

23 May 2014

High-Level Meeting of the General Assembly "Achieving poverty eradication through full employment and decent work for all in the post-2015 development agenda"

A High-Level Meeting of the General Assembly "Achieving poverty eradication through full employment and decent work for all in the post-2015 development agenda" will be convened on the 23rd of May 2014.

The event is mandated by operative paragraph 25 of the General Assembly Resolution 68/226 entitled "Second United Nations Decade for the Eradication of Poverty (2008–2017)". This High-level Meeting will aim at contributing to preparations for the elaboration of the post-2015 development agenda with a particular focus on poverty eradication and employment and decent work for all.

The format of the High-Level Meeting will consist of a morning plenary meeting followed in the afternoon by one high-level interactive, multi-stakeholder, panel discussion and a closing segment.



THE PRESIDENT
OF THE
GENERAL ASSEMBLY

24 April, 2014

Excellency,

Operative paragraph 25 of resolution 68/226 entitled "Second United Nations Decade for the Eradication of Poverty (2008–2017)" calls for the General Assembly "to convene at its sixty-eighth session a meeting of the General Assembly, at the highest appropriate political level, centred on the review process devoted to the theme relating to the issue of poverty eradication".

In this regard, I am pleased to inform that, in accordance with the aforementioned resolution, I will convene, on 23 May, a High-level Meeting of the General Assembly, the theme for which will be: "Achieving poverty eradication through full employment and decent work for all in the Post-2015 Development Agenda".

The High-level Meeting will consist of a morning plenary segment followed, in the afternoon, by one high-level, interactive, multi-stakeholder panel discussion, and a closing segment. The outcome will be a summary of the meeting that will subsequently be made available to Member States.

A Concept Note for this High-level Meeting is attached. A Programme and additional information will be made available in due course.

I extend an invitation to all Member States and Permanent Observers to be represented at the highest level possible, and I look forward to an active and forward-looking debate.

Please accept, Excellency, the assurances of my highest consideration.

A handwritten signature in black ink, reading "John W. Ashe".

John W. Ashe

To all Permanent Representatives
And Permanent Observers to the
United Nations

Draft Concept note

High-Level Meeting of the General Assembly “Achieving poverty eradication through full employment and decent work for all in the post-2015 development agenda”

New York, 23 May 2014

Background

The General Assembly resolution 68/226 entitled "Second United Nations Decade for the Eradication of Poverty (2008–2017)" calls "to convene at its sixty-eighth session a meeting of the General Assembly, at the highest appropriate political level, centred on the review process devoted to the theme relating to the issue of poverty eradication".

Eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development, in particular for developing countries. This imperative is reflected in the Millennium Development Goal to halve global extreme poverty by 2015.

The Second United Nations Decade for the Eradication of Poverty (2008–2017) proclaimed in 2007 through resolution 62/205 aims to support the efforts to achieve this goal. The theme of the decade "Full employment and decent work for all" aims to provide an important framework for action to enhance coherence among the activities of the United Nations system to eradicate poverty, particularly through promoting full employment and decent work for all, and support of the integrated follow-up to the implementation of the internationally agreed development goals. In this respect, the UN system-wide Plan of action for the implementation of the Second Decade continues to play an important role in ensuring coherence among the United Nations entities.

In the Rio+20 outcome document "The Future we want" (resolution A/66/288*), Member States recognized that "poverty eradication, full and productive employment and decent work for all, and social integration and protection are interrelated and mutually reinforcing, and that enabling environments to promote these need to be created at all levels."

The outcome document of the special event to follow up efforts made towards achieving the Millennium Development Goals (resolution 68/6), held in September 2013, underscored the central imperative of poverty eradication in the post-2015 development agenda and recognized the linkages between poverty eradication and promotion of sustainable development, and the need for a coherent approach that integrates in a balanced manner the three dimensions of sustainable development.

Poverty

The MDGs have been successful at reducing extreme poverty in the world. Poverty rates have been halved at the global level, and around 700 million fewer people lived in

conditions of extreme poverty in 2010 than in 1990.¹ The new World Bank estimates confirm that the MDG target on poverty has been achieved at the global level, five years before the target date.

Despite significant achievements regarding poverty reduction, poverty remains high and persistent in many parts of the world. Around 1.2 billion people are still living in extreme poverty, most of them in sub-Saharan Africa and South Asia. The World Bank projects that, by 2015, about 970 million people will still be living in extreme poverty, and these two regions will each be home to around 40 per cent of the of the developing world population living in extreme poverty.²

The employment and social protection challenge

High unemployment and rising inequalities continue to remain among key challenges for many countries in eradicating poverty. These challenges are exasperated by the slow and uneven recovery of the global economy.

Employment and decent work are the key routes out of poverty as well as an important concern for sustainable development. The global crisis and the weakening of the global recovery have impacted the employment situation.

The recent ILO estimates indicated that nearly 202 million people were unemployed in 2013 around the world, an increase of 5 million compared to 2012. The global crisis has widened the jobs gap by 62 million people in 2013, including 32 million additional job seekers. If the current trends continue, the global unemployment may increase by 13 million people by 2018. Young people are affected disproportionately – some 74.5million were unemployed in 2013; almost 1 million more than in the year before. There are also nearly around 839 million working poor who are unable to lift themselves and their family above US\$2 poverty line. Only 25 per cent of the global population is covered by adequate social protection systems. Around 600 million more jobs are needed over the next fifteen years just to keep unemployment rates at their current level.³

Unemployment is expected to remain at elevated levels for many years, and thus the creation of decent work will continue to be a major challenge for almost all countries well yond 2015.

Little progress has been made in reducing inequality in its various dimensions. Global income inequality remains high, with eight per cent of the world's population earning half the world's income, leaving 92 per cent earning the other half. ⁴ Income inequality among and within countries remains high and within country inequality has been raising in major developed countries as well as many developing countries. Disparities in education, health and other dimensions of human development are large as do inequalities between rural and

¹ The World Bank and International Monetary Fund (IMF) (2013), *2013 Global Monitoring Report: Rural-Urban Dynamics and the Millennium Development Goals*, Washington D.C.

² United Nations, *The Millennium Development Goals Report 2013*.

³ *Global Employment Trends 2014: Risk of a jobless growth?* International Labour Office, Geneva: ILO, 2014

⁴ UNDP, *Humanity Divided: Confronting Inequality in Developing Countries*, 2014

urban areas and among social groups.⁵ The 2013 Human Development Report concludes that the average loss to human development worldwide due to inequality was 23 per cent.

Growing inequality undermines growth, progress towards poverty eradication and social cohesion. Inequality negatively affects the wellbeing of the society at large and makes it harder for people to break the cycle of poverty. The economic crisis and its aftermath have added the urgency to address inequality as a development challenge. Social protection floors that prevent people becoming trapped in poverty are critical. Social protection keeps about 150 million people around the world from falling into extreme poverty, and on average reduces poverty in the developing world by about 45 per cent.

Environmental threats are another serious risk to poverty reduction. Poor countries and communities are particularly vulnerable to climate change, degradation of ecosystems and natural disasters. Poor people experience the severe implications of a polluted environment and lack of clean water and sanitation, and this affects their health negatively. At the same time, poverty and inequality render it much more difficult to implement changes in consumption and production patterns that are need to ensure environmental sustainability.

Post- 2015 development agenda

Achieving sustainable development requires global actions. The need for transformative approaches that address poverty and employment and decent work are central for the elaboration of the post-2015 development agenda.

Discussions currently undertaken in the Open Working Group on Sustainable Development Goals reveal that the eradication of poverty should remain at the core of a transformative development agenda beyond 2015 and have also drawn the attention to the fact that since poverty is multidimensional, progress is linked to action in all other focus areas, including inter alia, employment and decent work for all.

Furthermore, the deliberations in the Open Working Group on Sustainable Development Goals, have also permitted Member States and other relevant actors to identify a number of critical factors that can catalyse international action for achieving the eradication of poverty, these include: eradicating absolute poverty; reducing relative poverty; providing social protection and social protection floors as relevant to reduce vulnerabilities of the poor, including children, youth, the unemployed, migrants, persons with disabilities, indigenous peoples, and older persons; access to property and productive assets, including associated rights, finance and markets for all women and men; addressing inequalities at both national and international levels; pursuing sustained and inclusive economic growth; developing and using evidence-based, high quality, timely, disaggregated data and impartial, internationally established methods for evaluating progress; and appropriate means of implementation.

The General Assembly has therefore the opportunity to increase political commitment and contribute to the deliberations on the post 2015 development agenda by addressing how inclusive, job-rich growth and the expansion of social protection systems be key enablers to reducing poverty and inequality and fostering social cohesion.

⁵ United Nations, *Report on the World Social Situation 2013: Inequality Matters*, 2013.

Objective

The High-Level Meeting of the General Assembly aims to contribute to preparations for the elaboration of a post-2015 development agenda and the ongoing deliberations on the sustainable development goals with a particular focus on poverty eradication and employment and decent work for all. The general theme for the session will be: "Achieving poverty eradication through full employment and decent work for all in the post-2015 development agenda".

Format and outcome

The High-Level Meeting will take place on Friday May 23rd, at the United Nations headquarters; its format will consist in a half-day plenary session of the Assembly followed in the afternoon by one high-level interactive, multi-stakeholder, panel discussion and a closing segment.

The outcome will be a summary of the meeting that will subsequently be made available to member States.

Guiding questions

To help participants focus their interventions, the following guiding questions are advanced for their consideration:

1-How has the experience of the Millennium Development Goals contributed to the coordination of the international support for the eradication of poverty and to that end, what are the lessons to draw for the post-2015 development agenda?

2-What transformative changes are needed to ensure the objective of poverty eradication is achieved?

3-What kind of transformative changes are needed to ensure that the objective of poverty eradication and full employment and decent work for all is achieved?

4-What policies have been effective in promoting decent work? How can the post-2015 development agenda promote:

- More inclusive, equitable and sustainable socio-economic approaches to eradicate poverty and inequality?
- Access to quality education, health care and extension of social protection floors?
- Access to full and productive employment and decent work for all?

