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Eradication of poverty and other development issues

Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017)

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 66/215 on the Second United Nations Decade for the Eradication of Poverty (2008-2017), in which the Assembly requested the Secretary-General to submit a report on the implementation of the resolution under the theme “Full employment and decent work for all”. The report examines trends and challenges relating to poverty eradication, with a particular emphasis on productive employment and decent work, the youth employment crisis and the persistent challenge of rural poverty. It also takes stock of the latest activities and joint initiatives undertaken by relevant organizations of the United Nations system in response to the plan of action for the Second Decade and concludes with a set of recommendations.

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I. Introduction

1. The objective of the Second United Nations Decade for the Eradication of Poverty (2008-2017) is to support, in a coordinated manner, the follow-up to the implementation of the internationally agreed development goals, including the Millennium Development Goals, relating to the eradication of poverty. Productive employment and decent work for all are central to poverty eradication, the achievement of the Goals and the promotion of equitable, inclusive and sustainable development. The 2012 annual ministerial review of the Economic and Social Council focused on the theme “Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals”. The annual ministerial review provided an opportunity to foster agreement on the key policies for promoting employment creation and decent work for all, productive capacity, and inclusive, equitable and sustainable growth. It also highlighted the importance of addressing youth unemployment, enhancing social protection and promoting decent work in rural areas for achieving food security.

2. The present report addresses trends and challenges in poverty eradication, and describes progress achieved in, and the outlook for, poverty reduction, with a focus on the current theme of the Second Decade, decent and productive employment. It also examines the current youth employment crisis and the persistent challenge of rural poverty. The report provides an overview of the measures carried out by the United Nations system to implement the system-wide plan of action for the Second Decade and concludes with recommendations for consideration by the General Assembly.

II. Trends and challenges in poverty eradication

A. Current trends

Poverty

3. At the global level, extreme poverty has continued to decline despite the challenges posed by the financial and economic crisis and the food and fuel price volatility experienced since 2008. According to World Bank estimates, at the end of 2010, five years before the target date, the world had reached the global target of halving, between 1990 and 2015, the proportion of people living in extreme poverty.¹ However, this global achievement masks the ongoing challenges in poverty eradication faced by most developing countries.

4. The vast majority of the decline in extreme poverty at the global level occurred in East Asia and the Pacific. In 1990, nearly half of the world’s people living in extreme poverty were located in East Asia and the Pacific, with more than one third in China alone. In 2008, China accounted for only 13.5 per cent of the people living in extreme poverty, having reduced its poverty headcount ratio from 60.2 per cent in 1990 to 13.1 per cent in 2008. During that period, the number of persons living in extreme poverty dropped from 683.2 million to 172.9 million. At present, the greatest proportion of people living in extreme poverty are in South

¹ See World Bank, *World Development Indicators 2012* (Washington, D.C., 2012).

Asia (45 per cent), and sub-Saharan Africa has the highest poverty headcount ratio (48 per cent).²

5. While the rates of extreme poverty have declined in all developing regions, the rate of decline in many countries has not been sufficient to reduce the absolute number of people living in extreme poverty. In sub-Saharan Africa, nearly 290 million people lived in extreme poverty in 1990; by 2008, the figure had increased to 386 million.²

6. Of equal concern is the more modest progress in reducing the number of persons teetering at the brink of extreme poverty, particularly in South Asia and sub-Saharan Africa. Between 1990 and 2008, the number of people living on \$1.25 to \$2 a day increased by some 77 million in sub-Saharan Africa and 212 million in South Asia. In these regions, the poverty headcount ratio at the \$2 per day threshold is 69 and 71 per cent respectively. Even in East Asia and the Pacific, where poverty reduction has been greatest, more than one third of the population still lived below the \$2 per day threshold in 2008.²

Employment and poverty eradication

7. While it is undeniable that sustained and rapid economic growth has been a pivotal element in the success of many countries in reducing poverty, the effects of that growth on employment and productivity have been particularly significant in determining the impact of growth on poverty.

8. Among the developing regions, those that have experienced a rapid decline in poverty ratios have also seen long periods of high growth coupled with the lowest unemployment rates and high employment-to-population ratios. In East Asia and the Pacific, except for a slump in the late 1990s, growth in gross domestic product (GDP) has remained at or above 7 per cent per year since 1991, peaking at nearly 12 per cent in 2007.² At the same time, unemployment rates in East Asia have stayed at around 4 per cent since 2000, one of the lowest averages in the world for the period, surpassed only by South Asia. Since 2000, the employment-to-population ratio in the region remained well above the world average, consistently exceeding 70 per cent. While East Asia's annual employment growth has been average compared with other regions, output per worker has grown faster than in any other region.³ New research points to shifts in labour supply from the rural areas to the growing urban sectors as a critical element in the reduction of overall poverty in the region.⁴

9. South Asia experienced similar shifts in labour distribution, although they were not as marked as in East Asia. This region saw significant growth in employment from 2001 through 2007, before the crisis hit, averaging 2.5 per cent growth per annum from 2001 to 2006 and 2.4 per cent growth in 2007.³ In addition, the growth in output per worker was well above the world average for this period, second only to East Asia.

² Calculated based on data from World Bank, *World Development Indicators 2012* (Washington D.C., 2012).

³ See International Labour Office, *Global Employment Trends 2012: Preventing a deeper jobs crisis* (Geneva, 2012).

