

Executive summary

The world has made good progress in improving global livelihoods. More than two billion people emerged from extreme poverty over the last four decades, unskilled workers have seen real increases in their wages, life expectancy has improved, and literacy is more widespread than ever.

Despite these significant improvements, many people remain vulnerable. Furthermore, without action to secure livelihoods, a number of emerging trends threaten to undo much of the improvement made in recent decades. The recent economic and financial crisis already destabilised many people's livelihoods.

This study outlines the status of livelihoods today, and explores emerging trends in the economy, technology, demography, environment, security and governance which could impact livelihoods in the future. It asks how we can build secure livelihoods; how societies will adapt to the coming challenges; and whether there are any innovation opportunities – whether technological or social – that can be exploited?

The considerable livelihood challenges which lie ahead are opportunities for innovation, for seeing the future differently and for bold experiments to move beyond surviving to thriving. It is up to all relevant players – international, national, local and individual – to seize these opportunities.

Key findings

- Overall economic growth is accompanied by two worrying global trends: a considerable increase in disparity both among and within most countries, and a slowdown in job creation.
- Job creation drives livelihood improvements. The reduction of global extreme poverty over the last decades was made possible by the creation of millions of new productive jobs, particularly in the developing world.
- Yet growth in GDP is not being matched by a rise in employment, leading to the phenomenon of “jobless growth” in almost all countries. This trend has been especially pronounced since the 2000s, reflecting the unemployment problems experienced by a number of countries, as well as significant productivity and technology innovations that release people from repetitive tasks.
- Global growth remains slow and financial fragilities continue. The next major economic shocks may well come from the emerging countries, whose growing corporate sector has benefited from massive lending by the global financial system and whose growth is likely to slow in the coming decades.
- The world is seeing some massive demographic transitions. Ageing populations in most high and middle-income countries are incurring serious pension and health

care costs, while the explosion in young people in most low-income countries will become a source of major stresses if they cannot be provided with enough jobs.

- Environmental degradation will affect us all. The number of natural disasters and extreme weather events has considerably increased over the last three decades and is expected to increase further. Human-induced climate change and related effects are going to significantly disturb living conditions in most parts of the planet.
- Technology appears potentially as the main game changer. With the right policies in place, it can be a source of new activities, improvements in living conditions, and solutions to environment issues. However, it can also be a cause of rising unemployment through the automation and computerisation of labour-intensive jobs.
- Security and peace are essential for livelihoods, yet, 1.5 billion people across the world (about one-fifth of the world's population) live in countries affected by conflict.
- In face of these challenges, governments are unevenly equipped. In a number of high and middle-income countries, trust in governments has fallen, policies are affected by “short-term” views and vested interests, while many states are heavily in debt. In many low-income countries, persistent governance issues limit capacity for action.

Key recommendations

Addressing these challenges and opportunities requires bold ideas and policy experimentation. There are a number of actions at the global, national and local levels which could help secure livelihoods.

At the **global or multi-national level**, action will be needed on many fronts:

- Act urgently to reach a global agreement for tackling climate change.
- Stabilise the global financial system by strengthening framework conditions; avoiding unhealthy financial activities; and increasing co-ordination and mobility of financial resources among the central banks and international financial institutions.
- Use tax reforms to achieve shared prosperity.
- Develop an inclusive approach to international trade that allows developing countries time for new industries and services to develop and help sustain livelihoods.
- Manage migration better to harness its powerful force for better livelihoods.
- Strengthen responses to disasters and pandemics through more funding and capacity building and greater use of global public partnerships to tackle issues.
- Strengthen water sharing agreements to avert conflict in the developing world in a context of increasing drought.
- Tackle increasing cyber insecurity through an international cyber police force.

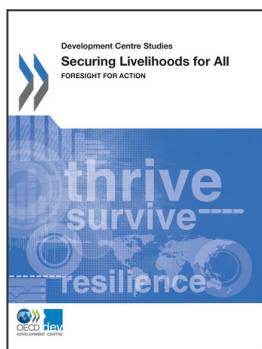
- Set up an international research and development agency to promote innovation focused on global “public goods” such as climate, health and the needs of the extremely poor.

At the **national level**, governments can act as a back-stop and enabler of creative and regenerative societies:

- Make education inclusive and livelihood-focused, with a myriad of pathways for skill acquisition and the opportunity for lifelong learning.
- Promote livelihood portfolios made up of part-time work, paid training, and unemployment benefits to help individuals cope with fluid job situations.
- Step up social protection through cost-sharing with the private sector and individuals to share some of the burden.
- Establish a guaranteed minimum income for all in developed countries.
- Use cash transfer programmes in developing countries linked to conditions such as school attendance or immunisation.
- Invest in children and young people, for example by introducing a universal self-investment grant for young people.
- Put green growth at the heart of economies to enhance resilience, reduce emissions, and boost jobs and growth at the same time.

A number of **local initiatives** could also support livelihoods:

- Support a vibrant shared local economy in which individuals can survive through a patchwork of entrepreneurial and social initiatives involving exchanges, barter and virtual service marketplaces.
- Enable initiatives for micro-finance, peer-to-peer lending, and social impact investments which can combat unemployment, and introduce local currencies to cushion people from the turbulences and crises inherent to the globalised financial system.
- Build green and resilient cities to address the issue of economic activity and environmental sustainability at the same time.



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