

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**UNCTAD**



**MULTI-YEAR EXPERT MEETING ON TRADE, SERVICES AND DEVELOPMENT**

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# **SERVICES TRADE, JOBS AND SUSTAINABLE DEVELOPMENT**

SESSION 1



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Mr. Raymond Torres  
Director

Research Department of the International Labour Organization

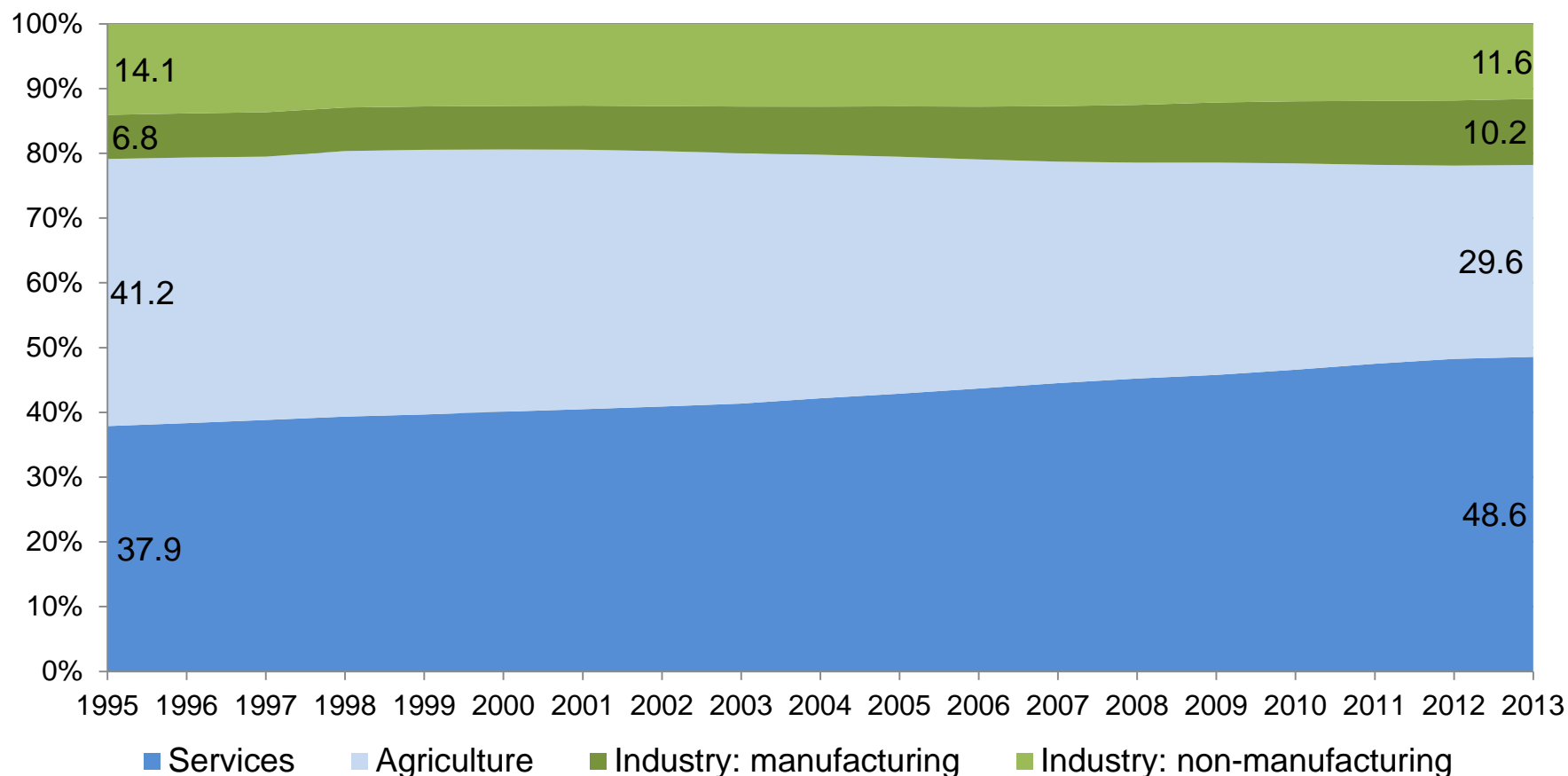
# Services, services trade and jobs: Inclusive development and post-2015 sustainable development goals

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Raymond Torres, Director, ILO Research Department