⁴ See Martin Ravallion, "A comparative perspective on poverty reduction in Brazil, China and India", Policy Research Working Paper, No. 5080 (Washington, D.C., World Bank, 2009).

10. Despite the marked progress in reducing extreme poverty in South Asia, working poverty presents a major challenge to efforts in this region. According to International Labour Organization (ILO) estimates, more than 35 per cent of workers in South Asia live with their families on less than \$1.25 a day, and at the \$2-per-day mark, the proportion almost doubles to 67 per cent.³

11. In sub-Saharan Africa, reductions in the number of poor have proved difficult despite nearly a decade of growth near or above 4 per cent peaking near 7 per cent in 2007.¹ Unemployment rates for the period remained at around 9 per cent, with the share of workers in vulnerable employment near 80 per cent.³ In addition, there was a limited shift in the distribution of the labour force, with more than 60 per cent of the employed labour force working in the agricultural sector. Nonetheless, there was a slight shift of labour from the agricultural to the services sector in the past decade. Working poverty thus remained a marked challenge in this region, and only the Middle Eastern countries were slower to reduce the share of the working poor. While there was some reduction in the share and numbers of working poor living on less than \$1.25 a day, the number living on less than \$2 per day actually increased between 2000 and 2011.

12. The number of persons working in vulnerable employment is a significant factor in the employment-poverty nexus. Between 2000 and 2011, the world's share of workers in vulnerable employment fell by less than 4 per cent, a shift too slow to reduce the actual numbers. According to ILO estimates, the number of workers in vulnerable employment has grown by some 136 million since 2000 reaching more than 1.5 billion by 2011. The number of workers in vulnerable employment increased in all developing regions except Central and Eastern Europe and in the Commonwealth of Independent States.³ South Asia and East Asia still have the highest proportion in the world of workers in vulnerable employment, although the numbers in East Asia fell by around 29 million.

13. Working poverty and vulnerable employment present a particular challenge to poverty reduction because workers in these categories are particularly vulnerable to economic shocks and other socioeconomic challenges. In most instances, poor people are dependent on employment as the sole source of income. If their own productive capacities, or the available forms of employment, do not allow them to improve their well-being and that of their families, they remain trapped in a cycle of working poverty.

Additional challenges for poverty eradication

14. Increases in unemployment and underemployment can mean reduced access to essential social services and other opportunities, particularly in times of economic hardship, in countries where income support is not provided. In many developing countries, access to health care has proved difficult in the aftermath of the crisis and, in some countries, lowered incomes and reduced government spending have increased the financial burden on poor households, leading to a rise in school drop-out rates.⁵ In Latin America and the Caribbean, attention to non-economic factors has buffered the negative effect of the crisis on poverty reduction, and in some cases, has allowed for significant and sustained reductions in poverty despite

⁵ See International Institute for Labour Studies, *World of Work Report 2012: Better jobs for a better economy* (Geneva, International Labour Office, 2012).

moderate growth. During the crisis period, many countries in the region were able to sustain reductions in poverty through income support measures such as conditional cash transfers.⁶

15. Rising food prices have also posed a challenge to poverty reduction in recent years. The greatest proportion of poor people's income (50 to 70 per cent) is spent on food, and the poor therefore bear a disproportionate burden in adjusting to higher food prices.⁷ Not only did the World Bank food price index peak in 2011, exceeding 2008 levels, but international price increases were also more widespread than in 2008. Although it is true that the overall impact of food price spikes on poverty eradication depends on whether the proportion of the world's poor who are net buyers surpasses the proportion of the poor who are net sellers, analysis of the 2008 spikes revealed that they had a greater negative impact on poverty.⁷ Efforts should therefore be made to reduce the current volatility.

16. In addition to the growing geographical shifts in the global concentrations of poverty, there have been shifts in the concentration of poor people across countries of varying economic classifications. With the rapid growth in many of the larger developing countries, countries with large proportions of the world's poor have graduated to middle-income status. As a result, poverty is no longer concentrated in low-income countries. However, poverty continues to decline at a slower rate in low-income countries.

Policy and poverty eradication

17. In the near term, the growth that has fed poverty reduction up to this point remains threatened by further economic downturn. The world appears poised on the brink of a double-dip recession. Growth was slow in 2011 and is expected to be even slower in 2012 and 2013, prompted mainly by poor performance in advanced economies.⁸ The effects of this downturn on employment and poverty reduction could be significant, especially if current policy stances in the developed world do not shift towards addressing the ongoing jobs crisis.

18. A second recession would negatively affect the performance of developing countries through the effects of trade and finance. World trade has and will continue to slow owing to feeble economic growth, particularly in developed countries. Although there has been some increase in South-South trade and other economic relations, developing economies and economies in transition remain vulnerable to changes in the economic conditions in developed countries. For example, should a second recession occur, continued volatility in commodity prices could challenge growth in developing countries with a high dependence on commodity exports.⁸

19. For poverty reduction to continue in this environment, special attention needs to be paid to redistribution and structural transformation to ensure that vulnerable populations are less likely to slip through the cracks. As was the case with Latin America in the current period, the focus should be on income support and access to

⁶ See Economic Commission for Latin America and the Caribbean, *Social panorama of Latin America* (Santiago de Chile, 2011).

