Indicators for growth and economic transformation in the post-2015 development context

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Overseas Development Institute

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1 Overview

The High Level Panel on the Post 2015 Development agenda agreed five transformative goals for the next agenda:

1. Leave no one behind
2. Put sustainable development at the core
3. Transform economies for jobs and inclusive growth
4. Build peace and effective, open and accountable institutions for all
5. Forge a new global partnership

This assignment focuses primarily on the 3rd shift. A set of illustrative goals and targets were included in the Report in 12 areas. DFID is working to ensure that the post 2015 international development monitoring framework to be agreed over the next two years has (i) a clear narrative on economic growth that is (ii) underpinned by sound indicators that can be monitored. Different parties to the process vary in how they define these issues – in scope and emphases – and also the indicators that they use.

1.1 The questions:

1. What is the core narrative that different stakeholders are using on jobs and inclusive growth in documents written to influence the post-2015 agenda? Key stakeholders to cover in this analysis include:
   a. UN institutions
   b. Other governments
   c. International financial institutions
   d. Regional Development Banks
   e. Civil society organisations
   f. Think tanks, bloggers etc

2. What indicators have different organisations put forward in the areas below? Comment briefly on the rationale of why these indicators are proposed by each organisation, given the narratives outlined in section 1.
   a. Jobs
   b. Economic Infrastructure – to include transport and information and communications technologies (ICT)
   c. A better business environment and robust economic institutions
   d. More open markets and export diversification through trade
   e. Financial services
   f. Stable macroeconomic environment
   g. Economic empowerment for women and girls
   h. Cities as centres of sustainable growth and job creation
3. Note commonalities and differences across the narrative and indicators.

In this report we set out to review and comment on proposals that have been made regarding the post-2015 period by various stakeholders. We specifically focused on proposals that intended to affect employment and inclusive growth; however, some reports with broad development themes were included because of their mention of jobs and employment. Reports that focused on the improvement of infrastructure were included because of the inherent link between well-functioning transport systems and an individual’s ability to access employment opportunities. Additionally, most reports included did not propose concrete indicators. Finally, in understanding the narratives being proposed by various stakeholders, we also attempted to discover the underlying agendas or motives possessed by the stakeholders in their interest in influencing the post-2105 framework.

1.2 The key message from this report:

Although most of the organisations we have surveyed have proposed very similar target and goals towards jobs and inclusive growth, however, only a small proportion of them provide us with concrete indicators for measuring progress. This is largely due to the fact that the Millennium Development Goals (MDGs) have largely ignored jobs and growth so the international community are inadequately prepared to reach any consensus on this. At the same time however, this also presents an excellent policy space for any parties to shape the agenda on employment and inclusive growth in the post 2015 context.

Secondly, this report calls for increased attention on understanding the economic rationale for proposing employment as an explicit policy target and in particular the trade-off between employment, economic output and inflation, and highlights economic history lessons in developed countries, where interventionist polices aiming at employment have resulted unintended consequences.

2 Methodology

The following report is organized by the three queries put forward in the PEAKS request. The first query is addressed in a table that includes each stakeholder, a brief synopsis of the narratives found in their reports as well as a link to the actual report (when it is available), and a list of proposed indicators when they are included in the report. Commonalities and differences are discussed in a following section. An additional section regarding our reflections on the various reports and proposals was also included as well as a section on the methodology we used to obtain all of our resources.

When searching for relevant documents regarding the post-2015 agenda, we primarily used post2015.org, a website facilitated by ODI that provides an extensive database of material relating to
the post-2015 debate. While the search capability of the website proved to be useful when finding broader information regarding proposed post-2015 agendas, the Future Goals Tracker featured on the site was used to find more detailed formal proposals from various groups. The Future Goals Tracker allowed us to search the indicators and targets proposed by specific groups for a more comprehensive approach to varying agendas set forth by key stakeholders. In addition to post2015.org, we also used beyond2015.org, a site that featured resources, such as a detailed report on proposed indicators from CIGI, that were not accessible elsewhere.

We also used a report produced by ODI titled ‘A rough guide to emerging consensus and divergence in post-2015 goal areas’ as a supplement to the Future Goals Tracker. This report provided information on reports that were not included in the Future Goals Tracker, many of which were published by organizations within the UN. In addition to providing background information on the existing proposals, this paper also gave detailed descriptions of both the commonalities and differences that the various reports possessed.

The report titled ‘Employment in a post-2015 framework: Proposals for monitoring indicators’ by Pedro Martins and Laura Rodriguez Takeuchi of ODI, provided a basis for our search due to its comprehensive format. The report, which discusses previous successes and failures, also proposes a lengthy list of legitimate options for future indicators and targets. Due to this thoroughness in answering the questions posed by the PEAKS query, we set out to find more documents of a similar nature.

When establishing the narratives of specific stakeholders, we surveyed the documents for key sections regarding proposed indicators. If proposed indicators were not included, goals and targets were used to understand the stakeholders’ aims. Once these specific aims had been noted, underlying agendas or motives held by the various stakeholders were taken into consideration.
## Narratives and Indicators

### QUERY 1: NARRATIVES:  
**A. UN Institutions**

<table>
<thead>
<tr>
<th>International Labour Organisation</th>
<th><strong>1. Why jobs and livelihoods matter for post 2015</strong> (opinion)</th>
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<tbody>
<tr>
<td></td>
<td>This post argues that national action, coupled with increased involvement from the private sector, trade unions and civil society will lead to increased levels of employment. The author of the post intends to place importance on nations, the private sector, and individuals rather than simply focusing on global, overarching goals. <a href="http://www.ilo.org/global/about-the-ilo/newsroom/comment-analysis/WCMS_213399/lang--en/index.htm?shared_from=media-mail">http://www.ilo.org/global/about-the-ilo/newsroom/comment-analysis/WCMS_213399/lang--en/index.htm?shared_from=media-mail</a></td>
</tr>
<tr>
<td></td>
<td><strong>2. The ILO’s Vision: Sustainable development, decent work and green jobs</strong></td>
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<td></td>
<td><strong>3. This report stresses the importance of environmental sustainability and job creation. It argues that making the economy environmentally sustainable is a necessity, economic output is threatened by environmental degradation, unresolved social challenges add complexity to environmental challenges, and greater sustainability can drive investment, economic growth and job creation. These proposals can be made possible by creating more jobs and higher quality jobs because a competent and skilled work force leads to better environmental performance. The authors of this report are focused on creating jobs via practices that both benefit the environment and are environmentally sustainable.</strong> <a href="http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_207370.pdf">http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_207370.pdf</a></td>
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<td></td>
<td>Many developing countries already have the basic indicators for monitoring improvements in jobs and livelihoods. However, information gaps remain on the <strong>quality of jobs</strong>, particularly for people at the bottom end of the economy. A small, internationally coordinated investment in the quantity and quality of labour market statistics could make an important difference.</td>
</tr>
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</table>
### 4. Jobs and livelihoods at the heart of the post-2015 agenda

45-50 million jobs must be created each year for the next 10 years, in a sustainable manner, to keep up with population growth and chronic unemployment. This must be done through a framework that combines development and knowledge assistance while promoting systems of governance that promote equality and workers’ rights. Finally, goals must be set to ensure full and productive employment and decent work as well as social protection floors for poverty reduction and resilience. This report focuses on the importance of social welfare in the form of decent jobs and employment securities in the post-2015 framework.