High-Level Meeting of the General Assembly
“Achieving poverty eradication through full employment and decent work for all in the post-2015 development agenda”
23 May 2014, Trusteeship Council Chamber

Time	Session
10:00 a.m. – 10:15 a.m.	<p>Opening of the meeting of the General Assembly</p> <p>Statement by H.E. Mr. John W. Ashe, President of the General Assembly</p>
10:15 a.m. – 1:00 p.m.	<p>General Debate* (upon inscription by Member States in the list of speakers)</p>
3:00 p.m. – 17:30 p.m.	<p>Panel Discussion:</p> <p>Topic: “Achieving poverty eradication through full employment and decent work for all in the post-2015 development agenda”</p> <p>Moderator: H.E. Ms. Marjon V. Kamara, Ambassador and Permanent Representative of Liberia</p> <p>Panellists:</p> <p>Hon. Errol McLeod, Minister of Labour and Small and Micro Enterprise Development, Trinidad and Tobago</p> <p>Dr. Sebastián Etchemendy, Ministry of Labour, Employment and Social Security, Argentina</p> <p>Mr. Aeneas Chapinga Chuma, Assistant Director-General and Regional Director for Africa, International Labour Organization (ILO)</p> <p>Mr. Andrew Shepherd, Director, Chronic Poverty Advisory Network, Overseas Development Institute (ODI)</p> <p>Discussants:</p> <p>Ms. Louise Kantrow, International Chamber of Commerce Permanent Representative to the UN</p> <p>Ms. Fay Lyle, Senior Worker Rights Specialist, Solidarity Centre</p>
17:30 p.m. – 18:00 p.m.	<p>Closing segment</p> <p>Statement by H.E. Mr. John W. Ashe, President of the General Assembly</p> <p>Statement by H.E. Mr. Ban Ki-moon, Secretary-General of the United Nations</p>



Achieving Poverty Eradication through Full Employment and Decent Work for All in the Post 2015 Development Agenda

High-Level Panel Discussion on Achieving Poverty Eradication through Full Employment and Decent Work for All in the Post-2015 Development Agenda

23rd May, New-York

Mr. Aeneas Chapinga Chuma, Assistant Director-General and Regional Director for Africa, International Labour Organization



Recent Developments

-Sustained Economic Growth

-Demographic dividend

-Endowments

-No dependent on technology preference

-From Aid to Trade

Challenges

-Sustained Economic Growth

But jobless, non-inclusive, growth

-Demographic dividend

But still in a youth bulge situation

-Endowments

But no transformation or value addition

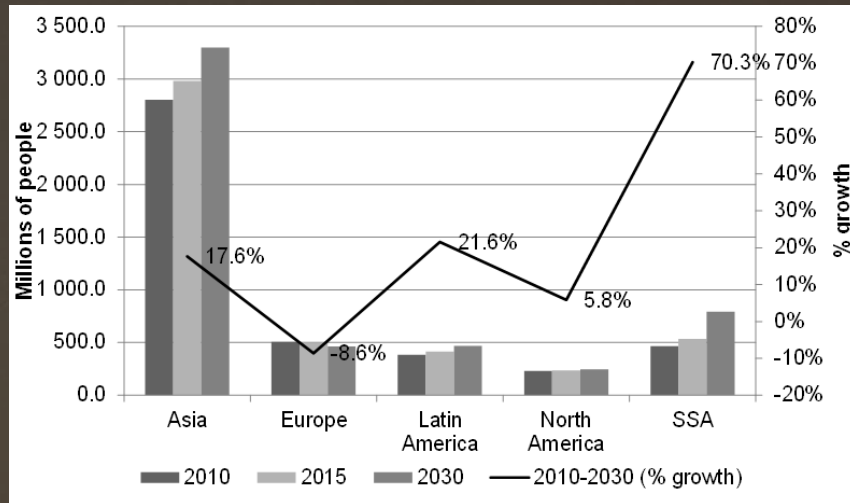
-No dependent on technology preference

But minimal investment on technology development, and R&D

-From Aid to Trade

But with a persistent financing gap

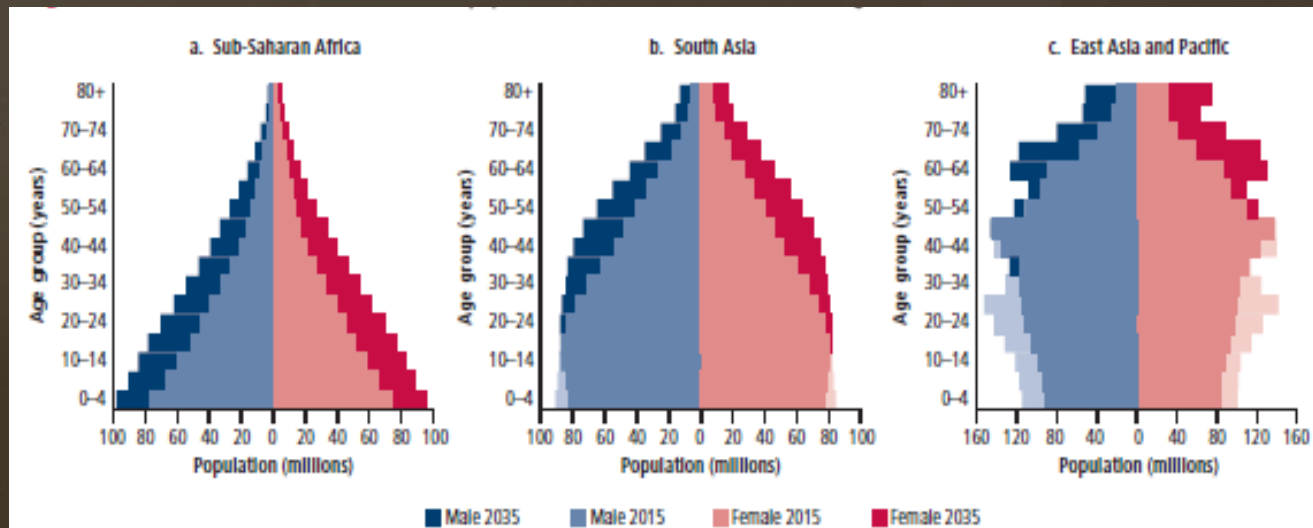
Narrative 1: Africa's youth bulge is a recipe for demographic dividend



Source: H. Borat, 2014.

Africa is undertaking an unprecedented demographic transition.

Sub-Saharan Africa's share in the world's working age population is expected to increase from 12% in 2010 to 16% in 2030. Each year between 2015 and 2035, a new cohort of half a million 15-year-old Africans will be added to the current demographic count.



Source: WB, 2014, based on UNWPP 2011.

By 2015, Sub-Saharan Africa will have 193 million people aged between 15 to 24, and by 2035 this figure is projected to increase to 295 million, to then become 362 million by 2050.

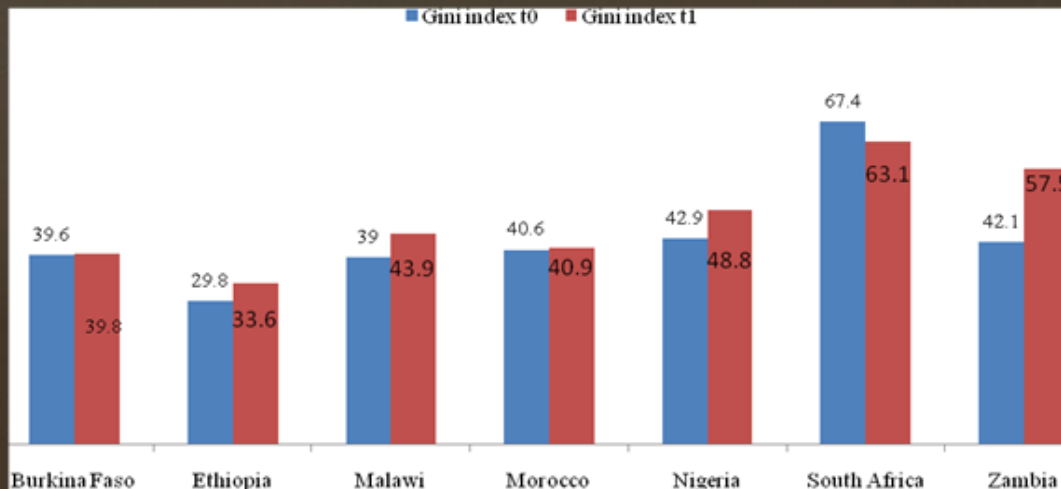
Narrative 2: Africa's recent economic growth will reduce poverty and boost equality

Annual Employment Growth in Sub-Saharan Africa



Source: UNECA, 2014

Trends in the Gini index from 2001 to 2010 in selected African countries



Source: Author, based on KILM 8th Edition's data.

Nearly half of Africans are still in extreme poverty, and this percentage raises to 72% amongst the youth population. Ethiopia, Burundi, Nigeria, Uganda and Zambia have a youth poverty rate of more than 80%.

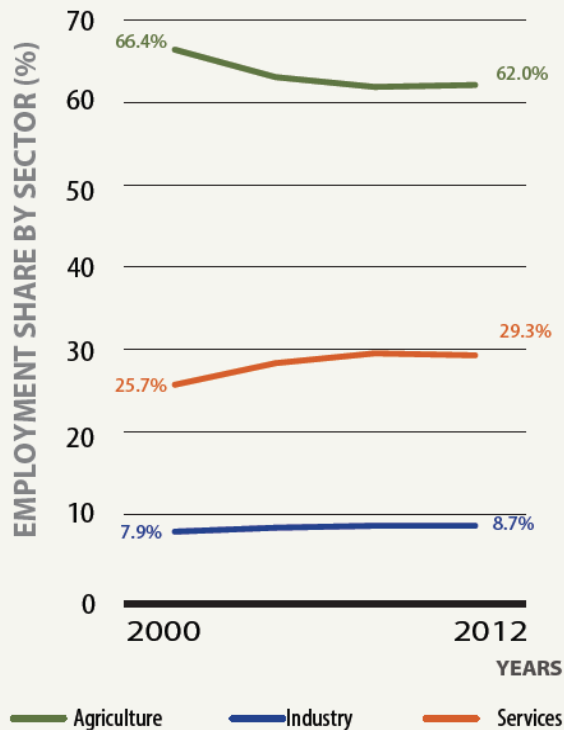
On average, the richest 10% controls from 30% to 53% of GDP; while the poorest 20% counts, on average, for just 5% of GDP.

6 out of the 10 most unequal countries in the world are African, and several among them are fast growing economies.

The number of working poor in Africa systematically increased between the year 2000 and the year 2011, passing from 185,6 millions in 2000, to 210,3 millions in 2011. And the recent global financial crises affected earnings more than employment opportunities in developing countries.