⁷ See World Bank and International Monetary Fund, *Global Monitoring Report 2012: Food Prices, Nutrition and the Millennium Development Goals* (Washington, D.C., 2012).

⁸ See *World Economic Situation and Prospects 2012* (United Nations publication, Sales No. E.12.II.C.2).

such basic social services as health care and education. Terms of trade and commodity price controls are also important factors in ensuring access to food for many of the world's poor.

20. While the long-term outlook for future reduction in extreme poverty is fairly positive across all world regions, there are significant challenges in the short term. The World Bank's *Global Monitoring Report 2012: Food Prices, Nutrition and the Millennium Development Goals* suggests that the pace of poverty reduction will accelerate in all world regions except East Asia and the Pacific. The concentration of the poor and the current pace of reduction in East Asia and the Pacific will slow global progress. Nevertheless, by 2015, the World Bank estimates that only 16 per cent of the world's population will be living below \$1.25 a day, with Eastern Europe and Central Asia approaching eradication at less than 1 per cent.⁷

21. Recent research has forecasted much more optimistic progress, suggesting a global poverty rate around 10 per cent in 2015.⁹ While the estimates for other regions are quite close to the World Bank estimates, those for East Asia and the Pacific as well as South Asia, are around three times lower than those of the World Bank. The vast difference in projected outcomes for these two regions points to a nuance in the methodology of the Brookings Institution that highlights one of the major challenges to poverty eradication today and in the future, namely, the growth of inequality.

22. In the Brookings projections, the assumption is that income distribution will be constant through 2015, but as recent evidence shows, in the world's fastest growing economies in East Asia and South Asia, inequality is also growing, and inequality dampens the benefit of growth for the poor. Ironically, the same elements that are driving rapid growth in these regions, namely, technological change, globalization and market-oriented reforms, are fuelling Asia's growing inequalities. As highlighted by the Asian Development Bank in *Asian Development Outlook 2012: Confronting Rising Inequality in Asia*, if left unchecked, these forces tend to favour capital over labour, urban areas over rural areas, and high-skilled workers over lower-skilled workers. When coupled with systemic inequities in the ability to earn income from labour and build human capital, institutional weaknesses and market inequities open the gaps in inequalities within society.

23. In order to ensure continued progress in poverty reduction in these and other regions, efforts need to be made to stem these effects through to policy interventions that address both economic and non-economic inequalities. This focus has proved effective in Latin America, where inequalities have been receding since the late 1990s and where, despite only moderate growth, poverty reduction has been sustained.

24. With regard to policies, the eradication of poverty and the promotion of employment require coordinated responses at both the national and international levels that lead to sustained, inclusive and equitable economic growth. Urgent policy priorities include moving macroeconomic and social policies away from austerity measures to promoting job creation, decent work and the expansion of social protection schemes. In addition, the effects of global crises, including the

⁹ See Laurence Chandy and Geoffrey Gertz, "Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015", Global Views Series, No. 18 (Washington, D.C., The Brookings Institution, 2011).

financial and economic crisis and fluctuations in food and fuel prices, highlight the need for international financial market regulation that reduces the risk of economic crises.

25. Without basic social transfer schemes that foster access to education, health care and adequate levels of nutrition, countries cannot unlock their productive potential and ensure a sustainable economic recovery. Social protection has proved to be a powerful instrument in reducing poverty and inequality, as well as an anti-crisis measure. It is a basic contribution to protect and empower people and accelerate recovery, as well as a foundation for sustained, inclusive and equitable economic growth. Yet, around 80 per cent of the global population lacks access to comprehensive social protection. The Social Protection Floor Initiative launched by the United Nations system in 2009 recognizes the importance of social protection as a necessary component of a comprehensive development strategy that addresses poverty, inequality and social exclusion and at the same time seeks to invest in people as a prerequisite for sustainable and fairly shared economic growth.¹⁰ Promoting universal access to social services and providing social protection floors can make an important contribution to equitable growth.

B. Youth employment crisis

26. With less than half the global youth population actively participating in the labour market and the majority of young people in developing countries working in the informal economy, the world is experiencing a youth employment crisis. The persistent challenge of youth unemployment and underemployment has been aggravated by the financial and economic crisis, especially in the developed countries. The move by a growing number of countries towards fiscal austerity and reduced social spending, job cuts and calls for greater labour market flexibility, have increased the vulnerability of youth to joblessness, underemployment and working poverty and have contributed to increased social unrest.

Extent of the crisis

27. Young women and men represent 40 per cent of the 200 million jobless people worldwide and are nearly three times more likely than adults to be jobless. Young people have long held a disproportionate share of unemployment, but the situation has worsened in the aftermath of the 2008 economic crisis. The global youth unemployment rate rose from 11.9 to 12.9 per cent between 2008 and 2009, the peak of the financial and economic crisis, marking the largest annual increase in youth unemployment in the 20 years for which global estimates are available.¹¹ In 2011, 74.8 million young people (12.7 per cent) remained unemployed, and an estimated 6.4 million discouraged young people dropped out of the labour market altogether. The youth labour force participation rate decreased globally from 52.9 to

¹⁰ The International Labour Conference held in June 2012 adopted a new recommendation on the construction of national social protection floors designed to reduce poverty by filling gaps in social support systems. In the recommendation, countries are requested to implement their social protection floors as early as possible in national development processes.