KILM indicators are available but not for post 2015

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<thead>
<tr>
<th>The United Nation Secretary-General’s High-Level Panel of eminent persons on the Post-2015 Development (HLP)</th>
<th>Intends to create jobs, sustainable livelihoods, and equitable growth. The proposal set forth by the HLP suggests that GDP is not an adequate measure of wellbeing. It is also suggested that an environment for entrepreneurship should be fostered, productive capacity should be raised, employment should increase, and the inequality of opportunity should be addressed.</th>
<th>Not available</th>
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<tr>
<td>United Nations Sustainable Development Solutions Network (SDSN)</td>
<td>Intends to end poverty and increase prosperity via inclusive economic growth. Like HLP, SDSN is also focused on fostering a better environment for entrepreneurship and increasing employment but includes a more detailed clause aimed at addressing income inequality. Its specific target regarding income inequality states that it should be reduced ‘by half the proportion of households with incomes less than half of the national median income (relative poverty).’</td>
<td>Not available</td>
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<tr>
<td>Organization</td>
<td>Description</td>
<td>Notes</td>
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<tr>
<td>United Nations Global Compact (UNGC)</td>
<td>Intends to end poverty and increase prosperity via inclusive economic growth. Like the two organizations above, the UNGC supports increasing entrepreneurship and employment but also stresses the importance of increasing labour productivity through development goals such as education and health. The UNGC also proposes the elimination of child labour and methods of growth that are environmentally unsustainable. Finally, the UNGC suggests the reduction of income inequality by decreasing the Gini coefficient to 30%.</td>
<td>Not available</td>
</tr>
<tr>
<td>United Nations Secretary General (UNSG)</td>
<td>Intends to promote inclusive and sustainable growth and decent employment. The UNSG agrees that GDP is not an adequate measure of well-being and also highlights the need for employment generating economic policies and social protection systems. The UNSG places the most importance on decent employment, redistributive policies, and environmental sustainability.</td>
<td>Not available</td>
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</table>
| United Nations Economic Commission on Africa (UNECA), African Union Commission (AUC), United Nations Development Programme (UNDP) | This proposal on possible goals and focus areas within these is based on UNECA/AUC/UNDP consultations (regional workshop and electronic survey) on the post-2015 development agenda. **Promote transformation and sustainable growth:**  
  - Prioritize employment creation  
  - Promote rural development  
  - Promote agriculture, value addition of primary commodities and resources  
  - Ensure food security  
  - Promote and expand trade, markets and regional integration and investment  
  - Prioritize sustainability and support green economy initiatives  
<p>| UN High Commission for LDCs | Look for information on Future Goal tracker or the narrative tracker. | |
| UNDP | Most of the policy documents they produce are on governance, accountability and human rights rather than on inclusive growth and jobs. | New global targets should have indicators of national |</p>
<table>
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<th>Source</th>
<th>Description</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Indicators for growth and economic transformation</td>
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<td>Rio outcome document</td>
<td><strong>The Future We Want</strong>&lt;br&gt;This document stresses the importance of eradicating poverty and how important it is in order to achieve sustainable development. It reaffirms the need to achieve sustainable development by promoting inclusive economic growth and creating opportunities for all as well as raising basic standards of living. It recognizes that many poor people depend on the ecosystems for their livelihoods and that it is essential to generate decent jobs and incomes to better meet people’s needs. It also acknowledges that well managed tourism can create decent jobs and generate trade opportunities. It also addresses the challenge of youth employment and how important it is to give young people access to work. It acknowledges that workers should have access to education, skills, health care social security, fundamental rights at work, social and legal protection, and decent work opportunities. It also stresses the need for equal opportunities between men and women, especially those in poverty, to have access to jobs.</td>
<td>Not available</td>
</tr>
<tr>
<td>UN Task team Post 2015 (ILO, UNCTAD, UNDESA, WTO)</td>
<td>The UN task team calls for the integration of growth-promoting macroeconomic policies with developmental industrial policies and redistributive measures, all geared towards the creation of decent employment. Additionally, these elements must be combined with a social protection framework aimed at eliminating the causes of poverty and exclusion. Finally, a future framework capacity and resource constraints, to avoid a “one-size-fits-all metric” and “process” indicators to measure fiscal and policy effort for when outcome indicators might be less robust for a given variable. “Structural” indicators such as ratification of international human rights treaties.</td>
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B. Other Governments

| Council of the European Union | The Council of the European Union reiterate the importance of the MDGs and their contribution to the increase in public awareness, political efficacy, and mobilization of resources surrounding poverty eradication. They also cite the contribution of 0.7% of collective GNI to official development assistance by 2015 as a decisive step towards reaching the MDGs. References to the development of a green economy and the enhancement of civil society are also made when reiterating the goals of the EU and its Member States. While specific indicators are not explicitly referenced, the Council reaffirms ‘the need to work with relevant organizations to look beyond Gross Domestic Product (GDP) to broader measures of progress, including social and natural capital,’ therefore alluding to the post-MDG indicators discussed in the PEAKS query.

When referring to what will actually be included in the framework, the Council stresses the importance of the mutual exclusivity of poverty reduction and sustainable development, while arguing that three interrelated dimensions of sustainable development must be integrated into the plan. These three dimensions include:

- basic living standards, including food and nutrition security, health, education, water and sanitation, sustainable energy, decent work and social protections for all;
- the promotion of the drivers of green economy in the context of substantial development, including structural economic transformation;
- the sustainable use, management and protection of natural resources |

| growth and rural-urban migration. | Not available |
| Decent work indicators | |
and the ecosystem services they provide.

