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Informal Preparatory Meeting on the Theme of the 2006 High-Level Segment of ECOSOC

"Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development"

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#### **Issues Note for Roundtable 5 on: "Promoting Full and Productive Employment and Decent Work for Women and Young People"**

##### **I. Introduction**

Employment is widely recognized as a source of economic empowerment and a critical pathway out of poverty for women and young people, as reflected by indicators measuring progress on Millennium Development Goal 3 and 8. Across the globe, women and young people make important contributions to economic development, including in productive wage employment, entrepreneurship, and in unpaid work in family businesses and reproductive work in households and communities. However, gender- and age-stereotypes and discrimination limit their labour market access and have pushed them into low-productive, poorly-paid and inadequately-protected jobs, primarily in the informal economy. This has resulted in direct costs to women and young people in terms of high rates of unemployment and underemployment, lower earnings and higher poverty. Frequent and prolonged spells of unemployment early in life can have a negative impact on future labour market outcomes. The inability of women to work themselves out of poverty limits the education and life prospects of their children which leads to inter-generational transmission of poverty. Joblessness and lack of decent work for women and young people have led to societal costs in form of lost economic growth opportunities, tax-base erosion and increased welfare costs. Despite these costs there is still insufficient attention to promoting productive employment and decent work for women and young people.

## **II. Promoting gender equality in the world of work**

### *A. Why is gender equality in the labour market a political priority?*

While the global share of adult (25 years and older) female participation in employment grew between 1995 (51.7 per cent) and 2005 (52.2 per cent), the overall female participation rate decreased due to the decline in labour force participation of young women, and the gap between adult women and men (80.8 per cent in 2005) is still wide. Women are less likely than men to hold paid and regular jobs and more often work in the informal economy; fewer women than men own businesses; and worldwide, over 60 per cent of unpaid workers in family enterprises are women. Of roughly 520 million working people living in extreme poverty in 2005 (earning less than \$1 a day), 60 per cent are women.

In developed and developing countries alike, there is an enduring trend of horizontal and vertical sex segregation in the labour market due, inter alia, to socio-cultural attitudes and gender inequality in education, training and recruitment, restricting girls and women from maximizing their human potential. Employment practices that create horizontal segregation prevent women from entering traditional “male occupations” and vice versa, while those causing vertical segregation, including gender discrimination in hiring and promotion, limit women’s career development opportunities and prevent them from reaching managerial positions. Gender wage gaps persist in all sectors throughout the world, as a result of vertical and horizontal occupational segregation. Women are also more likely to have shorter careers than men of the same age because they may not work full-time throughout their working lives.

There is little evidence that the increased involvement of women in paid work has significantly reduced their share of unpaid work in caring for households. In addition, government withdrawal from social provisioning, and the collapse of public health systems in some countries, has shifted the costs of social reproduction from the paid to the unpaid economy, placing an additional burden on women, while cutting jobs in the public sector, where women formerly predominated. Female-headed households are very often among the poorest due to fewer opportunities to engage in productive work, less access to productive assets and resources, wage-discrimination and other gender-based barriers in the world of work. Lack of safe transport often oblige women to take part-time or temporary work, or sub-standard work near their homes, thus limiting their earnings and skills development opportunities.

### *B. What national policies and programmes encourage decent work for women?*

Proactive government interventions can reduce gender inequalities, including horizontal and vertical segregation in the labour market, however gender perspectives should be incorporated into all employment policies and programmes. Targeted employment promotion policies and programmes can be useful in redressing disadvantages of particular groups of women. Affirmative action policies, such as quotas for certain jobs and for admissions to training courses in skills that are in high demand in the labour market, have been effective in this regard.

Among the most effective policies in reducing horizontal segregation are scholarship programmes targeting women to take up non-traditional areas of study and employment grants to support their integration into non-traditional occupations, especially in new fields such as ICT, where wages are higher and opportunities for promotion are greater. It is particularly important to challenge gender stereotypes and influence workplace culture through work-life balance policies and measures. Vertical segregation could be addressed through gender sensitive and transparent recruitment and promotion criteria as well as affirmative action policies that aim to increase numbers of women in better-paid skilled jobs and management positions.

Pay gaps can be approached through, for example, legislation or policies mandating equal pay for work of equal value, parental leave and child care availability, as well as active efforts by workers' organizations to organize and advocate on behalf of women. Minimum wage standards and laws can bring the pay rates of the lowest paid groups, such as female home-based workers, up to the level enjoyed by male workers. With increasing numbers of women in the workplace in both the public and private sectors, there is an urgent need for more family-friendly policies. Such policies would benefit both female and male employees by encouraging a better balance between work and family or personal life, and could improve overall business productivity.

Good practices in improving employment prospects of women in the informal economy have been initiated both nationally and locally, including flexible vocational and business training, especially in non-traditional occupations, and support to women's entrepreneurship through increased access to credit and savings and enhanced access to international markets and networking. Enhancing the employability of women and girls is also important, including through expanding free basic education for all. Other measures to promote decent work in the informal economy include enforcing existing labour protections and expanding these to workers in the informal economy, for example, through national unemployment insurance for domestic workers, and health and pension schemes for informal workers and employers, as well as supporting the organizations of informal workers and enhancing their voice in policy-making. The informal economy offers work opportunities for women whose household responsibilities restrict them from jobs in the formal economy.