¹¹ See International Labour Office, *Report V: The youth employment crisis: Time for action*, International Labour Conference, 101st session (Geneva, 2012).

48.7 per cent between 2000 and 2011, indicating that less than half of young people aged 15 to 24 were actively participating in the labour markets.³

28. Young people suffer disproportionately from unemployment in all regions of the world. In 2011, the regional rates for youth unemployment were the highest in North Africa (27.1 per cent) and the Middle East (26.2 per cent), where young people were four times more likely than adults to be jobless.³ In some Middle Eastern countries, unemployment is mainly a youth phenomenon: in Saudi Arabia, the youth unemployment rate in 2011 stood at 30.8 per cent compared to an adult unemployment rate of 3.1 per cent.¹² Between 2007 and March 2012, the countries of the Organization for Economic Cooperation and Development (OECD) experienced their largest increase in the youth unemployment rate, from 12.8 to 17.1 per cent. The European Union saw an even larger increase, from 15.1 to 22.6 per cent.¹³ In some of the most affected countries, such as Spain and Greece, the youth unemployment rate more than doubled during the time period, and currently stands at the alarming rates of 51.1 and 51.2 per cent respectively.¹⁴ The figures show that the youth unemployment crisis has had devastating consequences in some of the developed countries, with more than half of their young workforce being unemployed.

29. However, in many developing countries, the main challenge is not necessarily youth unemployment but the deficit in decent job opportunities for young people and working poverty. In these countries, young people struggle to make ends meet and frequently need to rely on work in the informal sector or earn income through own-account activities without adequate pay, social protection or working conditions. In the 52 countries for which data are available, young people accounted for 23.5 per cent of the total working poor but only 18.6 per cent of non-poor workers, suggesting that young people are more likely than adults to belong to the ranks of the working poor.¹⁵

30. Further, young women and persons from socially disadvantaged groups suffer disproportionately from decent work deficits and unemployment, forcing them to rely on low-quality jobs and the informal jobs market. Young women are also more likely to be unemployed: in 2011, in North Africa, the unemployment rate for women stood at 19 per cent and a staggering 41 per cent for young women.³ Young people from disadvantaged social groups, including indigenous peoples, ethnic minorities and persons with disabilities are at a particular disadvantage in finding a decent job and are overrepresented among the poor.

Addressing youth employment

31. To create more and better jobs for young people, governments need to implement integrated youth employment policies and programmes that address the

¹² Average 2006-2010. See: ILO, Statistical update on Arab States and territories and North African countries (2011). Available from http://laborsta.ilo.org/sti/DATA_FILES/20110525_Arab_States.pdf.

¹³ See International Labour Office, *Global Employment Trends for Youth: 2011 update* (Geneva, 2011).

¹⁴ For data, see OECD, "Youth unemployment rates in OECD countries, December 2007 to March 2012" (Paris, 2012).

¹⁵ See International Labour Office, *Key Indicators of the Labour Market*, 7th Edition (Geneva, 2011).

supply and demand sides of the labour market and decent work deficits. In developing countries, where young people are often underemployed and working in the informal sector, Governments need to improve the quality and productivity of the employment options available to them.

32. Economic policies should focus on employment creation, particularly for young people and vulnerable groups, who bear the greatest burden of the ongoing jobs crisis. This requires a coherent policy framework and supportive macroeconomic policies oriented towards sustained, inclusive, equitable and job-rich growth with an explicit focus on employment creation.

33. In addressing youth employment, Government policies must address the high labour market segmentation as well as informal sector employment. Young people are overrepresented in flexible work arrangements and in the informal economy, leaving them to bear the brunt of employment losses during recessions, and there is little wage adjustment in the more protected segment of the labour market. Governments must take policy measures to move towards a more equitable distribution of labour market risks and benefits and to abolish policies that discriminate against hiring young people. There is also a need to improve the income security and working conditions of informal workers by enforcing labour standards and expanding the coverage of social protection available to them.

34. An integrated approach to address the youth employment crisis would also need to include support for young people to develop their skills, address skills mismatches, find employment, and create opportunities for self-employment and entrepreneurship. Active labour market policies are important to assist young people in finding appropriate employment, to support unemployed youth in regaining employment, and to provide education, training and support to disadvantaged youth. Governments should also actively support enterprise-development programmes, particularly for small and medium-sized enterprises, to offer young people opportunities for self-employment.

35. In all these processes, it is important to ensure the participation of young people in the planning and implementation of policy. National action plans and strategies to foster youth employment can be useful but such plans need to have strong support and must be based on broad participation.

36. At the international level, recognizing the urgency and importance of addressing youth issues, the Secretary-General has made working with and for young people a priority of his five-year action agenda. In this regard, he called upon the United Nations to deepen the youth focus of existing programmes on, inter alia, employment, entrepreneurship and education.¹⁶ To advance this agenda, the United Nations system will develop and implement an action plan; create a youth volunteer programme under the umbrella of United Nations Volunteers; and appoint a Special Adviser for Youth.

37. The recent ILO International Labour Conference also addressed the youth employment crisis and called for action and innovative approaches to respond to the challenges faced by young people.

¹⁶ See the Secretary-General's Five-Year Action Agenda, 25 January 2012, available from http://www.un.org/sg/priorities/sg_agenda_2012.pdf.