Another integral undertone the Council demands of the post-2015 framework is ‘a rights-based approach encompassing all human rights.’

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<th>UNECA, AUC, UNDP</th>
<th>Emerging perspectives from Africa on the post-2015 development agenda</th>
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| | The report discusses three main options for the post-2015 agenda. The first option is to retain the Millennium Development Goals as they are because once finally put in place there has not been enough time for the goals to be achieved. The Second option is to reformulate them to take into account some of their flaws, and the third option of for a completely alternative framework. In respect to all these options the report emphasizes the importance of creating decent jobs, especially in impoverished areas. It claims that the MDGs did not have sufficient focus on inclusive growth and job creation and that should be a goal for post-2015.  
| | The indicator for the first goal of reformulating the MDGs the article says there needs to be more of a focus on inclusive growth and job creation because that indicator was insufficiently represented in the original MDGs. There are also indicators on focus on education beyond the primary level and on women’s empowerment. |

| France (prepared in collaboration with civil society) | The French government recognises ILO’s Decent Work Agenda, which is based on the understanding that work is a source of personal dignity, family stability, and peace in the community, democracy and above all economic growth. It intends to promote job creation and guidance towards employment as well as support for entrepreneurship in the framework of a transition towards a green and inclusive economy, and wants to strengthen ties between training and the needs of the market by supporting lifelong job market policies. Also, it wants to promote employment of the most vulnerable, including young people and senior citizens, the unqualified, long-term unemployed, women and disabled people.  
In particular, the French government stresses that vulnerable populations, such as young people, whose with little or no qualification, the long term unemployed, |
| | Not many indicators but there are suggestive targets:  
Decent work for all including by guaranteeing inclusive social protection, starting with  
Individual access to national social protection floors, should be fully integrated and strengthened, on the basis of improved and supplemented indicators. |
women and the disabled should receive specific attention, through indicators that can be broken down by gender and age. Future agenda on employment should ask seek to protect migrant workers and those in the informal economy in order to protect their rights and support their transition to the formal economy.

Moreover, agricultural policies should by supporting family farms, ensure decent income and thus the maintenance and development of employment in rural areas and thus support the fight against rural exodus and the exponential growth of cities and unemployment.


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<tr>
<th>Columbia, Peru and UAE</th>
<th>Proposal capturing an indicative listing of SDGs arising in the context of the 2012 Rio+20 conference. These are not goals proposed by Colombia, Peru and UAE, but rather, the result of their efforts to capture proposals that were reiterated throughout the process. The thematic areas of the future Sustainable Development Goals should be cantered on issues that are widely regarded as politically mature. For this reason these three governments strongly recommended that the SDGs do not encompass climate change. The UNFCCC negotiations are at a difficult and critical juncture, and need to be resolved within the established framework. Bringing climate change issues into fora outside of the UNFCCC will complicate the negotiations and generate bottlenecks in other processes.</th>
<th>Not available</th>
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</table>
| Japan                 | Pact for Global Wellbeing  
This plan for post-2015 goals includes human security, which would incorporate rights based approaches without the legal language most governments are opposed to; as well as inclusive growth to address inequality within countries. | Not available |
would also address shared growth which ensures that growth would benefit not only low income countries but also emerging economies and private sector governments.


### C. International Financial Institutions

<table>
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<tr>
<th>World Bank</th>
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| 1. *The World Bank Group Goals- End Extreme Poverty and Promote Prosperity*  
In this report, the World Bank focuses on growth through shared prosperity and job creation. It proposes the implementation of a new indicator that monitors ‘shared prosperity using the income growth of the bottom 40 percent of a nation’s population.’ By using this indicator, misconceptions that growth has occurred that result from just examining an increase in GDP will be avoided.  
| Income growth of the bottom 40 percent of a nation’s population. |

| 2. *Speech by Dr. Jim Yong Kim, President of the World Bank to the World Bank – IMF Annual Meeting 2012*  
Need to think about looking beyond monetary poverty measures, to reflect the multifaceted nature of poverty today. Need to focus on both people and the planet, emphasizing sustainability and underlining the fact that developed and developing countries alike have a stake in preserving our shared environment. This includes considering moving beyond GDP to measure the sustainability of growth through natural capital and wealth accounting.  
Need to give greater attention to questions of equity, which were largely |
| None available |
Indicators for growth and economic transformation

| IMF | None available | None available |
| IFC | None available | None available |

D. Regional Development Banks

| ADB | 1. *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda*
| | This report focuses on the overall goals that should be achieved in a post-2015 framework. These goals include zero income poverty, zero hunger and malnutrition, gender equality, decent jobs for everyone of working age, health for all, improved living conditions with a focus on the poor, quality education for all, liveable cities, environmental responsibility and management of natural resources, disaster risk reduction, accountable and responsive governments, and strong development partnerships. It also provides scenarios for the new framework that are developed based on the previous MDGs but suggests that the successor framework takes on a human rights based approach towards sustainable development. [http://www.adb.org/sites/default/files/pub/2013/asia-pacific-regional-mdgs-report.pdf](http://www.adb.org/sites/default/files/pub/2013/asia-pacific-regional-mdgs-report.pdf) |
| | 2. *Building Development Effectiveness Post-2015: A Result’s Based Approach*
| | The authors of this report propose a framework that they conceptualize through the image of a wheel that has individuals and their well-being as |

(Targets/goals, rather than indicators)

- Decent jobs for everyone of working age—ensure productive employment, including a focus on remunerative and decent work for youth. Policies that incentivize growth that is inclusive and employment rich, in both the formal and informal sectors.
- Promotion of an enabling environment for micro- and small enterprises to operate and grow.
the centre, followed by enablers such as good governance, peace, and security, which must exist for development to occur. Next, global goals are considered, and finally, sustainability is positioned on the outside of the wheel as a theme that must be considered. This wheel represents the ‘ZEN’ framework that shows compromise between national and global goals. The focus of this proposal as a results-based approach is significant because the writers draw on the shortcomings of the MDGs as support for a new approach that begins at the country level and is then tailored to global goals.


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<th>Inter-American Development Bank</th>
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**E. Civil Society Organisations**

**Evidence on Demand**  
1. **Assessment of a possible post-MDG Rural Transport Indicator (Paul Starkey)**  
   This report, produced with the aid of DFID, proposes a comprehensive indicator for measuring rural access to transportation. In measuring this indicator, it is suggested the GIS technology is utilized in determining the number of people who can access transportation within a 30 minute walk. The indicator proposed is intended to measure the ‘number of rural people living more than 30 minutes’ walk from affordable, reliable transport services’ in an effort to reach the post-MDG target that ‘everybody has access to telecoms and electricity and the number of people without ready access to transport services is halved.’ This indicator is deemed appropriate by Starkey because it takes both the proximity of transport as well as the costs posed to individuals and the reliability of the service into accounts.