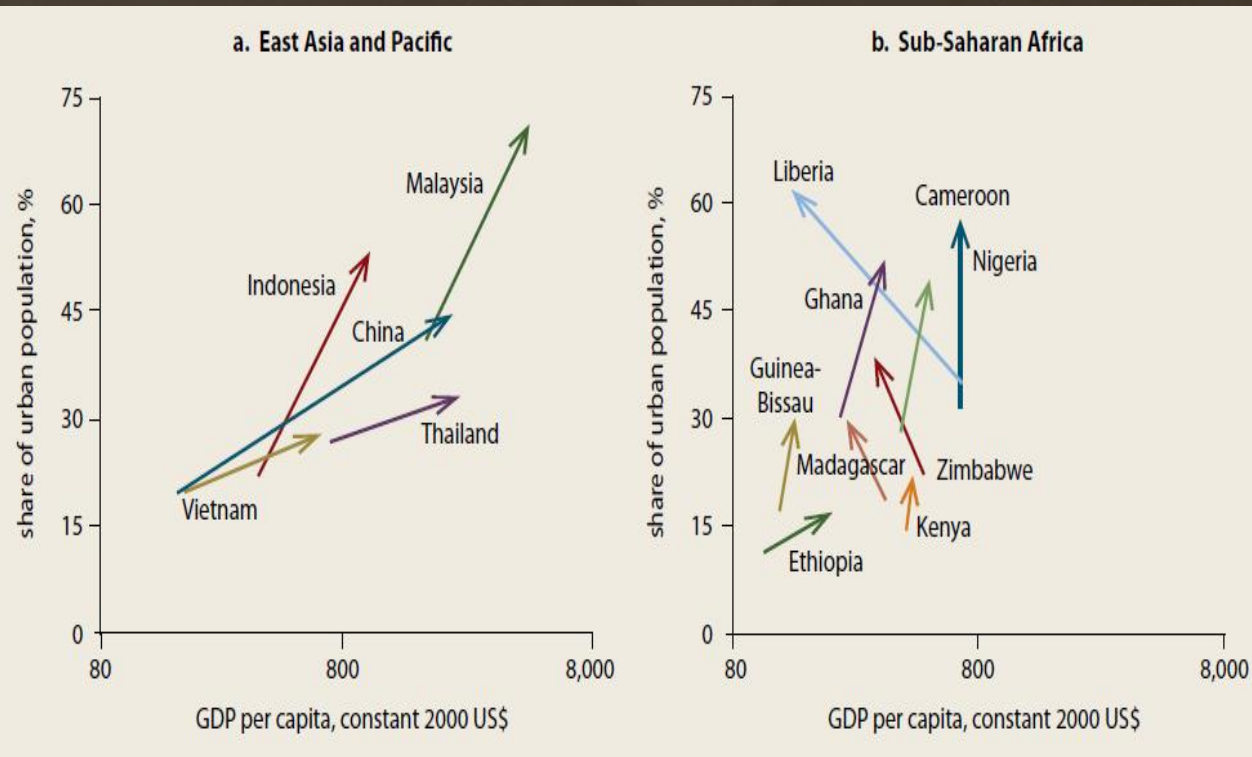
Narrative 3: Structural transformation should happen based on a shift from rural to urban-based industrial activities

Employment share by sector in Sub-Saharan Africa (%)



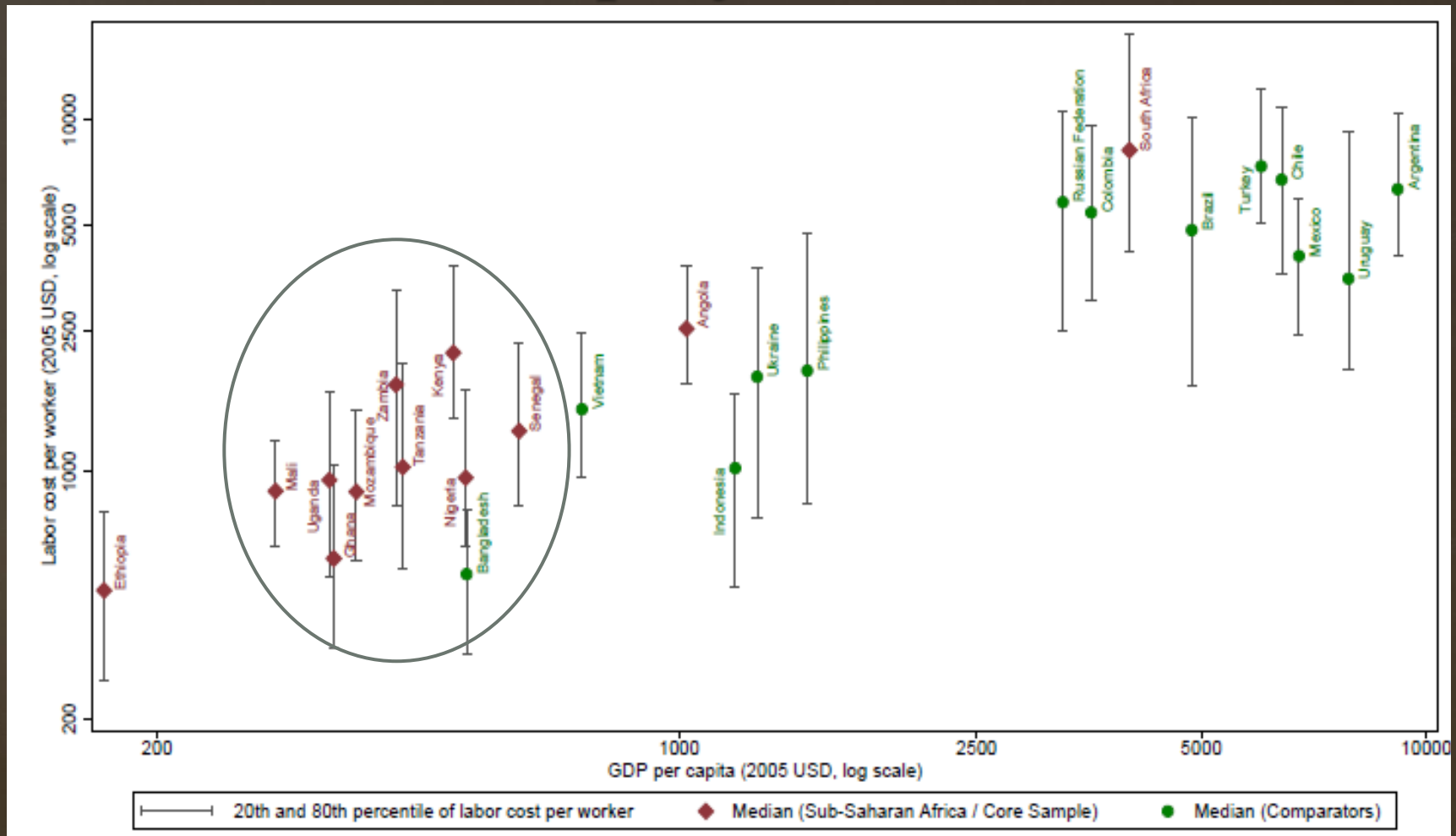
Source: UNECA, 2014

Moving farms to cities does not always bring economic growth



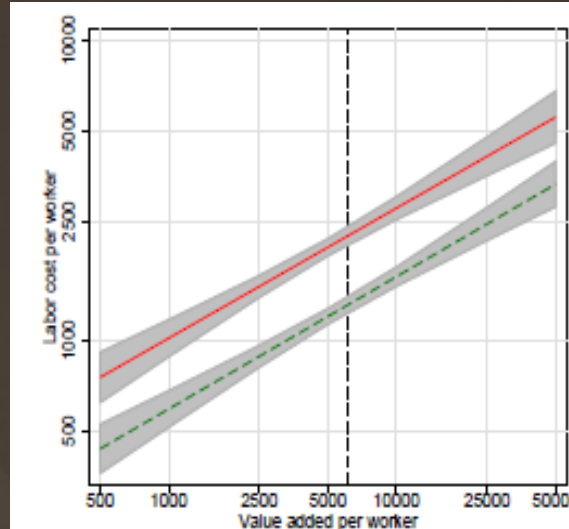
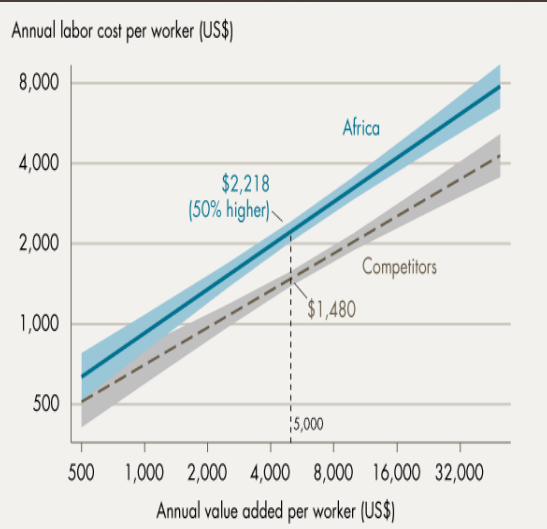
Source: WB, 2013

Narrative 4: African industrial labour costs are cheap given the high rates of un- or under-employment.

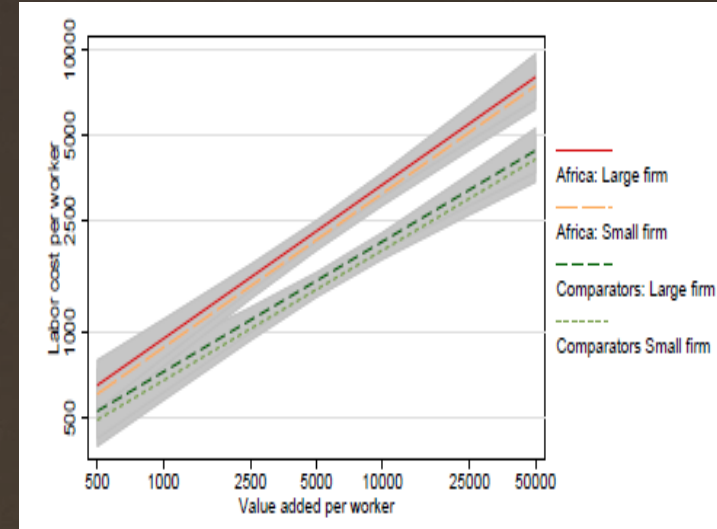


Narrative 3 (cont.)