C. Rural poverty and decent work

38. A significant number of rural people are among the working poor, and poverty continues to be a disproportionately rural phenomenon. A variety of disparities, particularly in employment, between rural and urban areas prevent rural women and men from contributing fully to the development of national economies. A decent-work-centred approach to rural development is needed in order to address rural poverty.

Focus on the rural working poor

39. At least 70 per cent of the world's extremely poor people live in rural areas. There has been a significant decline in rural poverty in the past two decades. However, as with the overall progress in poverty reduction, this decline is mainly owing to a massive reduction in rural poverty in East Asia, where the rate of extreme rural poverty is presently estimated at 15 per cent. Rural poverty has declined more slowly in other developing regions, particularly South Asia and sub-Saharan Africa, where rural poverty stands at 45 and 60 per cent respectively. Even within regions, progress has been mixed. For example, in sub-Saharan Africa, rural poverty declined in much of East and West Africa but increased in Middle Africa; rural poverty declined in North Africa, but increased in the Middle East.¹⁷

40. Issues of underemployment and its related disadvantages can prove especially challenging in rural environments. For instance, approximately 40 per cent of the world's population, and most of the rural dwellers, work in the agricultural sector, where many of the jobs are informal, poorly paid and seasonal, or involve self-employment or unpaid family work.¹⁷ Poor people in rural areas with limited access to productive assets and social protection often earn a living only from their labour. While poverty is frequently associated with unemployment, in the rural areas of developing countries, poverty is predominantly a problem of poor employment quality, resulting in high shares of underemployed and poorly paid workers and low levels of labour productivity.

Promoting rural development through decent work

41. An employment and decent-work-centred approach to rural and agricultural development is crucial to fighting poverty in a sustainable manner. There is an urgent need to address both the quality and quantity of employment opportunities in rural areas. Important challenges to decent work in rural areas include low pay, informality, poor working conditions, inadequate social protection and lack of representation. Additional challenges include the unequal treatment of women, young people and other vulnerable groups, and increased migration to urban areas owing to poor work prospects in rural areas. These challenges make it important to integrate the decent work agenda into agriculture and rural development, bearing in mind such key issues as gender equality, disadvantaged groups and young people.

42. Rural development is critical to food security and poverty reduction and is an engine for economic growth in many developing countries. At the United Nations Conference on Sustainable Development (Rio+20), the Secretary-General launched

¹⁷ International Fund for Agricultural Development, *Rural Poverty Report 2011: New realities, new challenges: new opportunities for tomorrow's generation* (Rome, Ugo Quintily, 2011).

a “zero hunger challenge” to galvanize all stakeholders to eliminate hunger worldwide, including by supporting smallholder farmers, who produce most of the world’s food. The International Fund for Agricultural Development (IFAD) has estimated that feeding a global population of just over 9 billion in 2050 will require a 70 per cent increase in global food production. This will require not only extensive investments in agricultural productivity but also support for smallholder farmers and measures that address the concerns of the rural poor.¹⁷

43. In order to meet the rural development potential, the rural poor must have avenues for full participation in social and economic life. Their capabilities must be strengthened and the sources of their vulnerability must be addressed build more secure livelihoods. This requires a combination of short-term and long-term actions to support rural development, including investing in agricultural productivity and rural infrastructure; improving access to quality education and training, and health care; improving and enforcing labour laws; and designing social protection schemes for rural areas to address the decent work deficits.

44. There is also a need to create an enabling environment for the private sector and for small farmers in particular by improving access to credit, agricultural inputs and information; balancing international trade and domestic market development policies; and supporting rural enterprise development, particularly by improving smallholder stakes through the development of cooperatives and other producer organizations. In addition, there is a strong need for coherence, coordination and collaboration among the national and international actors working in this area.

III. United Nations system-wide plan of action for the Second United Nations Decade for the Education of Poverty (2008-2017): activities and collaborative initiatives

45. A number of agencies, funds and programmes and regional commissions undertook various activities and joint efforts to implement the United Nations system-wide plan of action for the Second Decade for the Eradication of Poverty (2008-2017) by promoting full employment and decent work for all. The activities described below are grouped into thematic areas and are based on the inputs received from the various United Nations organizations.¹⁸

A. Promoting greater awareness about employment and decent work as an effective development strategy for poverty reduction

46. Across the United Nations system, increased emphasis was placed on the importance of employment and decent work in social and economic development. This emphasis was applied at all levels of work, shaping intergovernmental deliberations and informing regional and country-level interventions.

47. The 2012 annual ministerial review of the Economic and Social Council provided an opportunity to foster agreement on the key policies for building productive capacity and promoting inclusive and sustainable economic growth in

¹⁸ For more detailed information, see <http://social.un.org/index/Poverty/UNDecadefortheEradicationofPoverty/SecondUNDecadefortheEradicationofPoverty.aspx>.

developing countries. It also enabled an assessment of progress towards achieving employment-related goals and commitments, and highlighted the positive synergies among employment, poverty reduction and the achievement of the Millennium Development Goals and other internationally agreed development goals. The deliberations at the review served as a catalyst for the realization of employment-related goals and commitments. A number of activities were held at the national, regional and global levels in preparation for the 2012 review.