# Growing services sector share in global employment

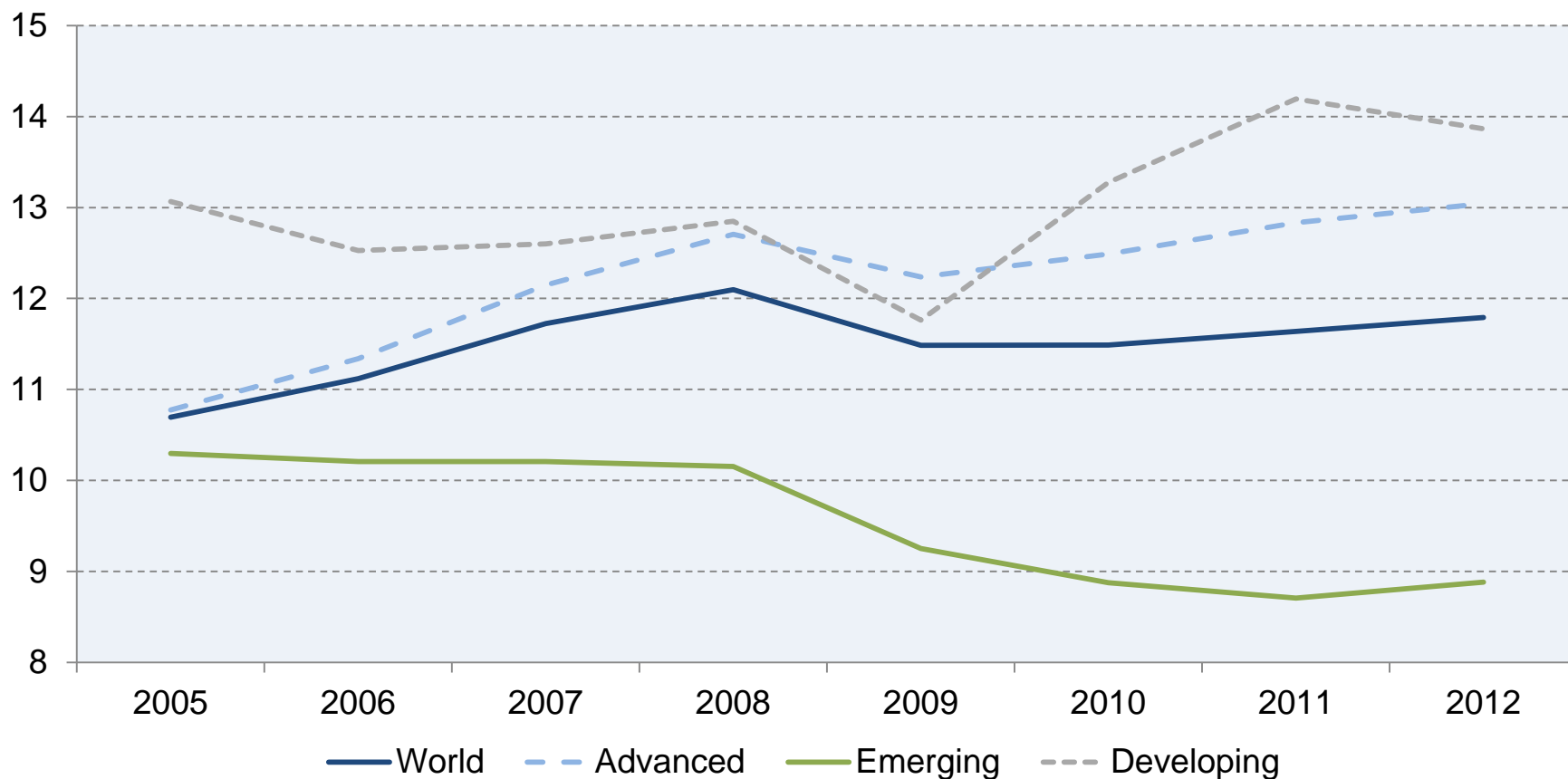
Sectoral decomposition of global employment, 1995-2013 (%)



Source: ILO, Trends Econometric Models, October 2014.

