decent work in the rural economy, 2015, http://www.ilo.org/wcmsp5/groups/public/---ed\_emp/---emp\_policy/documents/publication/wcms 437166.pdf.

- ensuring sustainability and harnessing the benefits of natural resources; and
- increasing the voice of rural people through organization and the promotion of rights, standards and social dialogue.
- **15.** Transforming rural work so that it offers sustainable livelihoods and an end to hunger as called for in SDG 2 requires integrated policy strategies and close coordination between different government ministries; employers, ranging from large multinationals to associations and cooperatives of small producers; rural workers' and other civil society organizations; and international partners. The ILO works closely with its tripartite constituents and the UN Country Teams, and has a strong working relationship with the FAO. <sup>11</sup>

### Moving out of informality

- 16. In developing countries, the informal economy accounts for between 35 and 90 per cent of total employment. Informal work reflects very diverse realities of wage and self-employment worldwide. For workers, informal employment often means low pay and limited access to legal and social protection and resources. It results in limited bargaining power and representation, as well as difficulty in planning beyond daily needs. Women and those most vulnerable to exploitation low-skilled workers, young people, elderly people, and migrants are most likely to be working in the informal economy. For micro- and small enterprises, informality is a drag hindering growth, productivity and access to mainstream resources. Reducing informality is essential to the realization of several SDGs, including those on poverty, rural development, industrialization and gender equality as well as decent work, and is addressed specifically under SDG 8.3.
- 17. Informal work is best conceptualized as a spectrum along which workers and businesses <sup>12</sup> can move progressively to acquiring the rights and obligations that come with a formal status. The Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), aims to support countries to:
  - facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship;
  - promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and
  - prevent the informalization of formal economy jobs.
- **18.** The ILO has developed an action plan <sup>13</sup> to follow up on the adoption of Recommendation No. 204 which focuses on supporting countries through improved and comprehensive

<sup>&</sup>lt;sup>11</sup> See GB.329/POL/1, Outcome 5: Decent work in the rural economy.

<sup>&</sup>lt;sup>12</sup> The ILO's approach to the role of small and medium-sized enterprises in decent and productive employment creation is set out in a resolution adopted at the 104th Session (2015) of the International Labour Conference: <a href="http://www.ilo.org/wcmsp5/groups/public/---ed\_norm/----relconf/documents/meetingdocument/wcms">http://www.ilo.org/wcmsp5/groups/public/---ed\_norm/----relconf/documents/meetingdocument/wcms</a> 380779.pdf.

<sup>&</sup>lt;sup>13</sup> See GB.329/POL/2, Outcome 6: Formalization of the informal economy.

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.

# Promoting peace and reducing fragility through decent work

- 19. About 28 per cent of the world's poor live in fragile situations in which for various reasons, such as conflict and natural or man-made disasters social, economic and political institutions are unable to create conditions for sustainable development or even meet basic humanitarian needs. ILO research and experience shows that decent work approaches to local economic recovery strengthen socio-economic resilience. Generating decent work can contribute to reducing fragility, stabilizing post-crisis settings, preventing crisis in disaster-prone areas and countries, and paving the way for economic growth and sustainable peace, as called for in SDG 1.5. In fragile settings, a focus on more and better jobs contributes to generating tangible peace dividends in terms of employment and training opportunities. The promotion of social dialogue, social protection and fundamental principles and rights at work with a focus on the most vulnerable populations affected by conflict and disaster can help to reduce inequalities and exclusion.
- 20. In 1944, the ILO adopted the Employment (Transition from War to Peace) Recommendation, 1944 (No. 71). More than 70 years later, changes in the nature of conflicts as well as in the responses needed have made transitions even more complex. Furthermore, the ILO has also been called upon to address other kinds of crises, such as disasters. In June 2016, a first discussion on the revision of the Recommendation was held with the intent of widening the focus of reconstruction and recovery by including the impact of disasters and issues such as prevention, preparedness and resilience. At the 106th Session (2017) of the International Labour Conference, the standard-setting process will be finalized with a new normative instrument providing guidance on the contribution of employment and decent work to peace and resilience. The ILO has also launched a flagship programme on Jobs for Peace and Resilience that aims at supporting members in building job opportunities and enhancing the employability of young people, strengthening tripartite institutions and promoting fundamental principles and rights at work. <sup>14</sup> The Office also collaborates with the World Bank, the United Nations Development Programme and the Peacebuilding Support Office to strengthen the peacebuilding impact of employment programmes. <sup>15</sup>