48. In supporting the 2012 annual ministerial review and other intergovernmental processes, the Department of Economic and Social Affairs focused much of its analytical work on the issues of employment and poverty reduction. Its *The Global Social Crisis: Report on the World Social Situation 2011* was critical in addressing the adverse social consequences of the global economic and financial crisis of 2008-2009, in particular rising unemployment and vulnerability, poverty and food insecurity. The report strongly underlined important lessons from national responses to the global crisis, the importance of inclusive social policies and the need for universal social protection. A key conclusion of the report was that countries need to be able to pursue countercyclical policies in a consistent manner.

49. In its report *World Economic Situation and Prospects, 2012*, the Department of Economic and Social Affairs discussed the global jobs crisis, including high youth unemployment, and several policy directions to avoid a double-dip recession, including optimal design of fiscal policies to stimulate more direct job creation and investment in infrastructure, energy efficiency, sustainable energy supply and food security. It also discussed the provision of sufficient support to developing countries in addressing the fallout from the crisis and the coordination of policy measures at the international level.

50. The United Nations system provided strong support to the annual ministerial review and other intergovernmental processes addressing employment and decent work.

51. The Food and Agriculture Organization of the United Nations (FAO) contributed to the 2012 annual ministerial review, by organizing a joint side event in collaboration with ILO, IFAD, the Department of Economic and Social Affairs and the World Food Programme (WFP) on the theme “Promoting decent work in rural areas to achieve food security”.

52. The United Nations Development Programme (UNDP) worked closely with the Department of Economic and Social Affairs and ILO on a number of initiatives leading up to the 2012 annual ministerial review. An e-discussion on jobs, decent work and inclusive growth generated 148 contributions from 90 countries and presented an opportunity to formulate policy messages for the review. UNDP also participated in several expert panels on inclusive growth and employment organized by the Department of Economic and Social Affairs. Jointly with FAO and ILO, UNDP undertook case studies on employment, decent work and social protection initiatives.

53. ILO continued its analytical work on decent work and employment issues. Its report *World of Work 2012: Better jobs for a better economy*¹⁹ discussed the impact

¹⁹ Available from http://www.ilo.org/global/publications/books/world-of-work/WCMS_179453/lang--en/index.htm.

of the global economic and financial crisis on poverty and income inequality. It stressed that the social impacts of the current global crisis have been manifold, since rising unemployment and falling incomes further deepen poverty and worsen inequality. ILO also submitted a report at the Fourth United Nations Conference on the Least Developed Countries, held in Istanbul, Turkey, in 2011, entitled “Growth, Employment and Decent Work in the Least Developed Countries”.²⁰ The report provided a sectoral analysis of key policy challenges in least developed countries, examined the relationship among GDP growth, productive employment and decent work, and analysed the financial and administrative feasibility of nationally defined social protection floors in least developed countries.

54. Similarly, FAO’s *The State of Food and Agriculture 2010-2011: Women in Agriculture: Closing the gender gap for development*, focused on women in agriculture, emphasizing gender inequalities in rural labour markets and the need to address those inequalities in order to improve the performance of the sector.

55. In cooperation with its member countries, the Economic and Social Commission for Western Asia (ESCWA) promoted decent work and poverty eradication in the region. ESCWA completed several studies on active labour market policy, labour market structures and challenges, and economic policy and its impact on employment. The *Survey of Economic and Social Developments in the ESCWA Region, 2010-2011* reflected the recent changes witnessed in the region and reviewed past social and economic policies. It dedicated a chapter to social policy with a focus on trends in health, education, labour markets and social protection. ESCWA also organized several workshops and expert group meetings that addressed labour markets, social protection and poverty reduction.

B. Strengthening capacity-building

56. The Organization continued to support capacity-building for poverty eradication and decent work for all by emphasizing training, skills development and knowledge-sharing.

57. Within the framework of the system-wide plan of action for the Second United Nations Decade for the Eradication of Poverty (2008-2017), the Department of Economic and Social Affairs in collaboration with ILO, IFAD and FAO, co-organized an expert and inter-agency meeting on broadening coherence and collaboration in respect of rural development through employment and decent work in November 2011, in Rome. The participants identified specific areas for collaboration and a set of initiatives to be undertaken jointly by agencies to “unleash rural development through employment and decent work”.

58. The Department of Economic and Social Affairs also organized an expert group meeting on the challenge of building employment for a sustainable recovery in June 2011, in Geneva. The participants reviewed national and regional perspectives on the global jobs crisis, identified good practices in preserving existing jobs and in generating new ones, and discussed lessons learned. They also considered strategies at the national and international levels to create productive employment during the recovery as a central strategy for poverty eradication and

²⁰ Available from http://www.ilo.org/empelm/info/docs/WCMS_153868/lang--en/index.htm.

social integration in order to assist countries in adopting policies consistent with the Global Jobs Pact.

59. FAO conducted several capacity-building and technical support activities on decent rural employment through different partnerships and programmes. It provided technical support on youth employability and entrepreneurship through technical cooperation projects and promoted rural youth employment through the Junior Farmer Field and Life Schools skills-building programme. Together with ILO, it also conducted capacity-building activities for senior technical staff and other national stakeholders in Cambodia, Malawi, Mali and the United Republic of Tanzania.

60. ILO worked at the country level to strengthen capacity-building for young people and supported a youth employment action plan for 2009-2012 in Peru. Some 370,000 young people benefited from a streamlined job application process introduced by the Public Employment Service, the implementation of a youth training programme, and an information and orientation service for young migrants. In Serbia, ILO supported a youth employment strategy that included the provision of active labour market services targeting more than 3,500 disadvantaged young people; 85 per cent have entered full-time employment, half of them at the enterprise where they received the training.