The groups proposing this indicator are suggesting that existing

Number of rural people living more than 30 minutes’ walk from affordable, reliable transport services.

Affordability can be measured by the percentage of household income used for transportation services. Reliability is defined by the predictability and persistence of services year around.
Indicators for growth and economic transformation

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<tr>
<th>indicators (e.g. World Bank’s Rural Access Indicator: percentage of the population who live two kilometres from an ‘all weather road’) includes a significant population who are close to a road but does not have suitable and transport service. Accordingly, it is suggested that a legitimate way of increasing economic activity is to measure access to transport in a more user-friendly manner.</th>
</tr>
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<tbody>
<tr>
<td><a href="https://www.google.co.uk/url?sa=t&amp;rct=j&amp;q=&amp;esrc=s&amp;source=web&amp;cd=1&amp;ved=0CC4QFjAA&amp;url=http%3A%2F%2Fwww.evidenceondemand.info%2FCore%2FDownloadDoc.aspx%3FdocumentID%3D728%26contentID%3D3308&amp;ei=745zUr0e0quEBm-gUg&amp;usg=AFQjCNE0xv-jZGx-gk8fEjnvQjiYyjYfgQ&amp;bvm=bv.55819444,d.ZG4">https://www.google.co.uk/url?sa=t&amp;rct=j&amp;q=&amp;esrc=s&amp;source=web&amp;cd=1&amp;ved=0CC4QFjAA&amp;url=http%3A%2F%2Fwww.evidenceondemand.info%2FCore%2FDownloadDoc.aspx%3FdocumentID%3D728%26contentID%3D3308&amp;ei=745zUr0e0quEBm-gUg&amp;usg=AFQjCNE0xv-jZGx-gk8fEjnvQjiYyjYfgQ&amp;bvm=bv.55819444,d.ZG4</a></td>
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2. **Assessment of a possible post-MDG Urban Transport Indicator (Jeff Turner)**

This report, also produced with the help of DFID, proposes two potential indicators for measuring the accessibility and affordability transportation to individuals in urban areas of developing countries. The report focuses more on the accessibility for poorer sections of the population who could potentially afford transport. In doing so, the author suggest increased accessibility to transportation could increase employment and activity in the traditional marketplace. By proposing these indicators, the author and other groups are hoping to introduce a final, sufficient option for a future post-2015 framework.

While technically only proposing one indicator regarding ‘affordability,’ in recognizing the importance of ‘accessibility’ as well, Turner proposes two indicators that could be used to resolve issues regarding transport of the urban poor. Although an existing indicator is not referenced, the author proposes his

<table>
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<th>Number of urban people for whom reliable transport services are affordable.</th>
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<td>Affordability is defined as ‘requiring less than 20% of monthly household expenditure.’</td>
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While affordability can be simply measured by finding, ‘the average per capita monthly income and the average for the bottom quintile of the income distribution for the city; determining the minimum public transport fare to travel 10km using a daily ticket; calculating the cost for 60 trips at this fare, and expressing this cost as a percentage of the average and bottom quintile monthly incomes.’ |

| Accessibility is percentage of the population (or the |---|
first indicator, then, acknowledging its weaknesses and limits, proposes a second in an effort to achieve more all-encompassing results that go beyond affordability to include access to key services.

The indicators discussed most obviously fall into the area of economic infrastructure, but also affect jobs and the economic empowerment for women and girls as accessibility and subsidies are aimed towards disenfranchised members of the population gaining access to services and work that were not previously available.

Turner’s report also draws heavily on the Urban Poor Accessibility Assessment Tool by UN Habitat (included in the appendix of Turner’s report), which contains thirteen indicators to be applied to the four objectives – affordability, availability, acceptability and accessibility. 

Ref: [Link to UN Habitat's Tool](https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&ved=0CC4QFjAA&url=http%3A%2F%2Fwww.evidenceondemand.info%2FCore%2FDownloadDoc.aspx%3FdocumentID%3D725%26contentID%3D3298.pdf&ei=F49zUvrBj8Kihgfn6oCQDQ&usg=AFQjCNQ05FxAAA049zUvrBj8Kihgfn6oCQDQ&bvm=bv.55819444,d.ZG4)

Affordability:

This is to be measured by an affordability index (local currency) by different social groups within households and the portion of individual income spent on travel monthly or daily (local currency) variation by women and men, as well as young and old.

Availability:

Availability can be measured by a map of informal services, distance travelled to nearest bus stop (km/miles), waiting time at bus stops (minutes/hours) and variation by time of day and different social groups, and the frequency of buses serving the same route (minutes/hours) and variation across day and night and wet and dry season.

Acceptability:

It is proposed that overcrowding (ratio of the number of passenger to vehicle capacity), maps of route termination, route cutting (percentages of routes that terminate early) and variation across time of day, load carrying (cost to passenger of traveling with loads), and additional cost incurred for safety and personal security
<table>
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<th>ATD Fourth World</th>
<th>Towards Sustainable Development that Leaves No One Behind The Challenge of the Post-2015 Agenda</th>
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<td></td>
<td>This report reflects on the MDGs with input from 12 countries (developed and developing) and concludes with suggestions for the post-2015 goals. The main goals are eradicating extreme poverty, which has not been eradicated in both the developing and developed world, and addressing climate change. The fight against poverty must be in conjunction with fighting inequalities and transitioning to a more ecological economy. The report also suggests that rather than focus on expected outcomes by a certain time, there should be a shift to implementation processes and accountability mechanisms that are consistent with the goals. As far as job creation the report suggests providing legal identities, good quality education and healthcare, social housing drinking water and sanitation and developing a green economy can all create decent jobs accessible to those in poverty.</td>
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Indicators for growth and economic transformation (local currency), are used to measure acceptability of transport services.

Accessibility:

Finally, accessibility can be measured by whether or not the community reports if it is safe to walk across a neighbourhood (variation by social group and by day/night location) as well as maps of walking and non-motorised transport routes to key services across neighbourhoods for different social groups.

Poverty should not be measured by the $1.25 a day measurement but the measurement should be proven relevant in the countries it’s used such as the poorest 20% of the population.

