

### Policy Brief

prepared for the Second World Summit for Social Development

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# From commitment to action The Global Accelerator on Jobs and Social Protection for Just Transitions

### **Key considerations for WSSD2**

- ▶ The Global Accelerator offers a concrete action platform for the realization of the upcoming Fourth International Conference on Financing for Development (FFD4) outcome document and the 2025 Second World Summit for Social Development (WSSD2) political declaration in 18 pathfinder countries.
- ▶ It provides evidence of the importance of social investments for sustained economic growth and helps countries in bringing together policymakers and financiers to contribute to national road maps accelerating decent jobs, universal social protection and just transitions.
- ▶ It supports countries in developing concrete policy solutions and financing options to address the challenges of climate change, informality, demographic shifts and digitalization in tailor-made sustainable development opportunities at the national level.
- Based on strong high-level political commitments by pathfinder countries, this initiative at the national level increases its impact through South-South cooperation, multilateral collaboration and evidence-based advocacy.

### ► Introduction

How countries respond to the climate crisis, the digital transformation, demographic changes and other necessary and ongoing economic and societal transformations may increase poverty, informal employment and barriers to decent work, and lead to social exclusion, increasing inequality and risks of social instability and unrest. In contrast, if these transitions are managed in a just and equitable manner, they could be unparalleled opportunities for creating decent jobs and expanding social protection, poverty eradication and social integration. By charting a human-centred, green recovery from the climate crisis and facilitating the inclusive structural transformations needed to achieve the Sustainable Development Goals (SDGs) by 2030, the Global Accelerator helps ensure that economic and social development go hand in hand.

There is ample evidence that spending on social protection systems and employment policies and programmes is a crucial investment, with significant economic and fiscal returns. A US dollar invested in social protection leads to an increase in GDP of US\$2–5 in two and a half years (Cardoso et al. 2025). When combined with tax incentives, access to vocational training and support for business start-ups, social protection and employment policies feed into a virtuous cycle of development, enhancing aggregate demand and productivity, which in turn spur inclusive growth and expand fiscal space for further investments. The Global Accelerator promotes social investments as a prerequisite for sustained economic growth.

### Taking action for jobs, social protection and just transitions

Launched in September 2021 by the United Nations (UN) Secretary-General, the Global Accelerator signals the UN system's collective response to addressing the multiple challenges that threaten to erase social development progress. It aims to accelerate progress towards the achievement of the SDGs, in particular 1.3 and 8.5, and 1.A, 2.1, 3.8, 4.4, 5.4, 5.C, 8.3, 8.6, 10.4, 17.1, 17.3, 17.16 and 17.19.

A total of 18 countries¹ have joined the Global Accelerator as of May 2025, and all are committed to increasing their efforts to achieve progress on decent jobs, social protection and just transitions by integrating policy efforts with increased financing through enhanced collaboration between ministries, with employers' and workers' organizations and civil society, and with the UN, development partners and international financial institutions (IFIs). In each country, this is guided by a government-led and jointly developed Global Accelerator road map to prioritize and consolidate national efforts.²

# Integrating policies for decent jobs and social protection

The damaging linkages between informality, poverty, inequality, low skills and low productivity undermine opportunities for the development of the full human potential, including creativity, productive capacity and entrepreneurial spirit. This lack of opportunity threatens livelihoods and is often entrenched, passing from one generation to the next, perpetuating a cycle of poverty and inequality that thwarts economic growth.

To overcome this vicious cycle and trigger a virtuous dynamic of sustainable growth, a basket of integrated employment and social protection policy measures is needed, with the **three levels of integration** indicated in figure 1.

The type of integration depends on the goals and policy priorities, and some examples are given below. However, only in combination can the policies lead to economic growth with decent jobs, social protection, inclusion, sustainability and formalization, and to the fiscal revenue that is key to unlocking the Global Accelerator's virtuous cycle.