## **Building social protection floors**

21. Social protection systems, including social protection floors, have a fundamental role in eradicating poverty by reducing economic insecurity and social exclusion, as set out in SDG 1.3. Social protection is therefore an instrument to sustain long-lasting development and reduce the impact of economic fluctuations. The income security provided by social protection systems improves the livelihoods and resilience of the poorest and non-wealthy people and opens up opportunities for education, geographical mobility, employment, productive activity and therefore current and future income prospects. Universal access to social protection systems, including by establishing and maintaining, as applicable, nationally determined social protection floors is not only an important means of assisting

<sup>&</sup>lt;sup>14</sup> ILO: Employment and decent work in situations of fragility, conflict and disaster: Guide, 2016, http://ilo.org/wcmsp5/groups/public/---ed\_emp/documents/instructionalmaterial/wcms\_141275.pdf.

<sup>15</sup> http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS 535663/lang--en/index.htm.

those living in or vulnerable to poverty but also a factor that helps to stabilize the economy and that maintains and promotes employability.

- 22. The ILO estimates that 73 per cent of the world population does not have adequate social security. Social protection expenditure is an investment in human and social infrastructure that complements physical infrastructure and adequate sectoral policies in building and expanding productive capacities, while supporting incomes and domestic demand structurally and over economic cycles. <sup>16</sup> The ILO has a two-part strategy that aims to support member States in achieving at least minimum levels of protection (the horizontal dimension, or floors) and progressively ensuring higher levels of protection guided by upto-date social security standards (the vertical dimension). <sup>17</sup>
- 23. Nationally defined social protection floors are important means of achieving SDG 1.3 and contributing to the achievement of the employment, gender equality, social inclusion and health objectives of the 2030 Agenda on the eradication of extreme poverty. Low-income countries and the least developed countries would greatly benefit from such investment, yet they face the largest budgetary and external finance constraints that could only be overcome with the support of temporary financial and technical assistance. Development cooperation can support the establishment of nationally defined social protection floor systems, with a financing profile that takes into consideration the initial needs and the subsequent capacity of the system of self-financing, given the potential overall developmental impact of such investment.
- **24.** The ILO supports capacity building and provides technical advisory services based on national tripartite consultations to tailor interventions to national circumstances. The ILO collaborates closely in inter-agency coordinating mechanisms such as the Social Protection Inter-Agency Cooperation Board and in UN Country Teams. The ILO flagship programme on Building Social Protection Floors for All, launched in early 2016, aims to provide the Office with a coherent structure through which to mobilize and channel resources for universal social protection. <sup>18</sup> The ILO and the World Bank also launched the Global Partnership for Universal Social Protection in September 2016, joining forces with many other dedicated development partners. <sup>19</sup>

# Promoting a global employment strategy for universal health care

**25.** SDG 3.8 commits UN members to the achievement of universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. SDG 3.c on the implementation of the health goals also commits States to substantially increase health financing and the recruitment, development, training and retention of the health workforce

<sup>&</sup>lt;sup>16</sup> ILO: World Social Protection Report 2014–15: Building economic recovery, inclusive development and social justice, 2014.

<sup>&</sup>lt;sup>17</sup> The ILO's Social Protection Floors Recommendation, 2012 (No. 202), guides the Organization's work on the horizontal dimension, and the Social Security (Minimum Standards) Convention, 1952 (No. 102), does so for the vertical dimension.

<sup>&</sup>lt;sup>18</sup> GB.328/POL/1, Outcome 3: Creating and extending social protection floors (including the flagship programme).

<sup>&</sup>lt;sup>19</sup> http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\_525544/lang--en/index.htm.

in developing countries, especially in least developed countries and small-island developing States.