61. The International Monetary Fund (IMF) provided financial assistance and focused on job-rich growth in its policy advice. IMF provided financial assistance to low-income countries to support countercyclical policies that protect social spending and place emphasis on protecting vulnerable groups. It worked with ILO to strengthen its focus on policies that promote job-rich growth and to foster effective social dialogue to build the consensus needed to tackle the adjustment challenges. Against this backdrop, IMF established a working group on jobs and growth to develop proposals on how the Fund can help member countries to achieve more inclusive growth.

62. In the area of entrepreneurship development and self-employment, UNDP supported business-skills development and access to finance to support micro, small and medium enterprises and the linkages of those enterprises to existing markets. For example, in Mongolia, UNDP helped to establish a financial credit mechanism for medium and small enterprises that provide loans at a special rate to UNDP-assisted small and medium entrepreneurs.

63. UNDP designed its own corporate youth strategy, in line with the United Nations system-wide action plan on youth, with a focus on youth employment and participation. At the country level, UNDP focused on bridging the gap between demand for and supply of labour and helped low-skilled workers to upgrade their skills. In Georgia, it helped to overhaul the out-of-date vocational and educational training curriculums. As a result, 70 per cent of the participants obtained employment. In a number of countries, UNDP also helped Governments to design, implement and monitor public work programmes that provide low-skilled workers opportunities for employment or mitigate the impact of the crisis.

64. The entrepreneurship curriculum programme of the United Nations Industrial Development Organization (UNIDO) was implemented in several African countries, including Angola, Mozambique, Namibia, Rwanda, Uganda, the United Republic of Tanzania, and in Timor-Leste. UNIDO also launched the practical guidebook

“Making private standards work for you” in 2010. In addition, programmes in Afghanistan, the Democratic Republic of the Congo, Iraq, Somalia and the Sudan helped to develop technical skills in a range of sectors, raised the employability of young people and promoted entrepreneurship in rural areas. Formal curriculum development initiatives were successfully implemented in Angola, Cape Verde and Mozambique.

65. The Economic Commission for Latin America and the Caribbean (ECLAC) provided technical cooperation to countries to implement time-use surveys and satellite accounts to measure unpaid work. The user-producer strategy facilitated the development of positive synergies between national statistical bureaux and national mechanisms for the advancement of women. ECLAC also rendered technical assistance to countries to reform their public-care policies on children and older persons (for example, in Costa Rica and Uruguay), and analysed conditional cash transfer programmes to see if they had improved women’s access to economic resources.

66. ESCWA assisted countries in ensuring food security, alleviating poverty and improving livelihoods. In collaboration with its partners, various consultations were held to address the need for more effective policy implementation, a regional knowledge platform, strategic approaches for food and water security, and the development of job-creating initiatives, particularly in rural areas.

C. Sharing best practices in promoting employment and decent work at the national and international levels

67. The importance of awareness-raising and information-sharing in regard to employment and decent work was emphasized across the United Nations system.

68. FAO conducted awareness-raising activities and shared good practices in respect of decent rural employment, particularly in the areas of child labour prevention in agriculture, youth employment promotion, and gender and rural employment. FAO worked in close partnership with ILO on decent rural employment; their work in this area is featured on the joint FAO-ILO website “Food, Agriculture and Decent Work”.²¹

69. The UNDP Poverty Reduction Network supported country offices in knowledge-sharing and the promotion of good practices in a variety of poverty-related topics, including employment. Recent discussions focused on youth employment (Malaysia, the Sudan and Tunisia), public work programmes (Bangladesh and India) and national employment strategies (Maldives).

70. The United Nations Environment Programme (UNEP) carried out a joint initiative with ILO called the Green Jobs Programme, as part of the Programme of Action on a Green Economy. The initiative demonstrated that a global transition to a low-carbon and sustainable green economy could contribute to job creation in many sectors and to poverty reduction efforts. The UNEP-ILO study *Working towards sustainable development: Opportunities for decent work and social inclusion in a green economy* raised awareness about the decent work agenda at the global level.

²¹ www.fao-ilo.org.

71. Through its green economy advisory services work, UNEP provided economic and policy assessments and advice on resource efficiency and a socially inclusive green economy by undertaking country-tailored assessments of key policy and investment options to transition to a green economy. Together with its joint Green Jobs Programme, UNEP also contributed to the sharing of good practices in promoting employment and decent work at the global level and supporting the integration of decent work towards poverty eradication into national and international policies and programmes.

72. UNIDO continued to promote gender equality and the empowerment of women and youth, mainly through rural, women's and youth entrepreneurship programmes in a number of countries, with a focus on the provision of entrepreneurial training to help build a sustainable foundation for private sector development.

D. Supporting the integration of decent work and poverty eradication into national and international policies and programmes

73. Organizations supported the integration of decent work and poverty eradication into national and international programmes.

74. In 2010 and 2011, ILO support enabled 29 countries to introduce policy and regulatory reforms to improve people's access to productive employment, decent work and income opportunities. ILO cooperation activities assisted Bosnia and Herzegovina, China, Iraq, Jordan, Mauritius, Nepal and Viet Nam and other countries in placing employment at the centre of national development strategies.