## Financing decent jobs and social protection

An additional annual investment of US\$1.4 trillion or 3.3 per cent of the aggregate GDP of low- and middleincome countries is the bare minimum necessary to ensure a social protection floor and cover the 47.6 per cent of the global population (3.8 billion people) who remain without any social protection (ILO 2024a, 2025a). Fiscal stimulus gaps hinder governments' ability to create the currently 400 million jobs needed globally. This leaves millions unemployed or in precarious, informal employment without adequate protections, with women facing far greater obstacles in accessing decent work. Over 2 billion workers globally (58 per cent of total employment) are in informal employment, close to 90 per cent of workers in low-income countries. Up to 80 per cent of enterprises operate in the informal economy. In the 50 most climate-vulnerable countries, mainly in Africa, Asia and the Pacific, 2.1 billion people currently face the ravages of climate breakdown with no protection (ILO 2024a). Governments' responses to these challenges and investments in gender-responsive social protection and employment policies and sectoral transformation are constrained by rising levels of debt and limited fiscal space.

It is thus essential that integrated policies are adequately financed, spurring further public, private, domestic and international investments in productive employment and social protection that will ultimately deliver a positive economic and fiscal return on investment.

Four financing dimensions can be distinguished to finance jobs and social protection accelerations:

- ▶ Enhance public spending on social protection and jobs. A review of social protection and employment expenditures is necessary to be able to track these expenditures and benchmark with international practices and standards. Budgetneutral reallocations towards social protection and jobs can be considered as well as improving the effectiveness and cost efficiency of what is already being spent.
- Mobilize public revenues for social protection and jobs. To be able to spend more, countries need to be able to mobilize revenue for social protection and employment. Tax reforms such

<sup>1</sup> Pathfinder countries as of May 2025 include: Albania, Bhutan, Cabo Verde, Cambodia, Colombia, the Democratic Republic of the Congo, Guinea, Indonesia, Malawi, Namibia, Nepal, Pakistan, Paraguay, the Philippines, Rwanda, Senegal, Uzbekistan and Viet Nam.

<sup>2</sup> See <a href="https://www.unglobalaccelerator.org">https://www.unglobalaccelerator.org</a>.

#### Figure 1. Three levels of integration of social protection and employment policies **Institutional integration:** Complementary 1. Jobs AND unemployment benefit and activation systems, social protection with matching institutional settings and capacities systems **Institutional linkage:** Single windows with systematic **Economic growth** registration, referral, monitoring for income support with decent jobs, and activation services social protection, inclusion, greening and formalization Social protection strategies and employment 2. Jobs WITHIN social protection Employment and skills policies and social protection Fiscal revenue Public works and cash plus programmes for jobs, social Social protection protection and Referral, monitoring and data exchange **WITHIN** jobs just transitions

Decent jobs and social protection in macrofiscal policies

Decent jobs and social protection in industrial,

Greening, digital transitions and formalization

as promoting more efficient tax collection, harnessing official development assistance in the social protection and employment domains, as well as the extension of contributory social security, expand the tax base and contribute to government revenues for stronger social protection and employment systems.

sectoral policies

with jobs and social protection

3. Jobs and social protection

WITHIN OTHER

policies

Promote investments with a social impact.

The third dimension is financial: how credit and investment – public, private, domestic and international – contribute to employment and social protection. Assessing the social impact of investments (using the <a href="Structural Model for Sustainable Development">Sustainable Development</a>) and increasing this impact through systematic implementation of existing provisions and additional social protection and employment policies and measures can increase private sector and public development banks' contributions to the SDGs.

► Develop conducive macroeconomic policies.

Fiscal space and broader financing are a product of macroeconomic policy choices and their impact on the economic and social trajectory of a country. Evidence-based policy dialogue is needed for macroeconomic policy (led by ministries of finance and central banks) and socio-economic policies (led by ministries of labour, other ministries and social partners) to converge towards inclusive, job-rich growth with social protection. Macroeconomic models allow a focus on potential public investment projects or fiscal measures and estimate their economic and social returns.

# Fostering enhanced multilateral cooperation

Enhanced multilateral cooperation is the mechanism through which integrated policies and financing work together. The policy and financing reforms undertaken

as part of the Global Accelerator are designed at the country level through a co-creation process of a road map, ensuring synergies among participating ministries, donors, development banks, UN agencies, the private sector, social partners and civil society. Enhanced collaboration between ministries of finance and ministries of labour and other relevant line ministries as part of the Global Accelerator national steering committees facilitates agreements on policy priorities and their financing. **Social dialogue** with employers' and workers' representatives and collaboration with civil society ensure that policy reforms are relevant and financially sustainable and leave no one behind. Involvement of donors, implementing agencies and public development banks (PDBs) allows them to identify opportunities for investments in decent jobs, social protection and just transitions. Being part of the process streamlines their engagement with the government, and the road maps can represent a structured demand for PDB investments.