Monitoring for development should use new innovations in citizen reporting rather than relying on top-down statistics.
| Brazil Ground Level Panel (BGLP) | Ground Level Panels offer reality check to UN High Level panel’s (HLP) proposals for development  
The GLP in Brazil proposed a “global life plan” which recognizes the interconnectedness of citizens, the environment and government bodies. They argue that the current development model is outdated and too focused on political and economic interests. They made seven proposals to achieve their global life plan that include popular education, fair and sustainable forms of production, job creation, and income distribution, building new alliances and forms of government the focus on the real necessities of the people. | None available |

| India Ground Level Panel (IGLP) | Ground Level Panels offer reality check to UN High Level panel’s (HLP) proposals for development  
The panellists from the GLP in India recommended fifteen goals including establishing a corruption-free society, promoting equality, establish robust accountability mechanisms, create institutional spaces to promote participation in local governance, protect the environment, and enforce mechanisms to prevent tax evasion as well as ending discrimination and stigma. | None available |

| OWG co-chair Interim report | Letter dated 19 July 2013 from the Co-Chairs of the Open Working Group of the General Assembly on Sustainable Development Goals addressed to the President of the General Assembly  
This letter reporting the proceedings of the OWG states that for decent work for all there must be creation of enough productive jobs to employ | None available |
all seeking work at a decent pay, low-productivity employment is more of a concern than unemployment in LICs. Also, dynamic and diversified economies are critical to addressing the employment challenges. A policy conducive to private investment since that is where most jobs are created. The issue of youth unemployment is a priority as well as unemployment insurance and access to health services, school, and gender equality.


<table>
<thead>
<tr>
<th>Indicators for growth and economic transformation</th>
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<tbody>
<tr>
<td><strong>Save the Children</strong></td>
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<tr>
<td>Save the Children argues that the post-2015 framework should eliminate poverty within a generation and look at economic growth as part of a poverty reduction package. The growth occurring should be inclusive and sustainable. Finally, growth should generate decent work so that workers can benefit from employment and governments or other organizations should provide a safety net for those who have no job or are unable to work.</td>
</tr>
<tr>
<td>• Wage share of GDP</td>
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<tr>
<td>• Closing disparities in employment: youth and gender (employment rates and pay)</td>
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</table>

| International Trade Union Confederation       |
| The International Trade Union Confederation argues that three key components should be included in a post-2015 framework. First, it should include an introduction of a specific goal on full and decent employment (not as a target on goal on poverty reduction) built on the ILO’s Decent Work Agenda. Second, the framework should ensure universal access to basic guarantees of social protection is a human right and a direct and efficient way of reducing inequalities. Finally, the new agenda should include a goal on the implementation of social protection floors as defined in the Bachelet Report, and the ILO Recommendation 202 which has set an international standard to be applied at national level. |
| • Employment-to-population ratio              |
| • Employment growth rate                      |
| • Annual hours worked per employed persons    |
| • Labour productivity – GDP per employed person |
| • Proportion of own-account and contributing family workers in total employment |
| • Share of people engaged in informal work relations among the active population |
| • Proportion of employed people living below 1.25$ a day |
| • Wage inequality                            |
| • Low pay rate                               |
### Indicators for growth and economic transformation

- Minimum wage as % of median wage
- Ratification of the eight ILO Core Labour Conventions
- Ratification of the ILO Convention No. 183 on maternity protection, No. 156 on workers with family responsibilities and No. 189 on domestic workers
- Gender wage gap
- Excessive hours
- Occupational injury rate (fatal and non-fatal)
- Union density rate
- Enterprises belonging to employer organisation
- Collective bargaining coverage rate
- Share of population aged 65 and above benefiting from a pension
- Public social security expenditure (% GDP)
- Beneficiaries of cash income support (% of the poor)
- Share of population covered by basic health care provisions

### D. Think Tanks, Bloggers, etc.

| Overseas Development Institute (ODI) | 1. *Business and a post-2015 development index: where next? (Paula Lucci)*
<table>
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<tbody>
<tr>
<td><strong>Narrative:</strong></td>
<td>This paper argues the need for a new framework that reflects the necessity of job creation, in the post-2015 framework. It suggests the inclusion of economic transformation and employment in the opening statement of a new framework to highlight the importance of the issue and encourage resource allocation towards relevant areas. Additionally, the author suggests the use of ‘reporting on relevant goals, targets and indicators [for enablers of growth].’ Goals for ‘infrastructure, education and supplementary indicators for other enablers of inclusive growth and jobs. Indicators for skills, for</td>
</tr>
</tbody>
</table>
enablers of inclusive growth and jobs’ are also encouraged to be used. The agenda of this piece is to stress the important role the private sector can take in a post-2015 framework that focuses heavily on the creation of sustainable employment. (http://www.odi.org.uk/publications/7349-business-post-2015-development-framework-next)

The example, could include the vocational training often demanded by businesses, where relevant to national contexts. In the case of infrastructure, such indicators could include access to energy and transport. This could help meet household aspirations while helping to put in place basic enablers of growth.

### 1. Indicators for growth and economic transformation

#### Inclusiveness of growth/quantity of jobs:

- The fully-adjusted Net National Income (ANNI) growth (%) which ‘adjusts GNI by taking into account the depreciation of capital, depletion of resources and underutilisation of labour.’
- The contribution of structural transformation to growth in GDP per capita (percentage points) which ‘captures the need to move labour from low-productivity to higher-productivity sectors/activities.’
- The share of labour earnings in total income (% GNI) which ‘monitors the proportion of national income accruing to labour (versus capital income).

#### Quality of work/productive employment:

- Productive employment (% total employment) which ‘excludes both unemployment and underemployment.’
- The share of wage employment in the non-agricultural sector (% total employment in the non-agricultural sector) which provides a ‘proxy for ‘good jobs’ outside of agriculture.’