- 26. The ILO has worked closely with the World Health Organization (WHO) and the Organisation for Economic Co-operation and Development (OECD) in support of the report of the High-Level Commission on Health Employment and Economic Growth. <sup>20</sup> The report found that around one quarter of economic growth between 2000 and 2011 in low- and middle-income countries resulted from improvements to health. Investments in the health system have multiplier effects that enhance inclusive economic growth and poverty reduction, including via the creation of decent jobs. Currently the world faces a global shortage of health workers. At the top of its ten-point list of recommendations, the Commission urged governments to "[s]timulate investments in creating decent health sector jobs, particularly for women and youth, with the right skills, in the right numbers and in the right places". On 14-15 December 2016, the ILO, the WHO and the OECD hosted a High-Level Ministerial Meeting on Health Employment and Economic Growth to launch a fiveyear action plan on the implementation of the Commission's recommendations. The ILO will also hold a Tripartite Meeting on Improving Employment and Working Conditions in Health Services (24–28 April 2017). The aim is to develop decent work strategies that effectively address health workforce shortages, as a prerequisite to enable provision of equal access to health care for all in need.
- 27. Estimates of the global health workforce vary according to the occupations or workers that are counted. A total of 43.5 million health workers were directly employed in the health sector in 2013, with over 200 million workers estimated to be contributing to the health and social sectors globally (including unpaid personal care workers, private sector providers, cleaners and caterers). An ILO report <sup>21</sup> presents evidence that a large invisible global workforce of 57 million unpaid workers fills in for the huge shortages of skilled health workers. Most of them are women who have given up employment to provide care, for example to older family members. Ageing over the next 15 years to 2030 is expected to increase employment needs in the global health supply chain by 84 million jobs, mainly in lower-middle- and low-income countries of Africa and Asia.
- **28.** Finance for universal health care depends on the legal underpinning of systems that ensure that treatment is available when people need it. It forms a key element of social protection. Nearly four-tenths (38.9 per cent) of the world's population are without any form of legally mandated health coverage. <sup>22</sup>

### Achieving gender equality at work

29. Women are over-represented in the types of work most likely to yield poverty level incomes – own-account and unpaid family work in agriculture and informal services. Achieving SDG 5 on gender equality and the empowerment of all women and girls will require decisive action across a range of issues that impede gender equality at work. Over the last two decades, women's significant progress in educational achievements has not

<sup>&</sup>lt;sup>20</sup> ILO, OECD and WHO: Working for health and growth: Investing in the health workforce, 2016, http://www.who.int/hrh/com-heeg/reports/en/.

<sup>&</sup>lt;sup>21</sup> X. Scheil-Adlung: Health workforce: A global supply chain approach – New data on the employment effects of health economies in 185 countries, Extension of Social Security – Working Paper No. 55, ILO, 2016.

<sup>&</sup>lt;sup>22</sup> ILO: *Addressing the Global Health Crisis: Universal Health Protection Policies*, Social Protection Department, Social Protection Policy Papers, Paper No. 13, 2014.

translated into a comparable improvement in their position at work. In many regions in the world, in comparison to men, women are more likely to become and remain unemployed, have fewer chances to participate in the labour force and, when they do, often have to accept lower quality jobs. <sup>23</sup>

- **30.** Progress in surmounting these obstacles has been slow and is limited to a few regions across the world. Even in many of those countries where gaps in labour force participation and employment have narrowed and where women are shifting away from contributing family work and moving to the services sector, the quality of women's jobs remains a concern. <sup>24</sup>
- 31. More jobs and quality jobs for women, universal social protection and measures to recognize, reduce and redistribute unpaid care and household work are indispensable to delivering on the new transformative sustainable development agenda. <sup>25</sup> Tackling the root causes of unequal opportunities requires addressing discrimination and sectoral and occupational segregation and encouraging young girls and boys to break gender stereotypes through education and outreach and offering training to women and men to enter into non-stereotypical fields. It also requires patterns of growth that do not crowd women in the least protected sections of the labour market. Promoting women's entrepreneurship and supporting women's participation and leadership in decision-making, including in governments and employers' and workers' organizations, are important means of breaking down barriers to advancement.
- **32.** To close the gender wage gap, it is essential that unequal treatment of men and women in the labour market be eliminated by addressing the underlying causes. Promoting equal pay for work of equal value through wage transparency, training and gender-neutral job evaluation methods together with supporting adequate and inclusive minimum wages and strengthening collective bargaining are key mechanisms.
- 33. To overcome the motherhood wage gap, attitudes towards unpaid care work need to change and good quality part-time work and limits on long paid hours and overwork must be promoted. A comprehensive framework for the harmonization of work and family responsibilities and an end to discrimination at work are vital to advancing women's empowerment. Key components of such a framework are maternity protection to all women; social protection systems that reduce and redistribute unpaid care work; a basic infrastructure, in particular in rural areas; parental leave; quality early childhood care and education; and quality jobs in the care economy, including domestic and migrant workers. <sup>26</sup> These are issues that are integral to the ILO's Women at Work Initiative. In addition, decent work cannot exist in a climate of violence and harassment. Violence against women is a particular concern, as set out in Goal 5.2. The ILO is addressing this issue in the context of a standard-setting discussion on violence and harassment against women and men in the world of work, with a first Conference discussion in 2018.