As a One UN initiative, the **Global Accelerator brings together relevant UN expertise** from within the country and beyond. Streamlining the governments' engagement with UN agencies on jobs and social protection increases efficiency and supports UN reform by strengthening the role of UN Resident Coordinators.

To support strategic collaboration between the UN and the World Bank (WB), the Multistakeholder Engagement to Implement the Global Accelerator on Jobs and Social Protection for Just Transitions and the World Bank Social Protection and Jobs Compass (M-GA) was initiated in 2023 with the support of the German Federal Ministry of Economic Cooperation and Development (BMZ) and Ireland. This joint initiative aims to support countries in developing integrated and well-coordinated national employment and social protection programmes and policies through UN/WB concerted action, joint programming and knowledge products.

To **foster further collaboration with PDBs**, the Finance in Common Summit (FiCS) Coalition for Social Investment, with the support of the Global Accelerator, established the Working Group on Harnessing the Social Impact of PDB financing for just transitions. It provides concrete opportunities for PDBs to support national Global Accelerator road map implementation through technical assistance, budget support, concessional financing and infrastructure loans. The Working Group is also building evidence of the social impact of PDB investments by promoting and applying impact measurement methodologies such as the <u>Structural Model for Sustainable Development</u>.

### Actions in pathfinder countries

### Accelerating a just transition towards environmentally sustainable societies and economies

Pathfinder countries such as Indonesia, Malawi, Nepal, Pakistan, Paraguay, the Philippines, Senegal, Uzbekistan and Viet Nam are highly exposed to climate shocks. For instance, Typhoon Rai in the Philippines affected over 4.4 million workers in 2021 (ILO 2022a), and the 2022 Pakistan floods disrupted or caused job loss for over 4.3 million workers (ILO 2022b). Extreme heat impacts workers and businesses, prompting Paraguay to prioritize worker protections in the construction sector. Cambodia, the Democratic Republic of the Congo, Malawi and Rwanda, which rely heavily on agriculture, face threats to productivity, incomes and food security due to climate change. Environmental degradation necessitates a shift to sustainable practices and agricultural transformation, key acceleration points for Malawi and Rwanda. Policies to mitigate climate change

can have serious adverse effects, particularly on the most vulnerable (ILO 2025b). In the context of changes in the energy sector, Colombia, Indonesia and Viet Nam are strengthening social protection and employment policies to support affected workers in coal industries. Green investments offer job creation potential, with Namibia and Uzbekistan focusing on renewable energy, and the Philippines on greening transportation and construction sectors.

#### Integrated policy approaches

Working towards a just transition, pathfinder countries are **incorporating environmental dimensions in their road maps** to prioritize the social and employment dimensions of the transition to a greener economy. For example, Indonesia plans to expand unemployment protection during the acceleration of renewable energy development, while Paraguay and Uzbekistan focus on green skills development through vocational education. Countries such as Albania, Indonesia, Paraguay and Uzbekistan aim to strengthen social protection systems to better respond to climate shocks, including investments in data systems and actuarial models.

#### Financing for decent jobs and social protection

Policy coherence across economic and environmental sectors is crucial to unlock financing. Climate finance investments for mitigation or adaptation can create decent jobs and extend universal social protection.

An example is Senegal reallocating fossil fuel subsidies to its family benefits programme in 2023, following a fiscal space analysis and financing options assessment. Integrating climate, social protection and employment policies, including through Nationally Determined Contributions, is essential for this financing to become a reality.

Countries may also use the opportunity of **Just Energy Transition Partnerships** and **Global Gateway projects,** involving governments, the European Union, IFIs and the private sector, to promote increased social investments – in employment, skills and social protection policies – along with investments in green energy.

# Accelerating the transition to formality

The persistence of workers and enterprises in the informal economy remains a significant challenge to the achievement of decent work and universal social protection in most pathfinder countries. For example, levels of informal employment range between approximately 57 per cent in Albania (ILO 2024b) and 88.3 per cent in Cambodia (ILO 2024c).