# Accelerated participation of developing economies in services trade

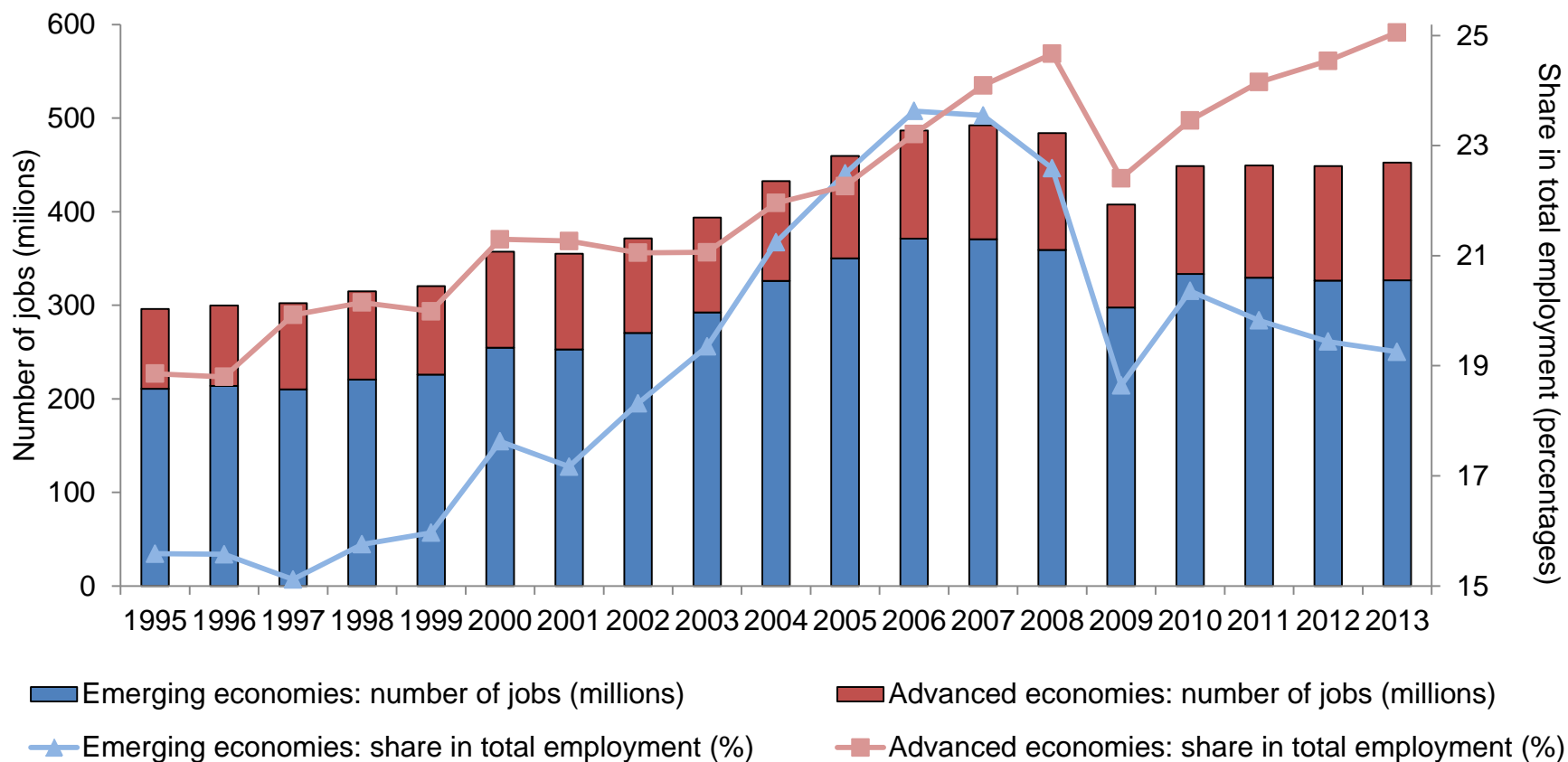
Services trade as percentage of GDP, 2005-2012 (%)



Source: World Bank.

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

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

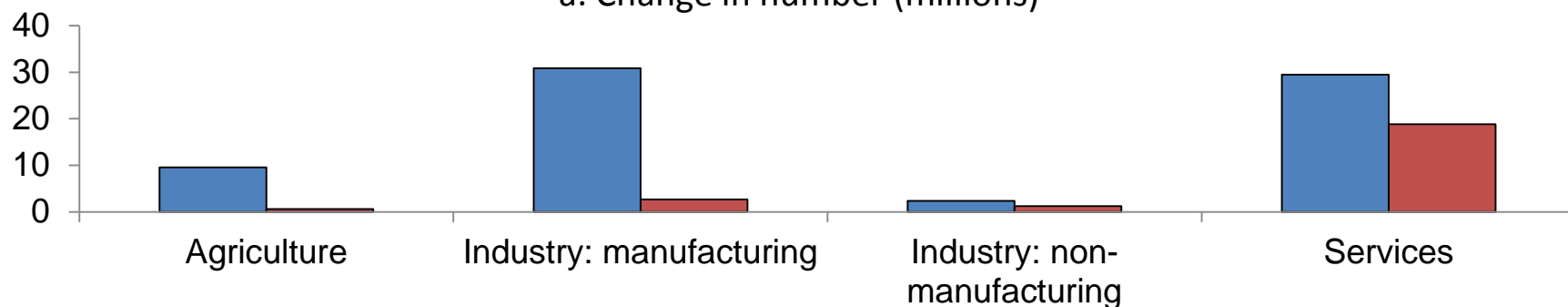


Source: ILO Research Department based on WIOD.

