



Decent work and poverty reduction: an analysis of the ILO's World Employment Social Outlook

by Maria Luigia Pisani

World deficit of employment and lack of decent work in different countries are threatening the goal of reducing poverty fixed by the Agenda for Sustainable Development and all the achievements accomplished in the last decades. This is the main alarm that the International Labor Organization (ILO) sets off with its [World Employment Social Outlook](#) (WESO) report.

Despite of all efforts and many accomplished results, poverty is still widespread and affects different countries. According the WESO, 36% of the population of emerging and developing countries live in extreme poverty. Defying poverty is not easy, any country has its own standards and parameters to estimate how many people live in poverty, under a certain threshold and with few possibilities to accede to welfare, education and health care. Worryingly, **the rate of poverty is rising in developed countries as well, as a result of the recent economic crisis in Europe and North America.**

Development and economic growth are desirable in any place and for all social groups. Indeed "Poverty constitutes a threat to prosperity anywhere" (Declaration of Philadelphia, 1944). In order to achieve this goal, economic growth should be broad-based. **The WESO report examines how decent work can contribute to the goal of ending poverty and the need to implement the foundations of a right-based approach to poverty reduction.** The report stresses how decent work policies need to be well designed and adapted to each country's circumstances in order to tackle poverty and be effective in ending poverty.

It is esteemed that in developing and emerging countries one third of poor or extremely poor people have a job. However, these jobs are vulnerable, as there is no tools to overcome ~~their~~ poverty and be protected in social and economic terms. Women and children appear to be those affected by poverty disproportionately. They are running into many difficulties such as job insecurity, low skilled jobs and working off the records. This is also deeply hindering the asset of societies: birth rates are low and even in developed countries women are not provided with social services to work and support their families at the same time. They often have to choose between work and their family. Economies are badly affected by this as well, since young workers and women can increase productivity and output of the companies they work for, providing creativity, innovation, flexibility and quality. They should be part of the labor evolution and in new sectors to get the right expertise and be protagonists of the ongoing change.

In this sense, **the improvement and the revolution of decent work is the main step to tackle poverty and achieve the final goal,** by providing poor people with the necessary tools to reduce structural obstacles which impede quality employment and poverty reduction.

If this patchy and fragile progress keeps going on, poor people may completely miss out on the technological revolution shaping today's societies. This is a huge challenge for any government and any country whose labor market can possibly exclude all the performances and output of those people not included in legal and high skilled jobs.

The WESO report highlights how little is done to include new forms of smart work in local economies, excluding poor people from growing (potential) high-income sectors and it also stresses how many structural obstacles have hindered the pace of poverty reduction. The poor and vulnerable groups need to be able to benefit from those opportunities in the way that suits their aspirations and needs the best. At the same time, the neglect of policy-makers towards sectors such as agriculture has to be avoided. **Raising the productivity of independent smallholder farmers is a key policy lever in tackling the issue of poverty reduction and requires a range of interventions, including research and development.** This is the way to create or improve connections between agriculture and the rest of economy and between traditional sectors and new emerging ones.

The second obstacle is the lack of or the inappropriate rights of poor people; welfare and social policies should defend poor people, giving them the opportunity to avoid jobs violating their rights and their dignity. The aim of the WESO report is to highlight the importance of adequate funding of poverty alleviation strategies. **Strengthening work's rights and ensuring that trade unions and trade organizations can protect the poor.** Poor workers should have the possibility to refuse unacceptable jobs, stressing the international laws of work and social protection.

Decent work can even improve the tax base: for instance, formalizing the informal economy can usefully broaden the tax base. In Latin America, the introduction of a simplified tax collection scheme has proved to be an effective instrument to promote the formalization of micro or small business.

There can't be one definitive solution to poverty. The ILO highlight that every country and each economy has different characteristics and the complexity of the topic is huge. According the report, **of course, tackling low productivity which is at the base of poverty can be the solution: policies should guarantee different productivities and face traps of low productivity.** This means that job insecurity should be contrasted; **investments in skills and underdeveloped sectors, in particular agriculture and rural economies, are the main goal to achieve.**

Considering the high rate of poverty among children and young people, **another smart solution can be the combination of education and work**: a sort of apprenticeship, in order to provide these youths with an education, but, at the same time, allow them to learn a job, which is essential in order to have a source of income and be productive. This can be another useful, affordable and complementary solution to those already suggested by the WESO.

The ILO can be involved in the achievement of these important aims, to promote the sustainable development and decent work settled both in emerging, developing and developed countries. Until the set-up of economies is not updated and new sectors and professions are not included and disciplined by governments and adequate policies, many countries will lose many opportunities to increase gains and to reduce poverty. Enterprise development, employment programs, social protection and social dialogue can successfully contribute to ending poverty. Policies enhancing decent work opportunities are currently reducing poverty.

One of the main measures to be taken is the **informal economy's tackle**, to contrast all those jobs not regulated by laws. In emerging and developing countries more than the half of the labor force is included into informal economy. In those countries many women work precariously. The informal work is low productive and low paid, without any guarantee of security. **Helping workers to go out from the informal work is unavoidable to improve economies.** This implies good strategies to rise up the level of expertisement and skills of workers, better laws and its applications and the improvement of welfare.

Acknowledgement and skills are the core of the economic growth. The ILO is working in different countries and on different sectors, it has already achieved many positive results and successful experiences. It is supporting policies and programs with the intent of integrating disadvantaged groups of people in the labor market. If people do not understand their own productive potential, they can't be set free from informal, unpaid and unethical jobs. Without this first, essential step there won't be any further improvement to reduce and eliminate poverty that is not only meant in economic terms, but also as lack of humanity and morals.

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