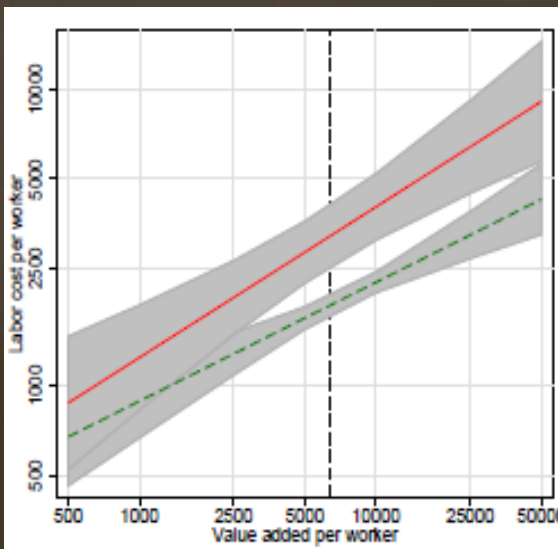
Food Processing



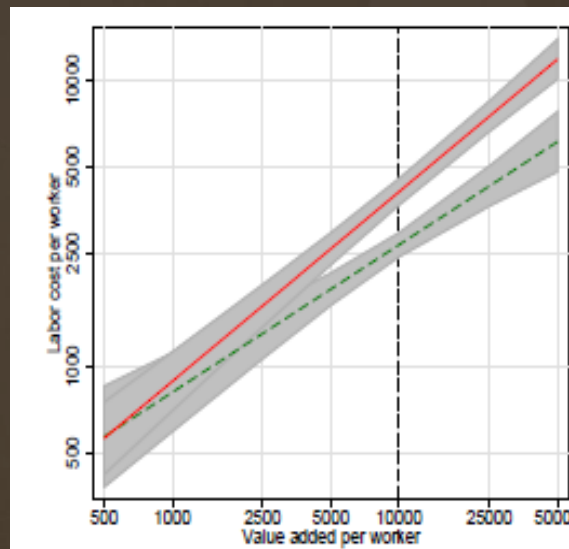
Labour Costs by firms size



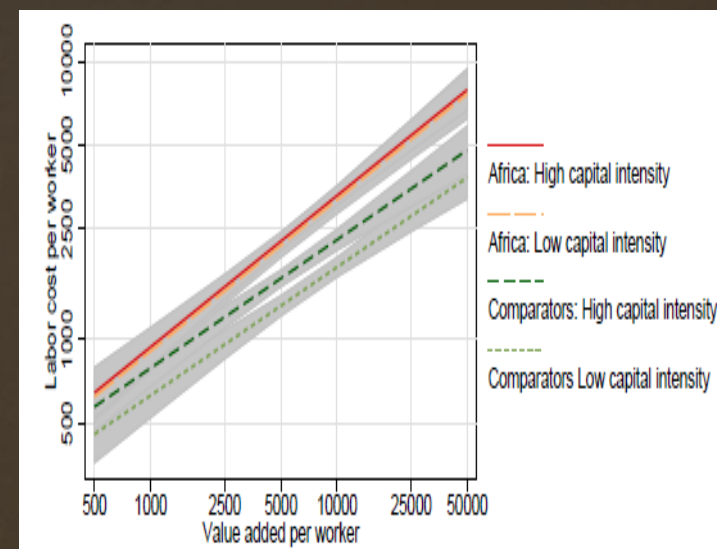
Textile



Fabricated Metals



Labour Costs by level of capital intensity



Key Response Frameworks

- Africa 2063 Vision,
- Ouagadougou+10 Declaration on Employment Creation, Poverty Eradication and Inclusive Growth, and
- Post-2015 Agenda (and its African Common Position).

What is common amongst these frameworks:

- Demand for Decent Work,
- Inclusive Growth (women, youth, vulnerable groups), and
- Structural Transformation (change in business/policy environment and increased productivity).

ILO Response – Decent Work Agenda for Africa

- Micro Enterprise Development, Promoting Cooperatives and Youth/Women Employment Schemes
- Employment Intensive Investment programs
- Skills Development Programs
- Green Jobs
- Expanding Social Protection Floors
- Initiative on Fragile States

Some Key Messages from ILO

A Decent Work for All Goal that includes targets such as:

- Achieve Full and Productive Employment and Decent Work for All
- Sustain Income Growth of the bottom
- Expand Social Protection Systems and Floors
- Expand Youth Employment and enhance Employability Skills
- Promote SME and Entrepreneurship
- Encourage Formalization
- End Child Labour
- Protect the rights of workers (including migrant workers) in compliance with ILO fundamental rights at work

High-Level Meeting of the General Assembly
“Achieving poverty eradication through full employment and decent work for all in the post-2015 development agenda”

23 May 2014
Trusteeship Council Chamber

Remarks by Dr. Louise Kantrow
Permanent Representative of the International Chamber of Commerce to the United Nations

As we transition from a MDG-focused development paradigm towards a Post-2015 Development Agenda where sustainable development and poverty eradication remain the primary objectives, business has a crucial role to play in harnessing the necessary resources and collaborating with countries in addressing impediments to their economic, social, and human development.

Open markets and private enterprise are critical for development. No other human activity matches private enterprise in its ability to assemble people, capital and innovation in order to create productive jobs and produce goods and services profitably. However, with a large and growing population, poverty and unemployment, along with other impediments to social and human development still present, there is need for innovation towards more sustainable methods in addressing these challenges, which business and industry believes are multifaceted including economic, social and environmental concerns.

The business case for development is based on the understanding that business and social values are inextricably linked and business efforts to improve lives and strengthen local communities can also have long-term bottom line benefits.

The very first step to set up an economy for growth and job creation is to get the basic enabling conditions right. The enabling environment for sustainable enterprise development comprises a large array of factors, the relative importance of which may vary at different stages of development and in different cultural and socio-economic contexts. However, there are some basic conditions that are generally considered to be essential.¹ Macroeconomic stability, clear and transparent regulations, and the rule of law, together form the fundamental operating environment within which the private sector makes its decisions to invest and create jobs.²

Promoting sustainable enterprises is about strengthening the rule of law, the institutions and governance systems which nurture enterprises, and encouraging them to operate in a sustainable manner. Business tends to thrive where societies thrive and vice versa. This requires social and economic inclusiveness, as well as equity in the distribution and access to resources. Women’s economic empowerment is crucial for sustainable societies. Fostering social and economic opportunities for disadvantaged groups is particularly important, including the need to support youth. Sustainability also entails confidence in public policies and regulatory frameworks to deliver on the promise of prosperous, stable and equitable societies.

¹ Para 11, *Conclusions concerning the promotion of sustainable enterprises*, International Labor Conference, June 2007

² IFC Jobs Study, *Assessing Private Sector Contributions to Job Creation and Poverty Reduction*, January 2013, Chapter 5, p.43

Private sector job creation is inextricably linked to overall development and poverty reduction, making it crucial to understand how the private sector creates jobs, what obstacles limit job creation, and how those obstacles can be mitigated.³

The solution to the current employment crisis can only come from the private sector. It is thus crucial to understand (i) which types of firms (by size and age) create the most jobs depending on the country and industry context; and (ii) which industries create the most jobs or are the most likely to grow both globally and in a specific country.⁴

The labor market is among the prominent channels through which people interact with the rest of society. In turn, this interaction generates a sense of belonging, of social identity, and of self-esteem or personal satisfaction. This sense of community is an important building block of social cohesion. Every additional job created spreads welfare within society and thus ensures that development is shared and contributed to by all of its members.⁵

In many developing countries the challenge is not unemployment but informality, working poverty or underemployment (working less than desired or below the worker's qualifications). In general, informality, poor governance, and corruption reinforce one another in many developing countries.⁶ A poor investment climate, in the form of cumbersome regulations as well as their weak enforcement, usually results in a large informal sector.

Having a large proportion of economic activities outside the formal sector implies lost tax revenue, which further limits the ability of the government to provide services or shape macroeconomic outcomes through policies (as a large portion of activities are outside the zone of influence of a policy). This undermines the "fiscal-social contract" between the state, business, and citizen, represented by the exchange of regulatory compliance and tax on the one hand and for services and the rule of law on the other, and further undermines democracy and the emergence of effective states. It limits a country's capacity to grow.

The informal sector provides the last-resort opportunities for some to obtain income, skills and experience. There is a much higher concentration of lower skilled workers in the informal economy than intermediate- and higher-skilled workers. Informal jobs tend to be lower in quality, often paying lower wages and lacking labor safeguards. This is due to the fact that informal employers are not bound by labor and other standards to protect workers. Formal firms tend to provide safer working conditions than informal firms. Having proof of employment often brings additional benefits for workers, such as eligibility for loans and leases, and certain social status.

Firms often find that formalizing imposes excessive costs and time and is often not commensurate with the potential benefits, which is why they prefer to operate under the radar screen as informal initiatives. Hence, the informal sector is often a direct outcome of poor

³ P.6

⁴ P.10

⁵ P.5

⁶ P.57

regulatory frameworks. Therefore, any reforms in investment climate that ease regulatory barriers would make it more attractive for firms to formalize.⁷

The promotion of consensus-building through stakeholder dialogue – notably between governments, business and civil society – is vital for designing effective solutions and for implementing them in practice. They create a shared sense of accountability and responsibility. Such multi-stakeholder co-operation may take place for example in the context of creating an enabling business environment.

Improved state-business relations can be assumed to contribute to a better understanding of private sector needs by the government and thus to a more efficient allocation of resources in the economy. A government that is informed through regular meetings with the private sector about investment climate problems will usually have stronger ownership for reforms. Being in constant dialogue with private investors is also necessary to enable public officials to assess where markets can be expected to work and where they are likely to fail and offer or withdraw public support accordingly. This can create trust between the public and private sector, make policies more predictable, and thus minimize the risks for the private sector. It can also lead to jointly planned, financed and implemented public-private initiatives to deal with coordination failures and public goods.

⁷ p. 54

High-Level Meeting of the General Assembly
“Achieving poverty eradication through full employment and decent work for all in the
post-2015 development agenda”

23 May 2014
Trusteeship Council Chamber

Remarks by Ms. Fay Lyle
Solidarity Center, AFL-CIO, on behalf of the ITUC

Dear Chair and distinguished panellists, discussants, and representatives, thank you, on behalf of Workers and Trade Unions, for this opportunity to present comments.

Question 1: How has the experience of the MDGs contributed to coordination of international support for the eradication of poverty, and what are the lessons to draw for the post-2015 development agenda?

The MDGs mobilized major global support unlike any previous global agreements, providing a positive push toward reducing global poverty. Unfortunately, the narrow emphasis on aid and a type of economic model, as well as the lack of sufficient attention to the targets for full employment and decent work, contributed to the expansion of inequality and undermined efforts to end poverty. We therefore seek specific goals in the Post-2015 agenda on full and productive employment and decent work for all, social protection, and gender equality, with corresponding targets to ensure that the issues are adequately addressed.

Questions 2 & 3: What kind of transformative changes are needed to end poverty? What transformative changes are needed to provide decent work for all?

Decent work can create the most solid foundation for fighting poverty, but each of its four pillars must be actively promoted: a) generating productive employment, b) ensuring workers’ rights, c) creating democratic space for dialogue, and d) providing adequate universal social protection. This means promoting respect -- *in law and practice* – for rights related to: freedom of association, the right to organize and bargain collectively, the elimination of discrimination and forced labor, and the abolition of child labor. Also, to truly make progress on ending poverty, women’s rights and gender equality must be specifically promoted.

Finally, universal social protection addresses poverty directly and efficiently by providing access for all, and dealing with people’s vulnerability in a sustainable, more equitable way. Joint IMF-ILO research has already shown its effectiveness in addressing inequality. So it is critical to promote the creation of comprehensive social protection systems, implementing ILO Recommendation 202.

For transformative change with the SDGs, these issues must be at the heart of global attention, commitment, and development.

Question 4: Good practices. How can post-2015 promote Decent Work?

- Trade unions seek to ensure decent work for workers and their families for today and opportunities for tomorrow. Where unions are stronger, inequality is lower. To achieve the Decent Work agenda, support for union rights is indispensable.
- Encourage the passage of ILO-compliant laws related to decent work and gender equality, and the development of effective enforcement systems for those laws.
- Consider the creation of an international mechanism, or global fund, to finance the establishment of social protection floors in the poorest countries.
- Development donors and lenders can be encouraged to direct resources toward supporting the four pillars of the Decent Work agenda.
- Development donors and lenders can be encouraged to apply a “decent work filter” to their policies and projects to ensure a) that they are actively promoting decent work, and b) that none of their activities or policies are undermining it.

Together, these elements can set the stage for a better future in a world where poverty and inequality are eradicated, global prosperity reigns, and respect for people’s rights becomes the norm.