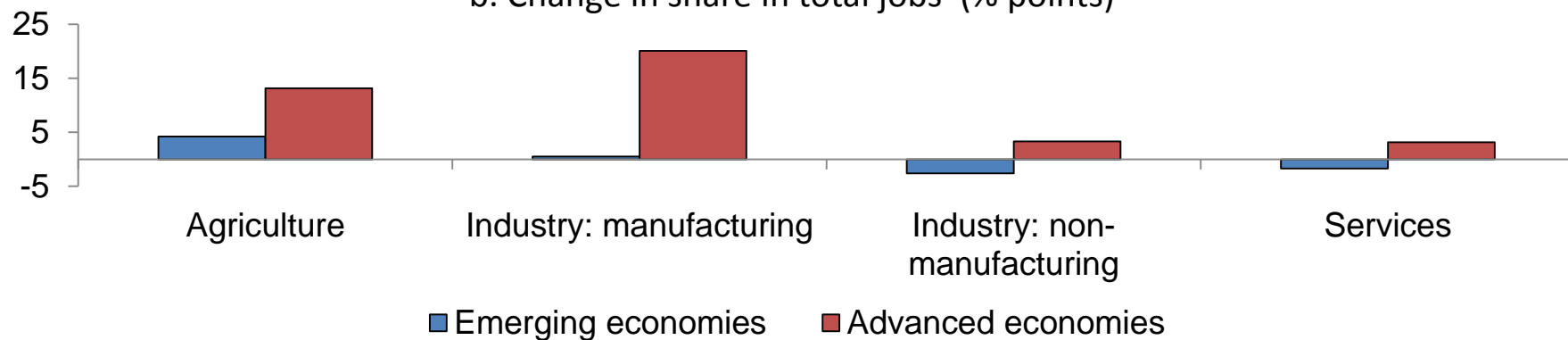
# Many of newly created GSCs-related jobs are in services sector.

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

a. Change in number (millions)



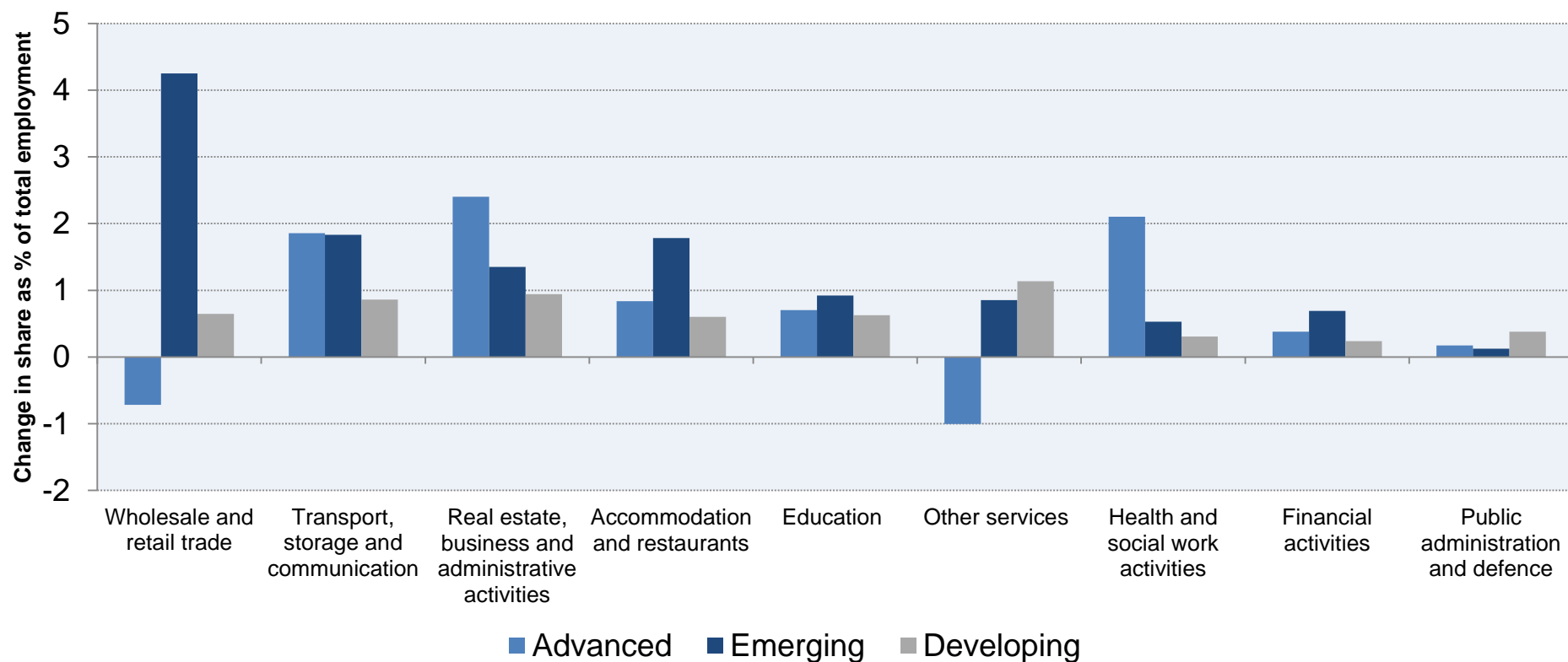
b. Change in share in total jobs (% points)