<table>
<thead>
<tr>
<th><strong>2. Employment in a post-2015 framework: Proposals for monitoring indicators (Pedro Martins and Laura Rodríguez Takeuchi)</strong></th>
<th><strong>Inclusiveness of growth/quantity of jobs:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Narrative: In this paper, the two authors from ODI argue for a new post-2015 framework that stresses the importance of employment in three different areas. The writers suggest employment be discussed in terms of <strong>quantity of work, quality of work, and equality of access to jobs</strong>. In stressing the importance of these three areas they ensure an adequate supply of jobs that are sustainable and decent in order to prevent the chronic problem of underemployment in the developing world. They propose a number of indicators to be used in conjunction with these three categories. In proposing these indicators, it is clear that their agenda is to provide a far more detailed look at different factors of employment and inequality within employment in the future framework. (includes the indicators listed in the third column)</td>
<td><strong>Inclusiveness of growth/quantity of jobs:</strong></td>
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<tr>
<td>(<a href="http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8503.pdf">http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8503.pdf</a>)</td>
<td><strong>Inclusiveness of growth/quantity of jobs:</strong></td>
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<td><strong>Inclusiveness of growth/quantity of jobs:</strong></td>
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</table>
Indicators for growth and economic transformation

<table>
<thead>
<tr>
<th>3. What can we do to help business in post-2015 (blog-William Smith)</th>
<th>None available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narrative: This opinion piece references an original report published titled How donors engage with business and encourages those working on a post-2015 framework to focus on what incentives they can provide to businesses in order to increase employment. Thus, the focus of his argument is to promote the opinions of the business and development exchange flagship at ODI. (<a href="http://www.odi.org.uk/opinion/7677-can-help-business">http://www.odi.org.uk/opinion/7677-can-help-business</a>)</td>
<td></td>
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</table>
The Bellagio goals state that growth is the single most important factor in reducing poverty and one of the main priorities of poor people. Additionally, the goals assert that inclusive growth is comprised of three elements: High, efficient and sustained growth that creates jobs and economic opportunities, social inclusion to ensure access to those, and social safety nets to protect from livelihood shocks.

| Centre for International Governance Innovation (CIGI) – Korea Development Institute (KDI) (Bellagio Goals) | Growth rate of GDP per person employed  
| | Employment rate  
| | Share of population aged 65 and above benefitting from a pension |
| Centre for International Governance Innovation (CIGI) – Korea Development Institute (KDI) | *Post-2015 Goals, Targets and Indicators*  
The target involving jobs for the first goal of eradicating extreme poverty and hunger is to achieve full and productive employment and decent work for all, including women and young people. | • Growth rate of GDP per person employed  
• Employment-to-population ratio  
• Proportion of employed people living below $1 PPP per day  
• Proportion of own-account and contributing family workers in total employment |
|---|---|---|
| Centre for Global Development | The Centre for Global Development argues sets out to ensure that, by the year 2030, the proportion of the world’s people whose income is less than two dollars a day or that is undernourished is below one in ten, and to expand access to decent work worldwide. Additionally, it is suggested that a post-2015 framework should develop and implement strategies that give young people everywhere a real chance to find decent and productive work. | • $2/day  
• Malnutrition  
• Gap between youth unemployment and total unemployment |
| Institute of Development Studies (IDS) Burns, D. et al | 1. *Work with us: How people and organisations can catalyse sustainable change*  
Rather than propose a sample issues affecting those in poverty, this report sets out to ‘get an in-depth understanding of how people living in extreme poverty and marginalisation experience change in their lives, and the different factors that contribute to either negative or positive change.’ In doing so, it is discovered that people living in poverty see decent jobs as the key to dignified livelihoods. This report suggests the creation of decent jobs can be achieved by investment in private and public funding.  
| Duncan Green (Oxfam) | 1. *How can a post-2015 agreement drive real change: the political economy of global commitments*  
In this draft, Duncan Green, along with Stephen Hale and Matthew Lockwood, argues that a future framework, and subsequent development, must begin at a local level and not be dictated by overarching global goals. While the paper does not explicitly reference growth in employment, it refers to the idea that jobs should be included in whatever replaces the MDGs.  
| --- | --- | --- |
|  | 2. *Is Inequality All About the Tails? The Palma, the Gini and Post-2015 Narrative:* In this post, Duncan Green describes the potential of a new wealth distribution coefficient that was proposed by economist Gabriel Palma and could potentially replace the Gini coefficient as it provides a more useful look at income inequality by comparing the richest 10% of a country’s citizens with the poorest 40%.  
|  | 3. *At last, a sensible suggestion for post-2015*  
Narrative: In this post, Duncan Green describes a proposal by Sabina Alkire and Andy Sumner that an ‘MPI 2.0’ is included in the post-2015 framework to measure all countries on how much progress they have made towards the post-2015 goals each year. Green suggests this MPI 2.0 is viewed as a poverty indicator that replaces how many people are living on under $1.25 a day.  
| My World | 1. My World: The United Nations Global Survey for a Better World  
Narrative: The results of this survey illustrate the rankings of priorities  
people of different groups associate with certain issues. Out of 16 issues,  
the world ranked ‘better job opportunities’ as the third most important  
priority. Men, women, and individuals under the age of 34 also ranked  
better jobs as the third most important priority while people between  
the ages of 34 and 55 ranked it as the fourth most important priority and  
people over the age of 55 ranked it as the 7th.  
4 Commonalities and differences across the narrative and indicators

4.1 Commonalities

In inclusive growth and employment, even though most of the key institutional proposals agree on approaches to promote more sustainable and inclusive growth (including on valuing factors beyond GDP, like environment and wellbeing; supporting enterprise development and economic activity; raising productivity and generating more and better jobs), civil society inputs diverge on how best to achieve this. It places a stronger focus on equity than on growth in its own right, emphasises employment rights, and highlights the importance of supporting small, micro, and informal enterprise development, as opposed to growth or enterprise development in general.

The key UN institutional proposals agree strongly on the need for more sustainable and inclusive growth:

- HLP: Create Jobs, Sustainable Livelihoods and Equitable Growth
- SDSN: End poverty and increase prosperity via inclusive economic growth
- UNGC: End poverty and increase prosperity via inclusive economic growth
- UNSG: Promote inclusive and sustainable growth and decent employment

Commonalities:

**Need to promote full employment**
- Most proposals specify the need to support youth employment and entrepreneurship, and many also make explicit the need for labour market policies to target disadvantaged groups in addition to youth (particularly women, marginalised groups, those with disabilities).
- Few addresses supply side reforms or labour market reforms.

**GDP is not a sufficient measurement**
- Most institutional proposals (HLP, SDSN, UNSG, Council of the EU, World Bank) suggest that GDP is not an adequate measure of what is valued, and that it will be necessary to devise new measures that also value the environment and wellbeing. Nevertheless, few state what indicator should replace GDP as a measure of wellbeing.
- ODI’s Martins and Takeuchi proposes to use adjusts GNI by taking into account the depreciation of capital, depletion of natural resources and underutilisation of labour, but even the authors themselves admit such rates would be difficult to obtain in practice.
Lacking indicators

- On a few proposals (Martins and Takeuchi 2013, Starkey 2013, Turner 2013) propose any concrete indicators to measure inclusive growth and employment;

Increase productivity

- Most UN and civil society proposals note the importance of raising productivity or productive capacity: either by raising labour productivity (UNGC) or economic productivity as a whole, moving towards more value added and/or diverse forms of production, and generating higher-value goods or jobs (HLP; UNGC; UNSG UNDG, 2013b, UNDP & ILO and UNDG, 2013a).

