SERVICES TRADE, JOBS AND SUSTAINABLE DEVELOPMENT

SESSION 1

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Services, services trade and jobs: Inclusive development and post-2015 sustainable development goals

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Growing services sector share in global employment

Sectoral decomposition of global employment, 1995-2013 (%)

Accelerated participation of developing economies in services trade

Services trade as percentage of GDP, 2005-2012 (%)

More and more workers are working in GSC-related jobs.

Number and share of jobs associated with GSCs, 1995-2011

Source: ILO Research Department based on WIOD.
Many of newly created GSCs-related jobs are in services sector.

Change in number and share of GSC-related jobs by sector, 2000-13

a. Change in number (millions)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Emerging economies</th>
<th>Advanced economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>-5</td>
<td>0</td>
</tr>
<tr>
<td>Industry: manu.</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Industry: non-m.</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Services</td>
<td>25</td>
<td>20</td>
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b. Change in share in total jobs (% points)

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Varying performance of services sub-sectors in job creation

Change in share of services jobs by sub-sector, 2000-11 (% points)

Employment along the GSCs

- Poor job security in GSCs
- Stable wages despite increased productivity
- Poor working conditions

→ Need for policies for better work
Productivity and wages in GSCs

Estimated impacts of GSC participation on productivity and wages
Forward Participation (supplier firm perspective)

Panel A: Productivity

Panel B: Wages

Source: ILO Research Department based on OECD TiVA database and WIOD.
Decent work and sustainable development

- **Goal 1**: End poverty in all its forms everywhere
- **Goal 2**: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
- **Goal 3**: Ensure healthy lives and promote well-being for all at all ages
- **Goal 4**: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all
- **Goal 5**: Achieve gender equality and empower all women and girls
- **Goal 6**: Ensure availability and sustainable management of water and sanitation for all
- **Goal 7**: Ensure access to affordable, reliable, sustainable, and modern energy for all

**Goal 8**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- **Goal 9**: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **Goal 10**: Reduce inequality within and among countries
- **Goal 11**: Make cities and human settlements inclusive, safe, resilient and sustainable
- **Goal 12**: Ensure sustainable consumption and production patterns
- **Goal 13**: Take urgent action to combat climate change and its impacts
ILO: Decent work, trade and sustainable development

- ILO Declaration on Social Justice for a Fair Globalization (2008):
  - Decent work for sustainable development in the context of globalization
  - Decent work as a response to the challenges of globalization
- ILO Declaration on MNE (1977)
  - Contribution of MNEs to social progress
- Decent Work Agenda
  - Promoting social and economic advancement through decent work
  - Support for countries in the multilateral system
Key policies areas

• Better protection of workers in GSCs
  • Broad-based social protection
  • Protecting worker’s rights
  • Education and training for mobility

• Broad based macro policies
  • Linking wages and working conditions to increased productivity
  • Diversification of domestic and export markets
  • Trade and investment policies

• Facilitating transitions to formal employment
  • Simpler procedures for registration
  • Lower taxes for SMEs

• Increasing compliance
Achieving decent work in GSC

- Corporate Social Responsibility: voluntary basis
- Social dialogue for better links between economic and social benefits in GSCs
  - The ILO Better Work Programme
  - The Bangladesh Accord on Fire and Building Safety