Source: ILO Research Department based on WIOD and ILO, Trends Econometric Models, October 2014.

# Varying performance of services sub-sectors in job creation

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



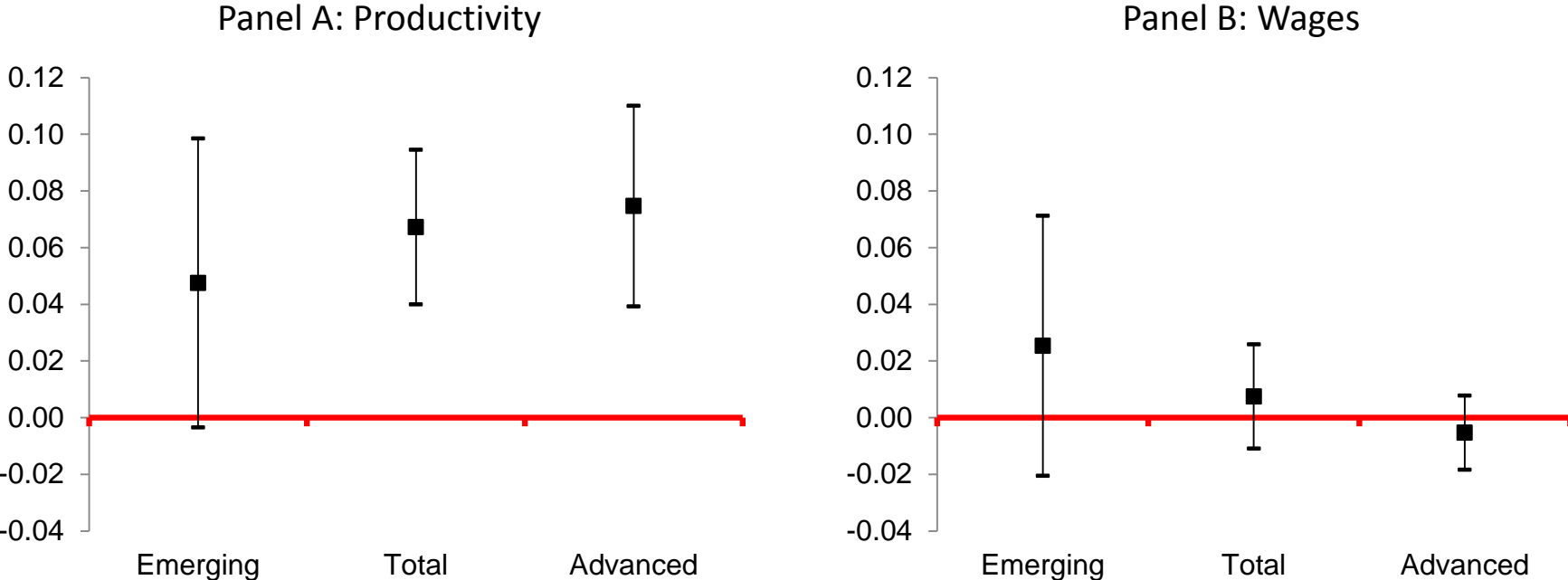
# Employment along the GSCs

- 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)



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