8

<sup>&</sup>lt;sup>23</sup> ILO: Women at Work: Trends 2016.

<sup>&</sup>lt;sup>24</sup> S. Verick and S. Dasgupta (eds): *Transformation of women at work in Asia: An unfinished development agenda*, 2016.

<sup>&</sup>lt;sup>25</sup> ILO: Women at Work: Trends 2016.

<sup>&</sup>lt;sup>26</sup> ibid.

### Creating decent work through industrialization

- **34.** Industrial employment plays a key role in lifting economic performance, as is stressed in SDG 9 on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation. SDG 9.2 aims at significantly raising industry's share of employment and gross domestic product, by 2030, in line with national circumstances, and doubling its share in least developed countries. For industrialization to drive poverty-reducing growth, the jobs it creates directly and indirectly need to be decent. International labour standards provide a platform for improving productivity and working conditions. <sup>27</sup>
- **35.** The ILO estimates that in 2016, 21.5 per cent of the global workforce was employed in mining, manufacturing and public utilities (electricity, gas and water). The share of industry has been declining in recent years in higher-income countries towards one fifth and increasing in middle-income countries towards a similar or higher share. The share of employment in industry in lower-income countries is stagnant at just over 8 per cent.
- **36.** Manufacturing is a high-productivity sector with backward linkages to raw material extraction and processing and forward linkages to many service sectors. <sup>28</sup> Economies of scale are important in many manufacturing industries, making access to large markets through trade a significant engine of growth. <sup>29</sup> The technologies embedded in its capital equipment also often require global investors. Access to the global supply chains that are increasingly dominating world trade is critical. <sup>30</sup> While manufacturing output continues to rise in many countries, the employment intensity of the sector is falling but skill levels rising. Increased manufacturing output can create many jobs in construction, services, notably transport and finance, and other industries.
- 37. For many countries, the first step on the ladder of manufacturing industry development is an export-oriented garment sector. For its predominantly young female workforce, often recruited from poor rural villages, the industry offers the potential of an escape from poverty and maltreatment. Yet, the experience of many garment workers is far from this promise. Improving working conditions in the garment industry and making the sector more competitive are the objectives of the Better Work programme of the World Bank's International Finance Corporation and the ILO. Factory-level evidence from a major recent assessment across participating countries by Tufts University shows that the programme is having a significant and positive impact on working conditions. This includes reducing the prevalence of abusive workplace practices, increasing pay and reducing excessive working

<sup>&</sup>lt;sup>27</sup> A recent addition to the ILO's support programmes is the Vision Zero Fund, which strives to drive down work-related fatalities and severe injuries and diseases in sectors connected to global supply chains: http://www.ilo.org/safework/projects/WCMS\_517539/lang--en/index.htm.

<sup>&</sup>lt;sup>28</sup> J.M. Salazar-Xirinachs, I. Nübler and R. Kozul-Wright (eds): *Transforming economies: Making industrial policy work for growth, jobs and development*, ILO, 2014.

<sup>&</sup>lt;sup>29</sup> ILO: Translating the 2030 Agenda for Sustainable Development into Action: Integrating trade, investment and decent work policies, Background Note for the UN Conference on Trade and Development, 17–22 July 2016, Nairobi, http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/meetingdocument/wcms 498947.pdf.

<sup>&</sup>lt;sup>30</sup> ILO: Decent work in global supply chains (Report IV), and Resolution concerning decent work in global supply chains, International Labour Conference, 105th Session, Geneva, 2016; see also GB.329/INS/3/2.

hours, and creating positive effects outside the factory for workers and their families. These outcomes occur while increasing the competitiveness of firms. <sup>31</sup>

- **38.** A key part of development strategies for industry and trade is skills development. Access to a skilled labour force makes it easier for firms to access new markets abroad, to survive and thrive in the domestic market and to adjust to changing conditions in global markets. The ILO's skills strategy aims to engender a virtuous circle in which improving the quality and availability of education and training for women and men fuels the innovation, investment, technological change. enterprise development. economic diversification competitiveness that economies need to accelerate the creation of more but also better jobs and thereby improve social cohesion. One of the technical assistance tools offered by the ILO focuses on Skills for Trade and Economic Diversification. It aims through a process of analysis and dialogue to help governments, employers and unions identify and meet the skills needs of sectors with export potential. 32
- **39.** Looking ahead the ILO will continue to work with partners such as the United Nations Industrial Development Organization (UNIDO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Bank and the World Trade Organization (WTO) to support countries, especially the least developed, to grasp the synergies that the creation of decent jobs in export-oriented manufacturing has to drive forward the 2030 Agenda.