Little mentioning or involvement of the private sector

- Few proposals (Paula Lucci and William Smith) discuss how to involve business and the private sector in framing the post-2015 development agenda. The HLP report touches upon on how to target on jobs and enterprise development, along with actions to support businesses.

Little mentioning of structural transformation

- To the best of my knowledge, no proposal has explicitly talked about structural transformation and its linkages to growth.
- The French proposal (see table) even argues for ‘fighting against rural exodus and exponential growth of cities and unemployment’; whereas in my view, the movement of labour from agriculture to more productive economic sectors in the cities is an inevitable path to structural transformation.

Some propose an ‘human rights based approach’ to development

- Two organizations (Council of the EU and the ADB) propose a (human) rights based approach to development by providing explicit guarantees to national social protections.

Protect the vulnerable groups within the populations

- Institutional proposals seek to support enterprise development and economic activity, particularly through improved access to finance, including for women and marginalised groups (UNGC; HLP), and through improved infrastructure and services (HLP; UNGC).

Promote social protection

- Most proposals address social protection for those out of work. Civil society inputs highlight the need to safeguard social security (BGLP, IGLP, UNDG, 2013a, UNDP & ILO, CAFOD; UNDG, 2013b), and the UNGC, UNSG and HLP call for social protection systems.

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1 Herrendof et al ‘Growth and Structural Transformation’ NBER working paper 18996, April 2013
http://www.nber.org/papers/w18996
4.2 Differences

While there is consensus on the need for more inclusive, sustainable growth, different Institutional proposals outline different ways to get there.

- UNGC discusses ‘green growth’ with a strong focus on employment and enhanced corporate social responsibility;

- The UNSG places much emphasis on decent employment and redistributive policies (alongside environmental sustainability);

- SDSN proposes decoupling growth from unsustainable patterns of production and consumption, with a narrative on “the right to development within planetary boundaries”;

- The HLP outlines targets on jobs and enterprise development, along with actions to support businesses (improvements in infrastructure, effective and efficient governance, cross-border collaboration to facilitate trade in new markets and responsible business practice in line with principles of transparency and accountability).

Some Institutional proposals combine inclusive or equitable growth objectives with employment in the same proposed goal (HLP; UNSG), while some combine growth and poverty in a single goal (SDSN; UNGC).

- The HLP and UNGC have a stronger emphasis on an enabling environment for business and entrepreneurship than other UN and civil society approaches. For instance, with targets on the number of new start-ups and the value-added of new products (HLP); UNGC specifically highlights the need to remove barriers to entry for new businesses.

- **Civil society inputs in contrast have a stronger focus on small, micro and informal enterprises.** Consultations recommended special support measures for these enterprises, such as better access to finance, business development services, strengthening their legal, commercial and property rights (UNDG, 2013b; UNDP & ILO).

- While many civil society inputs do discuss growth in similar terms to Institutional proposals, consultations with civil society reveal much questioning of the growth paradigm, with calls for more inclusive economic policies, including through fairer trade and tax regimes, and a stronger focus on equity than on growth in its own right (Beyond 2015 et al., 62 CSOs, BGLP).

- Civil society inputs have an emphasis on employment rights, highlighting the need to address exploitation and ‘risky jobs’, and to protect workers’ rights and voice (BGLP, IGLP, UNDG, 2013b, Burns et al., 2013).

  - The Participate study highlights factors that can erode employment rights and the decent work agenda, such as policies prioritising inflation control over employment, concessions to certain companies (e.g. mining industry) within
countries, and the concentration of capital in certain sectors. It proposes that a future framework should support those in the informal sector and the transition to formal employment, and that the poorest should have control over productive assets (Burns et al., 2013).

- Only UNGC proposes eliminating child labour, and looks at ways to raise labour productivity through other development goals (education, health etc.).

Evidence on Demand proposals from Paul Starkey and Jeff Turner offer their own respective indicators for measuring rural and urban transport. For rural transport, Starkey makes the case to go beyond World Bank’s Rural Access Indicator (percentage of the population who live two kilometers from an all-weather road) and proposes to measure the number of rural population who live 30 minute walk from affordable, reliable transport service. Furthermore, in his study for urban transport indicators, Turner proposes indicators for measuring affordability, accessibility, availability and acceptability.

We also found that it is possible for an organization to command more than one narrative and therefore focus on different aspects of jobs and inclusive growth. For example, International Labour Organisation (ILO) places different emphasis through several reports:

- In an opinion piece ‘Why jobs and livelihood matter for post 2015’, the author calls for better measurement/indictors on the quantity and quality of labour market statistics, particularly for people at the bottom end of the economy.
- In the report ‘ILO’s vision: sustainable development, decent work and green jobs’, the author argues that making the economy environmentally sustainable is a necessity because the economy would otherwise be threatened by environmental degradation, unresolved social challenges and so on.
- In a third report we found called ‘Jobs and livelihoods at the heart of the post-2015 agenda’, it proposes for the promoting equality of workers’ rights and goals therefore must be set to ensure full and productive employment and decent work as well as social protection.

Among the reports that we have surveyed, few explicitly discuss any specific indicators on jobs and inclusive growth, although several of them proposed targets and goals on different sectors.