### ► Integrated policy approaches

Cambodia, Namibia, Nepal, Paraguay and Uzbekistan plan to advance the implementation of their **comprehensive national strategies** for formalization through the Global Accelerator. Pathfinder countries chose various entry points to accelerate this transition:

Sectoral approaches: Albania (tourism),
Malawi (agriculture), the Philippines (construction
and transportation) and Senegal (agriculture and
transportation). A better understanding of the role
of diverse actors and their economic relations across
the sector and value chain helps identify concrete
measures to adapt social protection systems and
mechanisms, such as automatic registration, tax
and social contribution collection. This also includes
improving working conditions and designing
programmes for skills development. The lessons
learned and mechanisms established through a specific
sector or value chain can be expanded to other sectors.

**Enterprise formalization:** Cabo Verde and Uzbekistan. Supporting micro, small and medium-sized enterprise (MSME) formalization by facilitating registration processes, introducing simplified tax regimes, providing access to credit and markets, and extending social

protection to workers increases productivity and income, and allows enterprises to grow.

Social protection extension to workers in the informal economy: Cambodia, Uzbekistan and Viet Nam. Access to social security is an important step towards formalization of employment, including for the self-employed, rural workers and workers in new forms of employment. It requires adapting social insurance schemes to the contributory capacity and needs of these workers, including through subsidization of contributions for those with limited contributory capacities, simplified administrative procedures and attractive benefits packages. In Cambodia, research will focus specifically on identifying barriers and formulating policy responses to address women's informal employment.

#### ▶ Financing for decent jobs and social protection

Formalization broadens the tax base and consolidates social protection financing through social contributions, resulting in increased domestic resources to finance social policies and support economic growth. The Structural Model for Sustainable Development of the Global Accelerator, applied in Malawi, Namibia and Senegal, allows countries to take informed policy decisions to invest in certain sectors with higher potential of formalizing the economy. Further work on reviewing the fiscal space for jobs, social protection and just transitions is under way in Nepal and Senegal, based on the Macroeconomic Diagnostics for Decent Jobs, Social Protection and Just Transitions: A Practitioner's Guide (Islam, Fedi and Verick 2024).

# Accelerating jobs and social protection with digital transitions

For all pathfinder countries, the digital transition offers many opportunities for job creation and productivity enhancement, as well as efficiency, accessibility and inclusivity of social protection and skills development. This presupposes that individuals' political, cultural and personal rights, including confidentiality of private information, are protected. To be able to seize these opportunities, the population needs access to digital connectivity, which varies widely across pathfinder countries: internet access ranges from 38 per cent of the population in Africa to 92 per cent in Europe, with Asia and the Pacific at 66 per cent and the Americas at 87 per cent (ITU 2024). In low- and lower-middle-income countries, gender disparities in internet use persist.

#### Integrated policy approaches

**Digital literacy and skills** are key areas of the Global Accelerator implementation in Cabo Verde, Indonesia, Namibia and Rwanda. In Cambodia, formal digital skills training is combined with a technical vocational

education and training (TVET) cash transfer programme to support vulnerable youth.

**The platform economy** can create new business and income generation opportunities, but also poses new challenges, including for the remuneration of workers, labour rights and access to social security (ILO 2024d). This highlights the need to ensure decent work, such as the extension of social insurance to workers on digital platforms in Uzbekistan.

To improve coordination of key policies and services, several countries are advancing digital systems for social protection. In Cambodia, efforts include implementing a digital social registry, enhancing the online registry for small businesses and enabling digital referrals of persons with disabilities to vocational training - powered by improved interoperability among public agencies. Uzbekistan is taking a similar approach, aiming to integrate its centralized social protection registry with the national employment system and other government databases. In Namibia, a digital integrated management information system is being developed to extend social protection to nomadic communities. This system will link to birth registers, tax records, the national pension fund, and MSME and jobseekers registries – enhancing institutional capacity and streamlining service access. Indonesia is upgrading its socio-economic registry and management information system to make its services more inclusive, efficient and responsive. Improvements will support faster registration, better data integration across government programmes, increased cost efficiency, reduced exclusion errors and a stronger capacity to respond to emergencies.