# Ensuring decent work for seafarers and fishers to secure sustainable use of oceans

- **40.** Some 1.2 million seafarers work on internationally trading merchant ships and over 1 million more in large-scale offshore fishing. It is estimated that there are over 15 million small-scale sea fishers operating informally, mainly in the coastal waters off developing countries. Most merchant shipping provide acceptable, often good, conditions. However, seafaring remains the world's most dangerous occupation. It is also highly international, with workers coming from many countries and sailing between ports in many countries. A continuing problem is seafarers being discharged or abandoned without receiving their full pay in faraway ports.
- 41. Countering the risk of abusive working conditions at sea is the main focus of the ILO's Maritime Labour Convention, 2006. It sets minimum requirements for seafarers' work, with provisions on conditions of employment, hours of work and rest, accommodation, recreational facilities, food and catering, health protection, medical care, welfare and social security protection. It applies to all ships, whether publicly or privately owned, that are ordinarily engaged in commercial activities, other than ships engaged in fishing.
- **42.** Fishing involves long hours and strenuous activity in an often challenging marine environment. The conditions of migrant workers employed in the fishing industry is a particular concern, with alarming evidence of forced labour or modern slavery practices in some fisheries. Oceans, along with coastal and marine resources, also play an essential role for people living in coastal communities. They contribute to social and economic development through employment and income creation, for example through fishing and

10

<sup>&</sup>lt;sup>31</sup> ILO: *Progress and potential: How Better Work is improving garment workers' lives and boosting competitiveness*, 2016, http://betterwork.org/blog/portfolio/impact-assessment/.

<sup>&</sup>lt;sup>32</sup> ILO: *Skills for trade and economic diversification: A practical guide*, 2012, http://www.ilo.org/wcmsp5/groups/public/---ed\_emp/---ifp\_skills/documents/publication/wcms\_534303.pdf.

tourism activities. Sustainable management of natural resources, ecosystems, aquaculture and tourism is central to increasing social and economic development worldwide, and particularly of small-island developing States and least developed countries. The Work in Fishing Convention, 2007 (No. 188), aims to ensure that fishers have decent conditions of work that meet minimum requirements, for example accommodation and food, occupational safety and health, medical care and social security.

**43.** A vital mechanism for realizing SDG 14 is the implementation of international law as reflected in the United Nations Convention on the Law of the Sea, on which the Maritime Labour Convention, 2006, and the Work in Fishing Convention, 2007 (No. 188), are also built. <sup>33</sup> It sets out the legal framework for all activities in the oceans and seas, including the duties and obligations of a flag State with regard to labour conditions, crewing and social matters. Preventing exploitation of seafarers and fishers and the despoliation of marine resources are interlinked challenges for sustainable development. <sup>34</sup>

### Suggested points for discussion

- **44.** The 2017 HLPF aims to support an integrated approach to the achievement of the SDGs. This paper has summarized how the ILO's Decent Work Agenda is contributing to implementing the 2030 Agenda, with particular regard to those Goals under review by the HLPF this year. The following suggested points for discussion focus on ways in which the ILO could strengthen its contribution to global partnerships for sustainable development.
  - What should the ILO do to contribute to the efforts of member States individually and collectively to accelerate the pace of decent job creation for the implementation of the 2030 Agenda and specifically Goals 1 (poverty), 2 (hunger), 3 (health), 5 (gender), 9 (industrialization) and 14 (oceans)?
  - What would ILO constituents recommend that the Office highlight in its contribution to the HLPF discussion in 2017?

11

<sup>&</sup>lt;sup>33</sup> The ILO participates in the inter-agency mechanism UN-OCEANS, which promotes coordination and coherence of UN-system activities related to ocean and coastal areas.

<sup>&</sup>lt;sup>34</sup> A. Couper, H.D. Smith and B. Ciceri: *Fishers and Plunderers: Theft, Slavery and Violence at Sea*, 2015.