Check Against
Delivery



REPUBLIC OF TRINIDAD AND TOBAGO

**INTERVENTION BY THE HONOURABLE ERROL MCLEOD,
MINISTER OF LABOUR AND SMALL AND MICRO ENTERPRISE
DEVELOPMENT**

AT

**THE HIGH-LEVEL MEETING OF THE UNITED NATIONS GENERAL
ASSEMBLY**

**PANEL DISCUSSION ON: "ACHIEVING POVERTY ERADICATION
THROUGH FULL EMPLOYMENT AND DECENT WORK FOR ALL IN THE
POST-2015 DEVELOPMENT AGENDA"**

**WITH A FOCUS ON TRINIDAD AND TOBAGO'S EXPERIENCE WITH RESPECT TO
POVERTY ERADICATION THROUGH EMPLOYMENT POLICIES**

NEW YORK

MAY 23, 2014

Thank you Your Excellency.

In the General Debate this morning, I shared on the importance accorded to poverty alleviation through full employment and decent work by the Government of Trinidad and Tobago. With regard to our practical experience, the Government of Trinidad and Tobago has set targets of **reducing poverty by 2 percent per year up to 2015** and **reducing the poverty gap from 4.6 percent to 3.5 percent by 2015**. The strategic approach to achieving these targets includes:

- a more **targeted approach** to addressing poverty based on the life cycle approach;
- **restructuring of the economy** with emphasis on regional-based development in five growth poles or strategic regions;
- increasing access to adequate and affordable **social services**; and
- **empowerment of the poor and vulnerable aimed at transitioning persons out of poverty.**

With respect to the latter, the position of the Government of Trinidad and Tobago is that poverty is directly linked to unemployment and inadequate incomes to sustain a basic standard of living. **Investment, business creation and growth of the economy are absolutely essential so that jobs and incomes can be generated.** Our experience in Trinidad and Tobago in alleviating poverty through full employment and decent work has taught us many lessons some of which I will briefly share.

Key Lessons from Trinidad and Tobago's experience

(1) First, **employment creation, especially through micro and small enterprise development and Co-operatives, provides economic and social empowerment that can lift persons out of poverty.** In this regard, specific attention is being given in Trinidad and Tobago to the **ease of doing business, business development and procurement opportunities for micro and small enterprises.**

We have sought to reduce bureaucratic procedures for the registration of a business and to establish an online platform to ensure that a business can be registered in six (6) days or less making it easier for business start-up and formalization. At the business development support level, a business incubator programme, the ***National Integrated Business Incubation System (IBIS)***, is being pursued as a critical initiative aimed at promoting entrepreneurship in Trinidad and Tobago while addressing the needs of communities, especially in areas where poverty and unemployment levels are high.

IBIS is complemented by the ***FairShare Programme*** which is a 'set-aside' initiative that expands procurement opportunities to qualified micro and small enterprises for public contracts up to US\$160,000. Additionally, a ***Micro Enterprise Grant (MEG)*** provides funding support to persons in need who may be interested in starting their own business. This Grant was recently increased from US\$780 to US\$2,300. Taking into account the challenges facing young persons in starting their own business, there is also a ***Youth Entrepreneurship Success (YES) Programme*** which targets young

persons between the ages of 18-30 years and provides exposure to life skills and business development training, as well as mentoring and coaching.

Further, committed to the goal of linking entrepreneurship, decent work and poverty alleviation with environmental sustainability, my Ministry has developed a ***draft Green Enterprise Development Policy*** which focuses on encouraging micro and small businesses and Co-operatives to operate in the green economy (including sectors such as waste management, tourism, energy and agriculture) as well as providing a support system for businesses to transition to the green economy. We expect implementation of this policy, when finalized, to enhance significantly our poverty eradication measures.

(2) **The second lesson that we can share is that employment creation and employability components should be integrally incorporated into policies and programmes targeted at the poor and vulnerable.** A deliberate strategy adopted by the Government of Trinidad and Tobago is the inclusion of a skills development component in employment and other supporting programmes targeted at the poor and vulnerable. One programme in which this is illustrated is the Targeted Conditional Cash Transfer Programme (TCCTP) which provides an electronic cash transfer facility through a debit card which enables poor families to purchase nutritious basic food items. The conditional component of the programme requires the client or a member of the household to join one of the Government's social programmes geared towards training, employment assistance and empowerment. Such programmes are complimented by the promotion of a seamless education system linking 'nursery' to

'tertiary' levels, the provision of free tertiary education and accessibility to a range of skills training and re-training programmes addressing the needs of different groups.

(3) Another important lesson we have distilled is that **a rights-based approach to employment to ensure the protection of all workers, including those who are poor and vulnerable and to mitigate against working poverty is fundamental.** The ***increase of the national minimum wage*** by approximately 40 percent with effect from January 2011, the ***increase in the period of paid maternity leave*** from thirteen to fourteen weeks in keeping with international labour standard and the review and **modernization of the labour legislative framework** and enforcement mechanisms are a few examples of Trinidad and Tobago's rights-based approach to promoting decent work for all.

The Ministry of Labour and Small and Micro Enterprise Development has also established ***an HIV and AIDS Advocacy and Sustainability Centre (HASC)*** - the first of its kind in the region and the second in the world – which is responsible for implementing our National Workplace Policy on HIV and AIDS which represents a significant avenue for the promotion of non-discrimination in employment in Trinidad and Tobago.

(4) **The last lesson that I will share in the context of our discussion is that social protection and social dialogue must not be compromised despite changing economic conditions.** We have recognized that Trinidad and Tobago was able to

cushion the severe impacts of the economic and financial crisis, particularly on the poor, partly as a result of our extensive **social protection system**, catering to persons in different stages of the life cycle. Spending on social safety net programmes average around 2.6 percent of our GDP. At the start of this year, our Parliament passed legislation which provides for notable increases in social protection benefits related to retirement, disability, injury and survivors' benefits.

Social dialogue continues to underpin Trinidad and Tobago's approach to developing and implementing effective labour market policies which assist the poor and vulnerable. The establishment of a national social dialogue mechanism in July 2013 where priority issues affecting the social and economic sustainability of Trinidad and Tobago are discussed contributes to enhancing the involvement of the social partners in eradicating poverty through decent work.

General perspectives on post-2015 development agenda

As we work towards framing a new global development agenda built on our experiences in giving effect to the MDGs, I wish to propose that, in addition to advocating for the inclusion of full employment and decent work as an important goal that we consider the following:

- (1) the **inter-relatedness among the three pillars of sustainable development** – the social, economic and environmental – and the need to achieve the right balance that would make a meaningful impact on quality of life for all;

- (2) the **connectivity among goals** that we will collectively determine. **Poverty reduction, full employment and decent work must not be seen in isolation from other priority areas given their multi-dimensional nature;** and
- (3) the indispensable value of **good governance and effective leadership at all levels of society** in shaping a brighter and better tomorrow. I thank yoU.



**CHRONIC
POVERTY
REPORT**



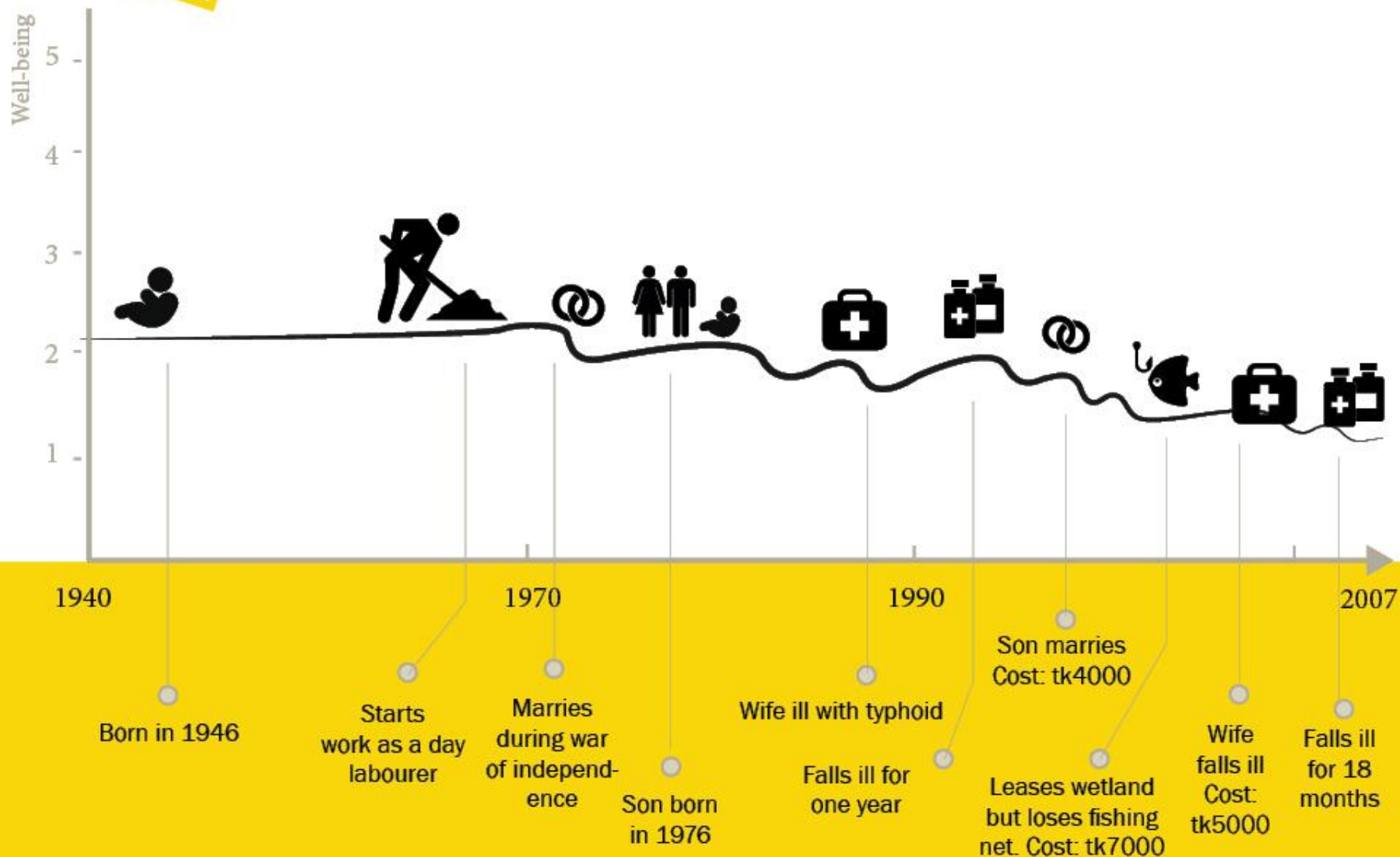
THE ROAD TO ZERO: THE CHRONIC POVERTY REPORT

