

**Contribution to ECOSOC Annual Ministerial Review - Global Preparatory Meeting
“Promoting Inclusive Growth with Jobs”
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Introduction

The MDG targets to reduce unemployment globally are unlikely to be met by 2015. Between 1990 and 2011, the employment-to-population ratio fell from 62% to 60% per cent. Although the share of the working poor globally declined by 5% between 2007 and 2011, the number of workers living below \$2 (PPP) per day is about 910 million. There are an estimated 1.5 billion own-account and contributing family workers (in vulnerable employment). In most developing countries, labour force growth and rapid urbanization are pushing employment into low-productivity service sectors. New entrants to the labour market often take up low

Six, globalization, such as trade-in-tasks, imply developed economies are entering high skill 'knowledge sectors'. But, education and training schemes are not keeping up with the demand.³ In some developing countries deindustrialization is damaging the employment-intensive sectors. The transition costs due to globalisation are high. There are also short-term negative impacts such as informalization of labour.⁴

What are the impacts of joblessness?

Often, low-income households have labour as their only asset. An economic system that is not intensive in low-income labour is therefore not poverty and inequality reducing. The following are the likely outcomes:

1. **Deterioration in human development and impeded achievement of MDGs:** Income losses from unemployment or poverty wages lead to poor nutritional intake. Added to the mental trauma caused by joblessness, spending by households on healthcare care often declines. Children drop out of school to supplement household income. Parents are unable to afford school fees and uniforms. Depletion of household assets aggravates long-term poverty and vulnerability to shocks.⁵
2. **Curtailed industrial development:** falling share of labour in national income means inequality and consequently low consumption demand and growth. Under unequal

Fostering entrepreneurship:

2. **Georgia:** Transition and liberalization of the economy resulted in loss of public sector jobs. Many people lacked the skills demanded by the emerging private sector or start their