### **III. Meeting the youth employment challenge**

#### *A. Why is youth employment a political priority?*

Youth, 15-24 years of age, account for nearly half of the world population and the majority live in developing countries. Over the past decade, increased education has not been sufficient to improve the employment prospects of young people. About 86 million young women and men were unemployed in 2004, accounting for 45 per cent of the 191 million unemployed globally.

Young people are particularly vulnerable to economic fluctuations and are often the first to be laid-off. The lack of employment records may make employers reluctant to hire first-time jobseekers, which in turn prevents them from gaining the work experience valued in the workplace. On average, young people were more than three times as likely as adults to be out of

work. Open unemployment, however, is only the tip of the iceberg. Across the world, young people are more likely to be trapped in a cycle of temporary, involuntary part-time and casual employment that offers no social or labour protection or job security and few prospects for advancement. Some 106 million young working poor, or 20 per cent of all working youth live in households with an income of less than US\$1 a day and are engaged in unproductive work, not earning enough to overcome poverty. The difficulties encountered by young people in entering productive employment restrict their access to decent work and promotion opportunities later in life, and disrupt and curtail the accumulation of human capital in all sectors of the economy.

Being female and young can be a double disadvantage: young women often have most difficulty entering the labour market and retaining decent jobs. In many countries, young women are increasingly emigrating in search of work as independent migrants, and when emigration is unregulated, they face a higher risk of trafficking and forced labour.

*B. What national policies and programmes encourage decent work for young people?*

Tackling the employment problems of young people requires coherent macro-economic and targeted interventions, addressing labour demand and supply as well as the quality and quantity of employment. Policies are most effective if they are part of broader national policies that promote sustained growth through increased aggregate demand, guided by the twin objectives of growth and job creation. Strategies to give young people a chance to get decent work cannot be separated from efforts to improve working conditions and advance rights for all workers and, in many countries, to combat child labour.

The new generation of Poverty Reduction Strategy Papers (PRSPs) is beginning to recognize the crucial importance of youth employment in the implementation of pro-poor poverty reduction strategies. National Action Plans on youth employment, promoted under the aegis of the United Nations Secretary-General's Youth Employment Network, provide a framework for an integrated approach focusing on employment, employability, entrepreneurship and equal opportunities. The European Youth Pact approaches youth employment in the broader context of economic and social policies, aiming to improve education, training, mobility, vocational and social integration for youth, while facilitating the ability of working people of all ages to reconcile work and private life.

It is crucial to complement broader employment and other economic and social policies with targeted measures to overcome the specific disadvantages many young people encounter in entering or remaining in the labour market. In many instances, these measures have been limited to specific programmes that are narrow in scope and limited in time. Experience across a number of countries shows that initiatives are more effective if they combine education and training, labour market services, work experience and entrepreneurship training. Their success is likely to increase when they are designed and implemented together with employers' and workers' organizations.

Over the past 20 years, labour market policies and programmes have been used to raise demand for young workers and enhance their employability. If properly designed and

implemented, they can be effective in targeting the most disadvantaged young people by mitigating education and labour market failures, while promoting efficiency, growth and social justice. For example, educational guidance and employment counselling are important instruments for facilitating the school-to-work transition and for overcoming the potential discrepancy between labour supply and demand. Together, they match the skills and aspirations of young job-seekers with education, training and employment opportunities. These services can play a key role in identifying and tailoring employment and training opportunities that address the labour market disadvantages faced by many young people.

#### **IV. Strengthening dialogue and mobilising partnerships to promote productive employment and decent work for women and youth**

*What are the respective roles of governments, the social partners, civil society and the UN system?*

The promotion of productive employment and decent work for women and youth requires concerted action among various government ministries. It also needs effective coordination between central and local institutions as well as public and private agencies. Cooperation and alliances with representatives of civil society such as parliamentarians, human rights' advocates, women's and youth organizations and the private sector can highlight and replicate good practices and durable solutions, participation in and commitment to measures and reforms affecting employment prospects. Gender mainstreaming provides an important strategy for involving stakeholders at all levels. Social dialogue between governments, employers' and workers' organizations is a central element in the conditions for women and young people in the world of work. Well functioning national tripartite institutions and bodies could support macroeconomic policy implementation processes by providing efficient mediation and conflict resolution processes.

Action at the national level will have a much larger impact if there is greater coordination within the multilateral system and if international economic and national socio-economic policies are pursued in an integrated and consistent way. The Youth Employment Network constitutes an important vehicle for realizing the Millennium Declaration commitment concerning "decent and productive work for young people". This commitment underpins and is crucial for achieving the Millennium Development Goals, particularly poverty reduction, gender equality and education.

*Issues for discussion*

- What national policies and initiatives are most effective in eliminating all forms of gender discrimination and promoting gender equality in the world of work? How can commitment to this be strengthened at the national and international levels?
- What national policies and initiatives are more effective in enhancing productive employment for young people while ensuring protection and rights at work? What action is required to strengthen ongoing efforts in this area both nationally and internationally?
- How can partnerships among Governments, NGOs, private sector, and employers' and workers' organizations be enhanced to promote quality jobs and workers rights for both

women and men of all ages, particularly young people? What should be the role of the different stakeholders?