Andrew Shepherd – Director of the Chronic Poverty Network at ODI

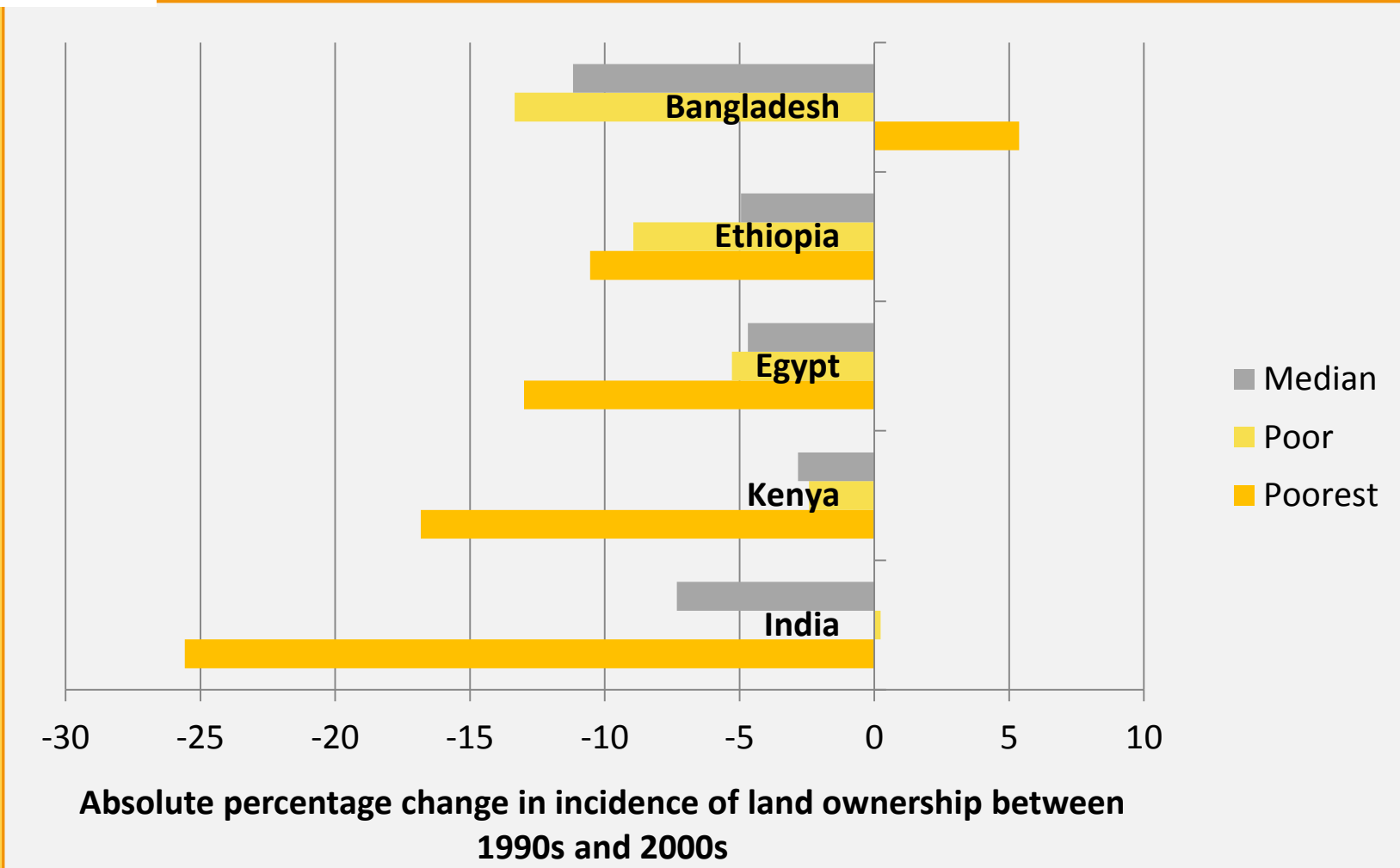
The Zero Poverty Tripod



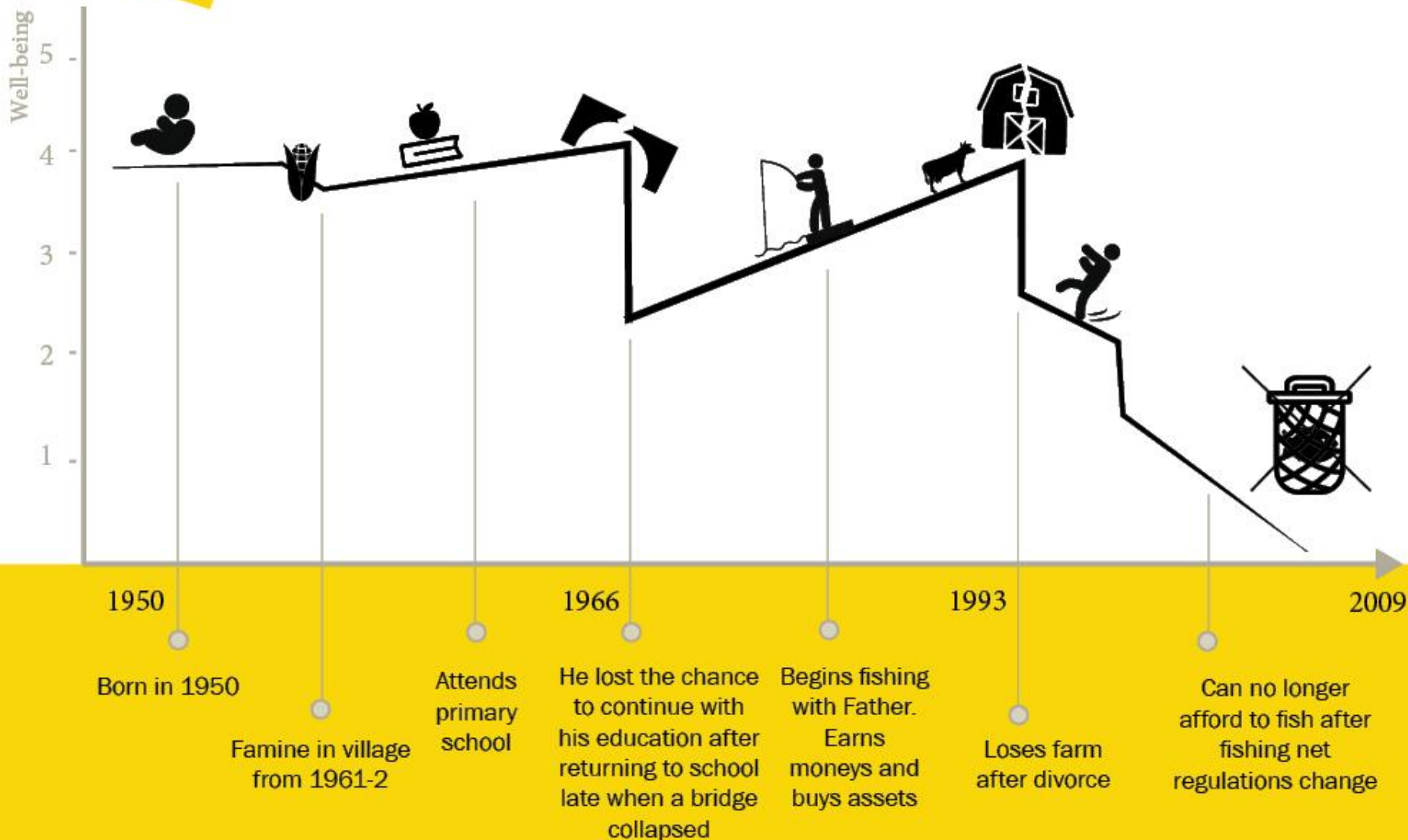
LIFE HISTORY MAP: Amin, 61 years old, rural Bangladesh



