## Grow the economy with a well-balanced diet

ILO Deputy Director-General Gilbert Houngbo shows the connection between decent work, acceptable living standards and economic growth, which together will help achieve several other sustainable development goals.

Comment | 14 September 2015



ILO Deputy Director-General Gilbert

Houngbo Eight, for some, is the luckiest number, being linked in some cultures to wealth and prosperity. It is therefore fitting that the new United Nations Sustainable Development Goal 8 relates to strong, uninterrupted growth and decent jobs for all.

Where do we stand today on jobs, a good eight years after the global financial and economic crisis started brewing in late 2007? The number of unemployed persons globally amounts to 201 million. The level of unemployment has not yet returned to pre-crisis levels, and youth are hard hit with 74 million young persons out of work last year.

Beyond the inadequate number of available positions, the quality of existing jobs is a further concern. More than half of the world's workforce is estimated to be trapped in the informal economy, while 780 million women and men constitute the working poor, and have to make do with less than US \$2 a day. Meanwhile, a comparatively well-off worker in an advanced economy may only be able to dream about a full-time position with a long contract these days.

These big unemployment and poverty figures explain the necessity for the nations of the world to focus on growth and decent work and why this goal is at the heart of global priorities for the next decade and a half.

But how do we get out from behind the eight ball? The situation can be turned around and there are signs of promising action.

In the United States, a number of major companies, the likes of McDonalds, Target and TJ Maxx have recently taken the initiative to raise wages to levels surpassing the legally required minimum. Others are granting substantial periods of paid parental leave. A living wage will be gradually introduced in the United Kingdom in the period 2016 to 2020 with household name retailers such as IKEA and Burberry leading the way. In China, the number of people receiving an old age pension shot up from less than 240 million to 820 million in 2013, edging towards universality with this progress taking just four years.

While United Nations types and human rights advocates argue that such ethical initiatives are justified to help people, fight pernicious inequalities and are 'the right thing to do', there is also a strong business and economic case to be made for investment in people.

Growth, decent work and acceptable living standards for all go hand in hand. The benefits of growth need to trickle down to the whole population and not be enjoyed by just a privileged few.

When the poorest nations graduate to middle-income country status, they need to keep this in mind and leave no one behind. Societies that fail to do this are at risk for social unrest or worse.

But there is a way to go in facilitating the return to a robust economy including through better deals for employees and benefits also for people who don't have formal contracts. More than 70 per cent of the world population is inadequately covered in case of unemployment, maternity/paternity, on-the-job injury, disability, ill health and in retirement.

Just slightly more than a quarter of the global population enjoys access to comprehensive social security. On average, a paltry 12 per cent of unemployed workers receive unemployment benefits globally. Only about half of all people over pensionable age receive a pension. And, nearly 40 per cent of the world population lacks any affiliation to a health scheme or pension.

In sum, millions of people are stuck in situations of vulnerability, being side-lined from the economic playing field and thus cannot set up or kick the goals that are needed for everyone to win.

Inclusive societies, where people have decent work and decent living standards, even if they are not able to work due to lack of opportunities, health issues or advanced age, will help enable the entire development agenda for 2030. Goal 8, sitting right in the middle of the 17 Sustainable Development Goals, is well situated to extend its arms and push towards a number of other goals.

In Zambia, the International Labour Organization and partners are running a project that will help address a 77 per cent rural poverty rate by getting 3000 rural youth into work farming soybeans and fish in three years. This will contribute to tackling inequality with urban areas where poverty is much lower (28 per cent), while improving national food security and addressing widespread protein deficiency in low-income households.

Without decent work, it will not be possible to end poverty and hunger, or ensure health and equality for all. But the decent work agenda is holistic. It is not only about full employment and good jobs. It is about rights, such as those spelled out in international standards and treaties, dialogue among workers, employers and governments and social protection. Only when this full, four-course menu is

ingested and digested will economies be fuelled and energized.

A version of this comment appeared in the Huffington Post on 11 September 2015.

Tags: decent work, unemployment, remuneration, social protection, human development, sustainable development, standard of living, UN system

Regions and countries covered: Zambia, United States, China, United Kingdom