- The ODI working paper by Martins and Takeuchi fills this vacuum by offering specific indicators for inclusive growth and job creation in the context of post 2015 development framework, where the author suggests employment to be discussed in terms of quantity of work, quality of work and equal access to jobs. They propose the following indicators and indicated their respective strengths and weaknesses:
## 4.3 Proposals on Key Employment Indicators for a Post-2015 Framework by Martins and Takeuchi (2013)

<table>
<thead>
<tr>
<th>Improving the Inclusiveness of Growth</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fully-Adjusted Net National Income (ANNI) growth (%)</strong></td>
<td>Adjusts GNI by taking into account the depreciation of capital, depletion of natural resources and underutilisation of labour.</td>
<td>Requires estimates on physical, natural and human capital stocks, as well as their depreciation rates.</td>
</tr>
<tr>
<td><strong>Contribution of structural transformation to growth in GDP per capita (percentage points)</strong></td>
<td>Captures the need to move labour from low-productivity to higher-productivity sectors/activities.</td>
<td>Neglects contribution of within-sector productivity increases and changes in employment levels.</td>
</tr>
<tr>
<td><strong>Share of labour earnings in total income (% GNI)</strong></td>
<td>Monitors the proportion of national income accruing to labour (versus capital income).</td>
<td>Currently difficult to estimate.</td>
</tr>
</tbody>
</table>

### Promoting Productive Employment

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<tr>
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<th>Strengths</th>
<th>Weaknesses</th>
</tr>
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<tbody>
<tr>
<td><strong>Productive employment (% total employment)</strong> [a] [g]</td>
<td>Excludes both unemployment and underemployment.</td>
<td>Requires an internationally-agreed definition of underemployment.</td>
</tr>
<tr>
<td><strong>Share of wage employment in the non-agricultural sector (% total employment in the non-agricultural sector)</strong> [a] [g]</td>
<td>Proxy for ‘good jobs’ outside agriculture.</td>
<td>Overlooks precarious jobs within wage employment.</td>
</tr>
<tr>
<td><strong>Subsistence worker rate</strong> [a] [g]</td>
<td>Captures one of the most vulnerable forms of employment – subsistence farming.</td>
<td>Potentially difficult to define and estimate (multiple occupations in rural areas).</td>
</tr>
<tr>
<td><strong>Ratio between the 50th and 10th percentile of wages</strong> [a] [g]</td>
<td>Measures wage inequality.</td>
<td>Less relevant in countries with a low share of wage employment.</td>
</tr>
<tr>
<td><strong>Share of economically active people living in poor households (&lt;$2 a day)</strong></td>
<td>Proxy for income-related underemployment.</td>
<td>Affected by intra-household dependency ratio and non-labour incomes.</td>
</tr>
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</table>

### Ensuring Equal Access to Opportunities

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<th></th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment rate ratio for vulnerable groups</strong> [a] [g] [m] [e] [d]</td>
<td>Useful comparator for different population groups.</td>
<td>Ambiguous interpretation of high values and trends</td>
</tr>
<tr>
<td><strong>Ratio of the shares of wage employment in the non-agricultural sector for vulnerable groups</strong> [a] [g] [m] [e] [d]</td>
<td>Measures access to better employment opportunities.</td>
<td>Limited information on the quantity or quality of jobs.</td>
</tr>
<tr>
<td><strong>Average wage ratios of vulnerable groups</strong> [a] [g] [m] [e] [d]</td>
<td>Measures pay discrimination across population groups.</td>
<td>Less relevant in countries with a low share of wage employment.</td>
</tr>
</tbody>
</table>
Note: [a] disaggregated by age, [g] disaggregated by sex, [m] disaggregated by migration status, [e] disaggregated by ethnicity (minorities), and [d] disaggregated by disability
5 Conclusions

Despite the fact that many organizations have put forward their own narratives on jobs and inclusive growth to influence the post 2015 agenda, most of them converge on their narratives on the jobs and inclusive growth agenda in the post-2015 context. This report have discussed the commonalities and the differences among these narratives, targets and goals and briefly commented on rationale for the proposed indicators. In the end, this report concludes by highlighting two key issues as a result of carrying out this piece of research.

Lack of indicators:

Detailed post-2015 proposals on jobs and inclusive are limited. Although various groups - proposed targets and goals on jobs and inclusive growth, the few organizations that produced concrete indicators were Evidence on Demand (Jeff Turner and Paul Starkey), International Trade Union Confederation, Centre for Global Development and Centre for International Governance Innovation – Korea Development Institute and the Overseas Development Institute.

The reasons for this lack of indicators is probably due to the fact that jobs and growth measurements were ignored by the MDGs, and therefore there is still much more work to be done to build a body of credible technical proposals and concrete indicators in these areas. Political consensus is probably still lacking on jobs and inclusive growth. On the other hand, other sectors that were included in the MDGs (e.g. health and education) already have these international development communities who have been actively engaged and were established, funded and developed during the whole MDG period since and before 2000.

Shifting paradigm:

The key debate among the primary UN institutions tends to be whether growth should be combined with employment (HLP and UNSG) or with poverty reduction (SDSN and UNGC). Different combinations on the growth agenda could lead to dissimilar indicators for measuring progress.

Living in the aftermath of the 2008-2009 global financial crisis and the countercyclical interventionist economic policies, there has been an increase of interests in interventionist economic policies worldwide to revive output and generate employment.

As far as employment is concerned, this report would like to draw policy makers’ attention to the economic rationale behind the policy objective of promoting ‘full employment’ (ILO) and put a slight question mark on whether one could propose ‘full employment’ as a credible and realistic policy target for developing countries governments. My worry is that based on the narratives we have surveyed, few demonstrate the awareness for the trade-offs between growth, inflation and employment. Underestimating the compound effect of these three factors proposes the risks of repeating policy errors by some developed economies in history.

For instance, in mainstream economics, it is widely accepted that Non-accelerating inflation rate of unemployment or NAIRU exists (Friedman 1968) structurally in an economy and any attempts in ‘managing’ this structural unemployment level within an economy without labour market reforms
could be highly inflationary, which was a phenomenon observed in the UK during the 1950s-70s, when various UK governments adopted a Keynesian demand-management and counter cyclical policies to manipulate aggregate demand, in an attempt to press down unemployment levels in order to appease to electorate.

Ironically, the idea of promoting full employment by virtually everybody within the post 2015 debate coincides with British economic policy paradigm at start of the Keynesian era can be dated to the publication of the 1944 White Paper on employment to ensure ‘high & stable’ levels of employments (Booth A. 2001), until the Keynesian economics policies led to ‘stagflation’ – a term to deficit rising inflation and unemployment in the early 1970s.

My concern is that most of the proposals have demonstrated almost completely unawareness of the side effects of promoting employment as a policy goal. Only the ‘Participate’ study by Institute of Development Studies (IDS) has had any slightest mention of the linkage between unemployment and monetary policies. Negligence towards such important aspect of economic policy making is something deserves attention. The report would therefore like to recommend that while highlighting employment as a policy goal, future proposals should include inflation targets and growth targets to ensure these macroeconomic indicators are fully harmonized.
References


Indicators for growth and economic transformation


Overseas Development Institute (ODI) (2013). Bergh, G. and Couturier J. *A rough guide to emerging consensus and divergence in post-2015 goal areas*


Indicators for growth and economic transformation