Changes in land assets among the poor, poorest and median quintiles 1990s-2000s

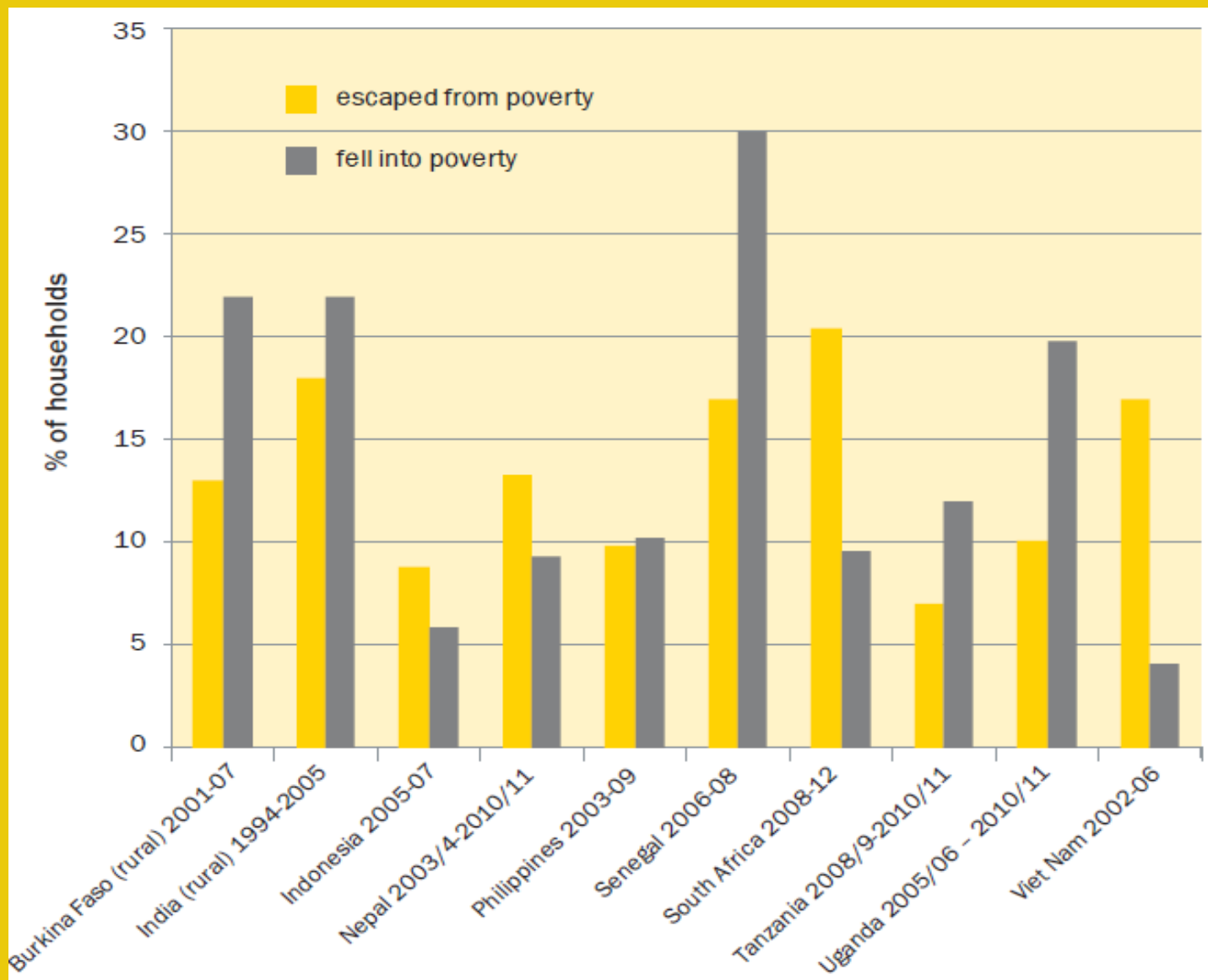


LIFE HISTORY MAP: Emanueli Mazua, 59 years old, rural Tanzania



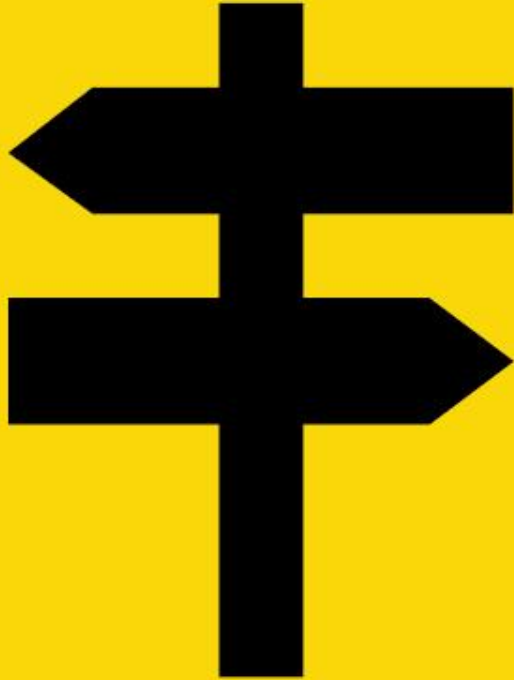
STOPPING IMPOVERISHMENT

Poverty transitions – escapes and descents into poverty



Risks of impoverishment and policy responses

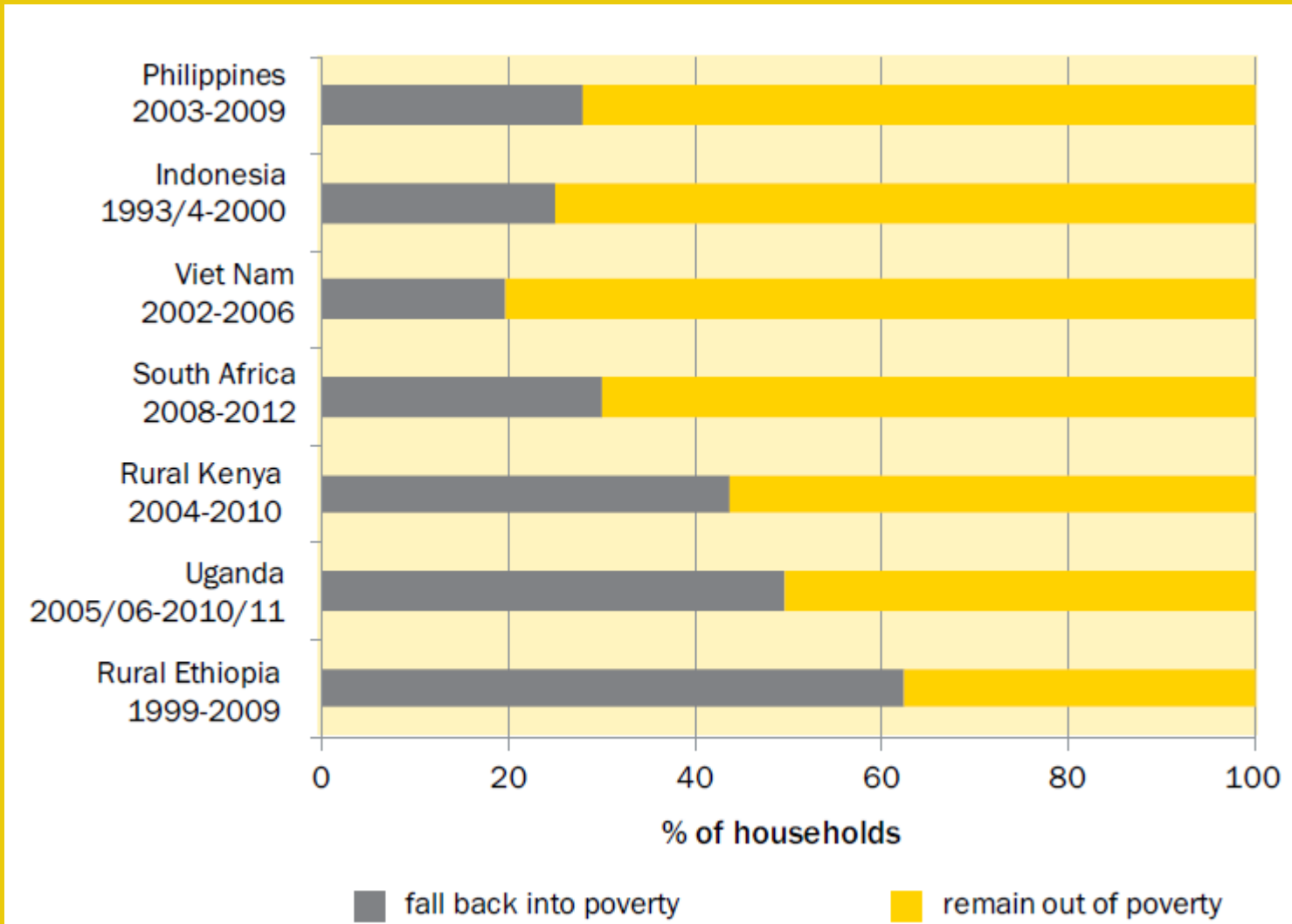
Type of risk	Impoverishment channel	Policies to mitigate risk and reduce vulnerability
Individual	<p>Production-related risks (inherent in farming and in entrepreneurial activity) and unemployment.</p> <p>Credit-debit spirals.</p> <p>Health shocks.</p> <p>Life-cycle turning points.</p>	<p>Tailor-made financial services, especially savings and insurance products.</p> <p>Universal Health Coverage.</p> <p>Social assistance for the extreme poor and social insurance in countries where the economy is (slowly) formalising.</p> <p>Pre-school educational vouchers and targeted support to young families.</p>
Systemic	<p>Macro-economic and financial shocks.</p> <p>Conflicts.</p> <p>Natural disasters and climate change.</p> <p>Price spikes and inflation.</p>	<p>Macro-economic policies.</p> <p>Conflict prevention.</p> <p>Disaster risk-management.</p> <p>Wage policies.</p>



ESCAPING FROM POVERTY IS NOT A ONE WAY STREET

Many people escape and then fall back beneath the poverty line.

What happens to households which escape extreme poverty?



The factors associated with living in poverty, escaping poverty and sustained poverty escapes

South Africa (KIDS and NIDS)

Large household
Female household head
Head works in agriculture
Head has little education
Poor quality housing
No electricity

Small household
Older household head
Head has more than 3 years of primary education
WATSAN
Community has all-weather road

Head has more than 3 years of primary education
Cultivable land

Line in poverty in wave 1

Escape poverty by wave 2

After escaping in wave 2 stay out of poverty in wave 3

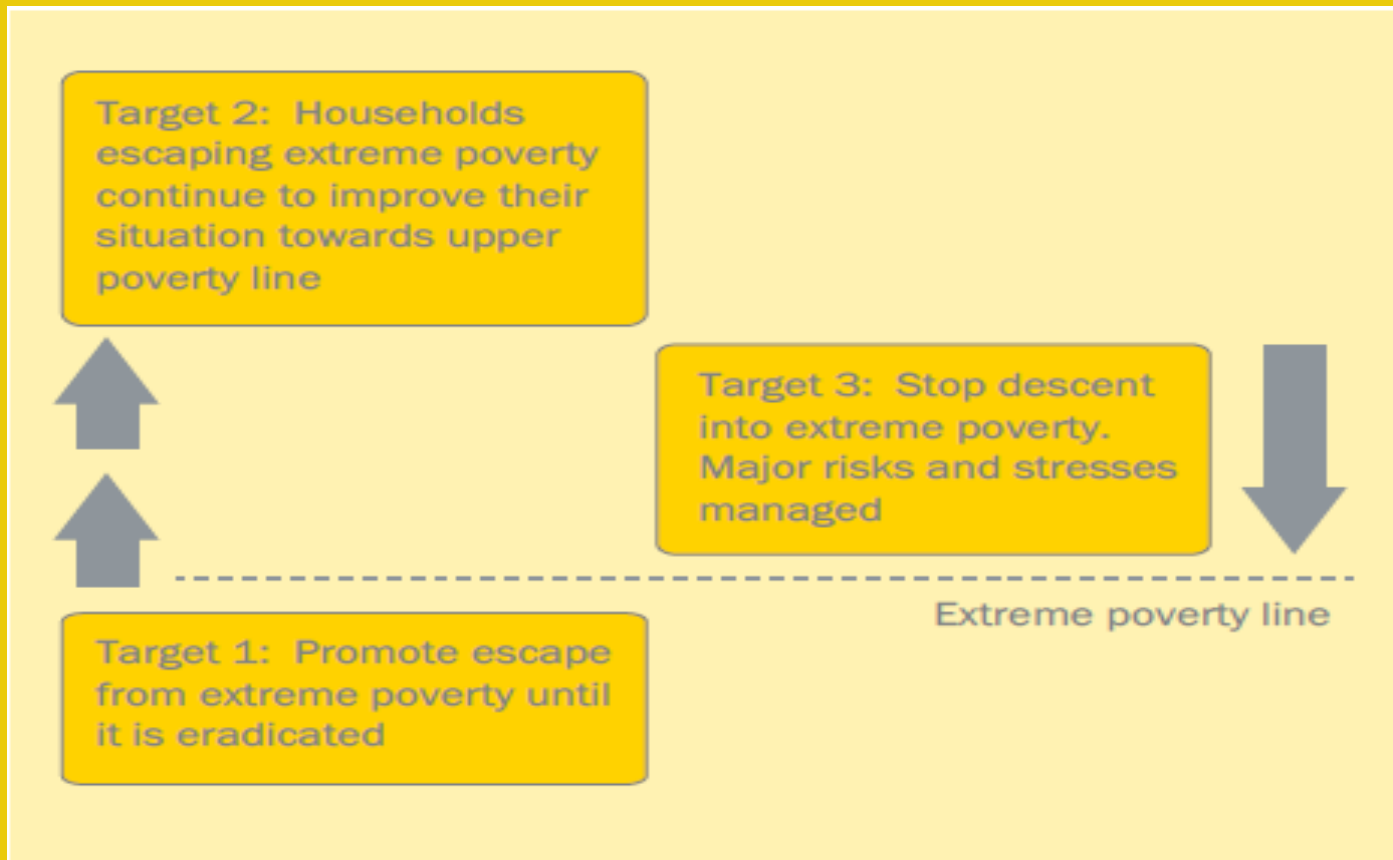
Large household
Aged household head
Head works in agriculture
Head has little education
Poor quality housing
Little land owned