75. ILO and IMF continued their collaborative work to promote policy development in respect of employment and decent work and selected Zambia as the "test country" for collaboration. At a national conference in May 2012, the Government of Zambia, trade unions and employers agreed to work with ILO and IMF to promote a new strategy for employment, decent work and development, including a social protection floor.

76. UNIDO committed to provide high-level support to countries through its comprehensive strategy and 2012-2020 operational plan for least developed countries, which include a focus on employment in various sectors. UNIDO also launched *Agribusiness for Africa's Prosperity* in 2011 as part of an advocacy campaign to build the case for agribusiness development as a path to prosperity in Africa.

77. As part of the preparatory activities for Rio+20, consultations were held at ESCWA with stakeholders to reach a harmonized position and an appropriate path for the region to achieve a greener economy. Consultations were conducted in such areas as green jobs, green finance, green industries and biodiversity strategies.

78. The ECLAC office in Brasilia participated in the technical committee that advises the federal Government programme "Brasil sem Miséria" (Brazil without Poverty) which is aimed at eliminating extreme poverty by complementing the income transfer programme "Bolsa Família" (Family Allowance).

E. Promoting social protection

79. The United Nations system continued to emphasize social protection in its poverty reduction efforts.

80. The Report of the Social Protection Floor Advisory Group entitled *Social protection floor for a fair and inclusive globalization*²² demonstrated that a social protection floor is based on the idea that everyone should enjoy basic income security, guaranteed through social transfers, and universal access to essential services, including health, education and food security, and other services defined according to national priorities. The report showed that the extension of social protection can play a pivotal role in relieving people of poverty and deprivation. In addition, it can help people to adapt their skills to overcome the constraints that block their full participation in a changing economic and social environment, thereby contributing to improved human capital development and stimulating greater productive activity. The report also showed how social protection has helped to stabilize aggregate demand in times of crisis and increase resilience against economic shocks.

81. IMF and ILO collaboration under the Social Protection Floor Initiative was piloted in three countries (El Salvador, Mozambique and Viet Nam); the results were presented in the above-mentioned report on social protection floors and in a preliminary report prepared by ILO and IMF for the meeting of the Labour and Employment Ministers of the Group of Twenty (G-20) in May 2012 in Mexico. IMF also worked with the United Nations Children's Fund (UNICEF) on issues pertaining to fiscal space and social policy, which involved dialogue and information-sharing at the headquarters level in 13 pilot countries, and on enhanced collaboration in assessing countries' use of fiscal space to better target policies that promote pro-poor economic growth and reduce poverty.

82. UNDP worked on social protection schemes in 50 countries to ensure the inclusion of women, young people and vulnerable groups. Through its International Policy Centre for Inclusive Growth, UNDP worked on developing knowledge products relating to social protection schemes and on conducting evaluations of such programmes worldwide.

IV. Conclusion and recommendations

83. **The extended consequences of the global financial and economic crisis continue to have an impact on employment and decent work, particularly with respect to youth, and further aggravate poverty and inequality. Urgent policy action is needed to move macroeconomic and social policies away from austerity measures in order to promote job creation, decent work and the expansion of social protection schemes. Without basic social protection, countries cannot maintain progress in poverty reduction and ensure an economic recovery that is also socially sustainable. It is also imperative to address the acute youth employment crisis through effective policy measures**

²² Available from http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_165750/lang--en/index.htm.

and to tackle the persistent challenge of rural poverty through a decent-work-centred approach.

84. The Second United Nations Decade for the Eradication of Poverty (2008-2017) provides an important framework for action to enhance coherence among the activities of the United Nations system to eradicate poverty, in particular through the promotion of full employment and decent work for all, and support for the integrated follow-up to the implementation of the internationally agreed development goals. The plan of action for the Second Decade provides an important instrument through which Member States and the United Nations system can effectively address the global priority of employment and decent work for poverty eradication.

85. The General Assembly may wish to consider the following recommendations:

(a) Encourage Member States to accelerate their efforts to eradicate poverty and promote empowerment of the poor and the vulnerable by, inter alia, devising policies to improve productive capacity, supporting the creation of productive employment and decent work for all, and social protection;

(b) Given that the creation of full and productive employment and decent work for all should be at the centre of a policy framework for inclusive and sustainable development, encourage Member States to give priority, in their development strategies, to creating decent and productive jobs, in particular for young people, and to implementing employment policies and programmes that address the quality of employment, including for young people and other vulnerable groups through, inter alia, active labour market policies and adequate labour protection;

(c) Recognizing that universal access to basic social protection can make an important contribution to reducing poverty and inequality and to sustaining inclusive and equitable growth, urge Member States to consider establishing nationally defined social protection floors;

(d) Acknowledging the negative impact of inequalities on poverty eradication efforts, encourage Member States to give priority to reducing inequalities, including by improving access to quality education, health care and social protection;

(e) Concerned about the persistence of poverty in rural areas, encourage Member States to promote rural development policies to increase investment and productivity and promote employment opportunities;

(f) Given that employment, decent work and social protection should be more prominent in the post-2015 development agenda and that the Second United Nations Decade for the Eradication of Poverty (2008-2017) could contribute to that process through dialogue and partnership, the relevant organizations of the United Nations system should continue to give priority to implementing the system-wide plan of action for the Second Decade, in collaboration with Member States and all other stakeholders.