The road maps in Cambodia and Uzbekistan also prioritize the **digitalization of small and medium-sized enterprises (SMEs)**, aiming at increasing productivity and accelerating formalization. Measures in Uzbekistan include awareness-raising campaigns about digital business practices for SMEs and the development of sample digital employment agreements for cleaners, home care workers and nannies.

### ► Financing for decent jobs and social protection

Digitalization improves the ecosystem for enterprises, can increase productivity, and facilitates social security affiliation, the collection of social protection contributions and the formalization of the economy, thereby **increasing public revenues**. It also reduces fraud and increases efficiency of public programmes, thereby **improving public finance management**. To unfold its full potential, it requires investments in digital and energy infrastructure, such as through

**Global Gateway projects**, which can have a greater contribution to social protection extension and decent job creation if designed well.

# Accelerating jobs and social protection with demographic transitions

Some pathfinder countries experience a youth bulge, while others contend with the effects of rapidly ageing populations. To turn the youth bulge into an economic dividend, youth must have access to skills development, decent jobs and social protection. For youth and for the elderly, it is equally essential to invest in social protection and care systems, including decent jobs in the care sector – not only to cover the elderly population today, but also to be prepared when the youth of today age out of the labour market. Access to decent jobs in care services can provide employment for women (and men), and access to childcare as well as long-term care for the elderly and persons with disabilities can increase women's labour force participation rates, thus reducing the risk of old-age poverty in women.

### Integrated policy approaches

Youth bulge: In Namibia, where youth unemployment is particularly high,<sup>3</sup> green energy, agriculture, mining and tourism have been identified as priority areas in the road map for increasing youth employment, including access to skills development through TVET, active labour market policies, an integrated school-to-work strategy that includes financial support for first-time jobseekers, and the creation of decent jobs. This is complemented by the extension of social protection, in particular the strengthening of pensions. Formalization is also key, in response to the fact that youth are more likely to be in informal jobs.

Ageing population: In its national road map, Albania<sup>4</sup> has identified the strengthening of the care sector and care services, both for elderly and for children, as a key priority. Investments in childhood care services and enhanced services for the elderly include extending social protection to caregivers, including those working in informal arrangements, to help increase formal employment of women. Indonesia aims to establish a long-term care benefit scheme, which will improve access to care services for the elderly. Uzbekistan aims to enhance childcare services through regulatory reform, the design and implementation of community-driven childcare programmes, and awareness and advocacy campaigns. This is complemented by policy

<sup>3</sup> In Namibia in 2018 (latest available data), the share of youth not in employment, education or training (NEET) was 29.4 per cent for men and 34.3 per cent for women (see <a href="https://test-ilostat.pantheonsite.io/data/snapshots/youth-neet-rate">https://test-ilostat.pantheonsite.io/data/snapshots/youth-neet-rate</a>).

<sup>4</sup> In Albania, the women's labour force participation rate stood at 57.9 per cent in 2023 (see <a href="https://test-ilostat.pantheonsite.io/data/snapshots/labour-force-participation-rate">https://test-ilostat.pantheonsite.io/data/snapshots/labour-force-participation-rate</a>).

measures promoting the transition of care workers to the formal economy.

► Financing for decent jobs and social protection

In Namibia, the financing strategy includes maximizing the contributions of the **sovereign fund** towards social

protection and economic empowerment interventions for youth. **Macroeconomic policy dialogue** is key for making use of the "demographic dividend", which can increase growth and support the financing of social protection.

### Implementing FFD4 and WSSD2 results

The Global Accelerator provides a vehicle for the concrete implementation of resolutions and agreements that emerge from the FFD4 and the WSSD2.

The Global Accelerator brings actors together. In an increasingly polarized world, the initiative provides a convincing narrative linking social investments and economic growth that does not divide but instead fosters cooperation. It shows that social investments have a clear positive impact on the economy and climate action. Founded on a rights-based approach, it provides compelling reasons to join for ministries of

finance and labour, PDBs, the private sector, and social partners and civil society. This is formalized in a national and global level governance structure.

The Global Accelerator is developed and implemented locally. Each pathfinder country has its own tailor-made Global Accelerator, based on the very strong, high-level political commitment and the national road map developed through a participatory approach. Under government leadership, these provide the direction each pathfinder country wants to take, and those that have assembled can contribute to its implementation.

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