Head has primary or secondary education

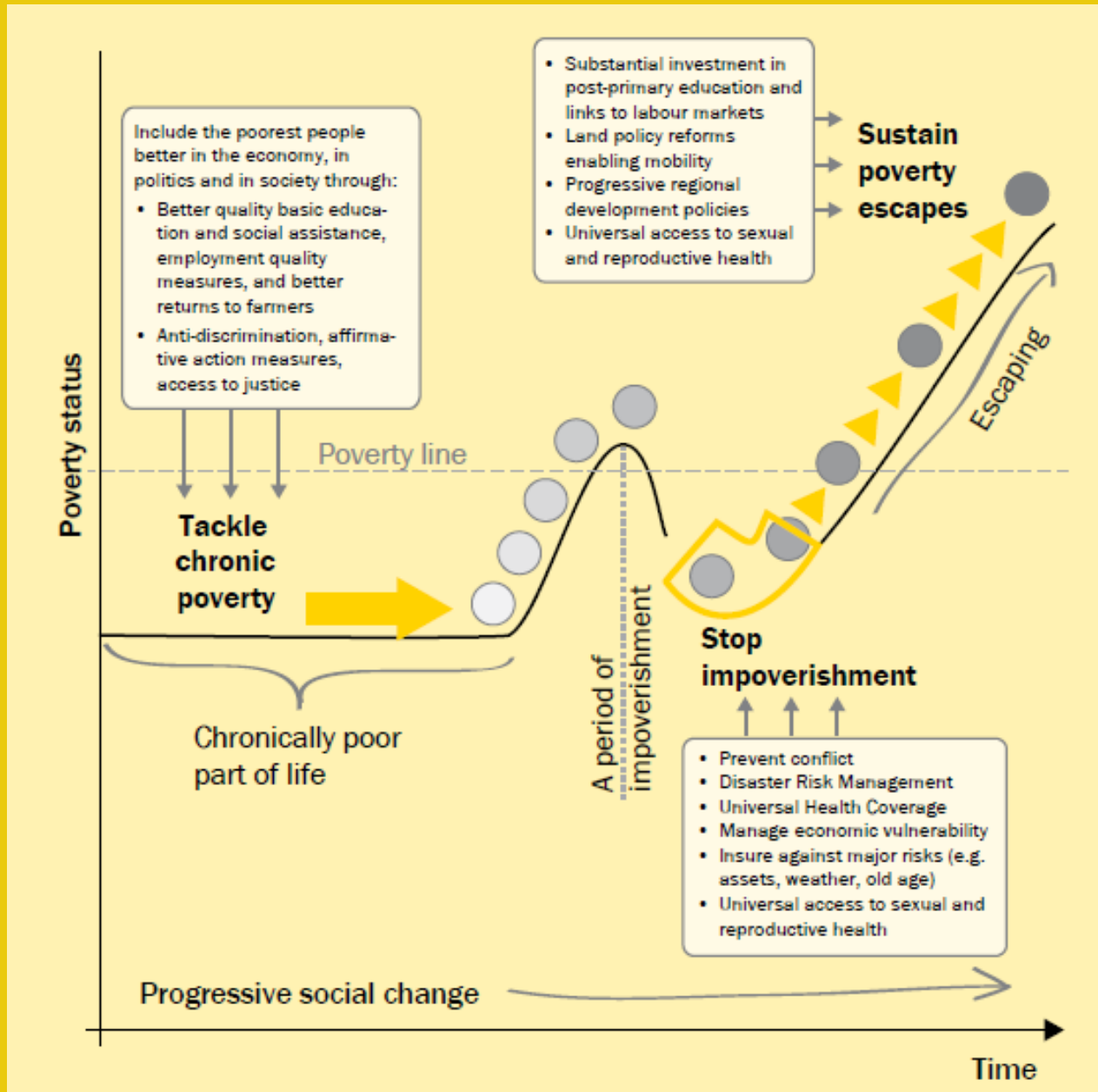
Head has formal education
Land owned
Receive remittances
Good quality housing
Community has all-weather road

Rural Ethiopia (ERHS) and Uganda (UNPS)

A dynamic post-2015 goal to eradicate extreme poverty



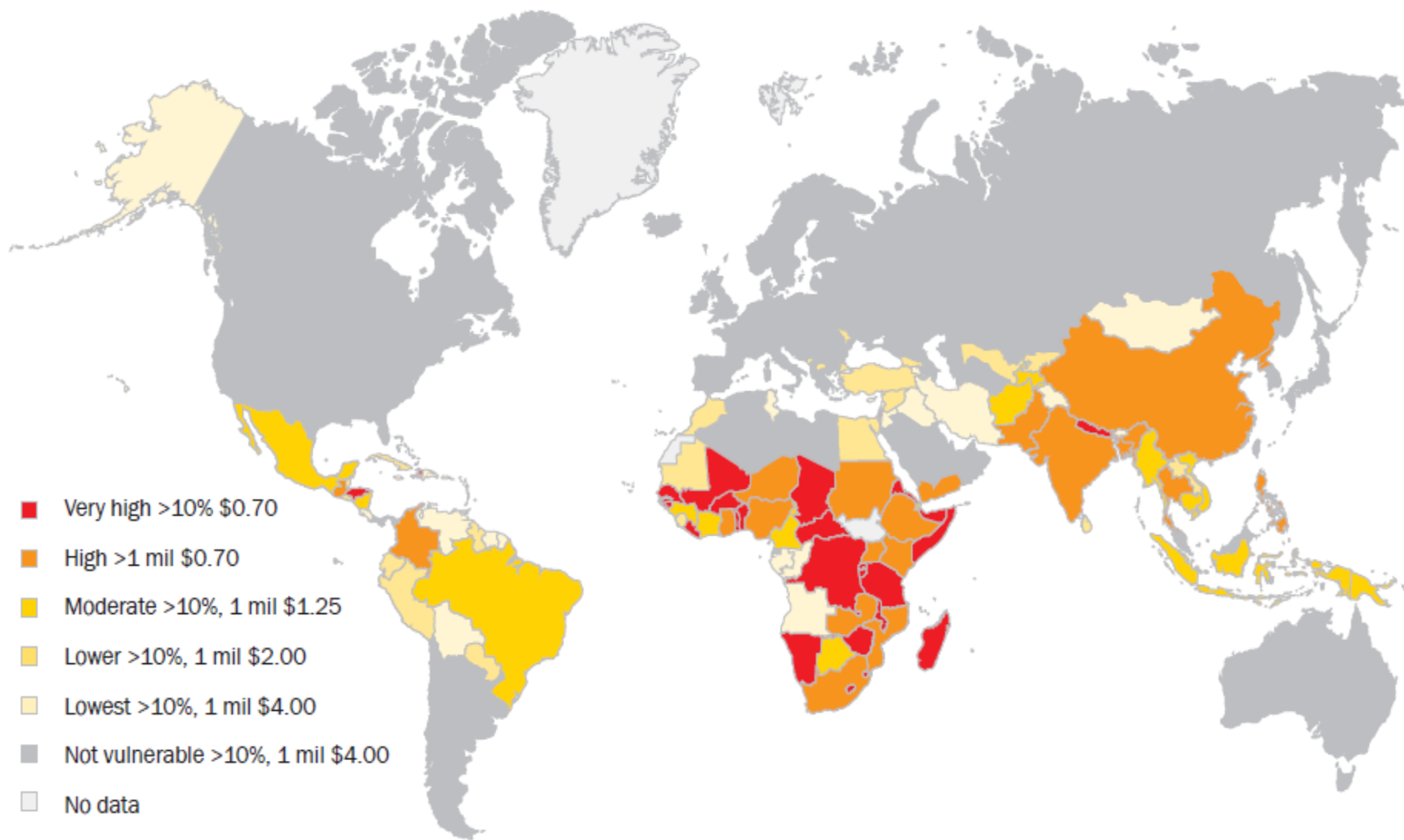
Policies for the zero poverty tripod



Illustrative indicators for a dynamic poverty eradication goal

	Target 1	Target 2	Target 3
Indicators	<p>1.1. % and numbers crossing the extreme poverty line.</p> <p>1.2. % and numbers of chronically poor.</p> <p>1.3. % and numbers of severe poor crossing the extreme poverty line.</p> <p>1.4. % of national income going to bottom 5%, 10%, 20%, and 40%.</p> <p>1.5. % of poor children, women, older women and men, and poor persons with disabilities in excluded groups and regions crossing the extreme poverty line.</p> <p>1.6. % of the poor adequately covered by social assistance to close the poverty gap.</p> <p>1.7. % of the poor effectively included by value chain standards and/or labour standards.</p> <p>1.8. % of poorest children, women, older women and men, and persons with disabilities covered by the above.</p> <p>1.9. Discriminatory laws, policies and practices eliminated, marginalized groups empowered; implementation of anti-discrimination and affirmative action measures.</p> <p>1.10. Years of (quality) education acquired by the poorest children.</p>	<p>2.1. % and numbers who have crossed the extreme poverty line who reach an upper poverty line (eg \$2 a day) and a country-specific resilience threshold (eg \$y a day/x years of education).</p> <p>2.2. Extent to which target is met by excluded groups and regions.</p> <p>2.3. % of the women in excluded groups and regions crossing the extreme poverty line and reaching upper poverty line.</p> <p>2.4. Years of post-primary education achieved by the poorest children.</p> <p>2.5. The poorest educated children's access to (decent) jobs.</p> <p>2.6. Tax:GDP ratio (goal level indicator)</p> <p>2.7. Equity of access to independent and responsive justice systems including related to property and tenure rights, employment, business, taxation, trade and finance</p>	<p>3.1. % and numbers becoming poor</p> <p>3.2. Asset depletion due to conflict, natural disasters or ill-health.</p> <p>3.3. Number of forced displacements.</p> <p>3.4. Reported impoverishment due to conflict, natural disasters or ill-health.</p> <p>3.5. Coverage of the poorest households by universal health care, and disaster risk management.</p> <p>3.6. % of poorest children, women, older women and men, and disabled people malnourished.</p>

Figure 5: Poverty vulnerability index, 2030



Definitions of poverty concepts used in the report

- **Extreme poverty** = \$1.25 per person per day (or below national poverty lines in some cases). This basic statistical measure is based on consumption or expenditure as recorded by household surveys.
- **Severe poverty** = \$0.70 per person per day, based on the average consumption of the poor in sub-Saharan Africa (or in some cases consumption below national food or severe poverty lines).
- **Chronic poverty** = extreme poverty that persists over years or a lifetime, and that is often transmitted intergenerationally.
- **Impoverishment** = descent into extreme poverty.
- **Sustained escapes from extreme poverty** = staying out of poverty and progressing towards a higher threshold (such as \$2 per person per day).
- **Panel household survey** = a survey that tracks the same households over several years, enabling the tracking of movements in and out of poverty.
- **Multidimensional deprivation/poverty** = the Oxford Poverty and Human Development Initiative defines this as being 'deprived in 3 of 10 assets and capabilities'; and severe deprivation as being deprived in half of these indicators