International Labour Organization

ILO Flagship Report

The state of social justice

A work in progress

2025

Executive summary

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Thirty years ago, delegates from 186 countries – at the time, the largest gathering of world leaders ever assembled – convened in Copenhagen for the first World Summit for Social Development. The 1995 summit recognized the centrality of full and productive employment for social development, noting how it was interrelated with poverty eradication and social inclusion. It aimed to establish a people-centred framework for social development in a world where basic needs were still not being met, where poverty persisted and where unemployment and social exclusion were rising.

Ahead of the Second World Summit for Social Development, which will take place in Qatar in November, the ILO has embarked on its first ever attempt to assess the state of social justice in the world and reflect on the progress made over the last 30 years. Social justice means that "all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity".[1] In addition to being a moral imperative, social justice also enables societies and economies to function more cohesively and effectively. It helps build trust, enhances legitimacy and unlocks productive potential for sustained inclusive growth, peace and stability.

This report evaluates key indicators used to measure the global progress and ongoing challenges in achieving social justice, building on the premise of the ILO Constitution that "universal and lasting peace can be established only if it is based upon social justice".[2]

Significant progress has been made. Since 1995, the world is wealthier, healthier and better educated. Yet, progress in certain areas remains limited, and stark global inequalities endure. Hence, in spite of the many improvements, disenchantment with institutions is widespread and persistent. Governments, unions and businesses face declining levels of trust, indicating a fraying social contract. Many people increasingly feel that their effort is not being rewarded and that society is unfair.

In this report, the ILO examines the state of social justice in the world and makes recommendations for action to ensure continued progress.

1 Declaration concerning the aims and purposes of the ILO (1944) (Declaration of Philadelphia), Part II(a).

2 ILO Constitution, Preamble.

Building a just world: Four foundational pillars

The ILO's vision for advancing social justice is built upon four pillars, each of which is discussed in the corresponding chapter:

1. **Fundamental human rights and capabilities:** These lay the foundation for social justice and involve ensuring fundamental freedoms and entitlements.
2. **Equal access to opportunities:** Social justice requires a focus on removing barriers to participation in education, training and the world of work, enabling people to earn a decent living.
3. **Fair distribution:** This pillar aims to ensure a just share of economic growth benefits, with particular attention to the most disadvantaged.
4. **Fair transitions:** Social justice in a changing world involves applying, adapting and amplifying institutions to manage major societal shifts (environmental, digital and demographic) justly, ensuring no one is left behind.

Key progress and persistent disparities from 1995 to 2025

The world is wealthier, healthier and better educated than in 1995, and significant progress has been made in several dimensions.

However, progress in certain areas remains limited, and stark global inequalities endure.

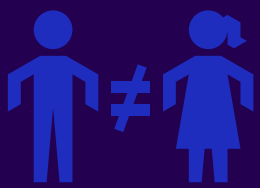
1 in 4
lacks access to clean water

800 million
live on under US$3 a day

138 million
children aged 5–17 in child labour, with almost 50% engaged in hazardous labour

Top 1% still control
20% of income and
38% of wealth

Earnings ratio between men and women 78% in 2025
At current trends, wage gap will take 50–100 years to close



Chapter 1: Fundamental human rights and capabilities

Fundamental human rights and capabilities are the indispensable foundation for achieving social justice, both within the world of work and the wider world. Human rights, labour rights and enhanced capabilities are essential conditions for social justice. Basic human rights are laid out in various instruments, such as the Universal Declaration of Human Rights (1948), the International Covenant on Economic, Social and Cultural Rights (1966) and the International Covenant on Civil and Political Rights (1966). The Copenhagen Declaration on Social Development (1995) (Copenhagen Declaration)[3] reaffirmed the interdependence between social development, human rights and international security, building on the ILO Declaration of Philadelphia (1944) and the Charter of the United Nations (1945). All of these acknowledge the importance of the right to free expression as critical for social, political and economic rights.

The Copenhagen Declaration reaffirmed that social development, social justice, human rights, and international peace and security are deeply interconnected, echoing earlier principles from the ILO and the Charter of the United Nations. It committed the international community to promoting quality employment, protecting workers' rights and upholding key ILO Conventions. The Copenhagen Declaration was later reinforced by the ILO Declaration on Fundamental Principles and Rights at Work (1998) and its amendment in 2022, which identified five labour rights as enabling fundamental human rights in the sense that they open the door

3 The Copenhagen Declaration is the outcome document of the first World Summit for Social Development, held in Copenhagen in 1995.

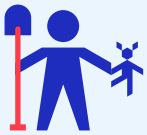
School completion rates since 2000

Primary: **+10%**

Secondary: **+22%**

Work-related mortality

↘ over **10%** since 2000



Child labour

20.6% in 1995

↘ **7.8%** in 2024

Annual output per worker

↗ **78%** since 1995, and in upper-middle-income countries

↗ **215%**

Extreme poverty

4 in 10 in 1995

↘ **1 in 10** in 2023

Labour productivity inequality between countries

↘ **40%** since 1995

Working poverty

27.9% in 2000

↘ **6.9%** of employed persons in poverty in 2024

Since 2023 over **50%** of world is now covered by some social protection scheme

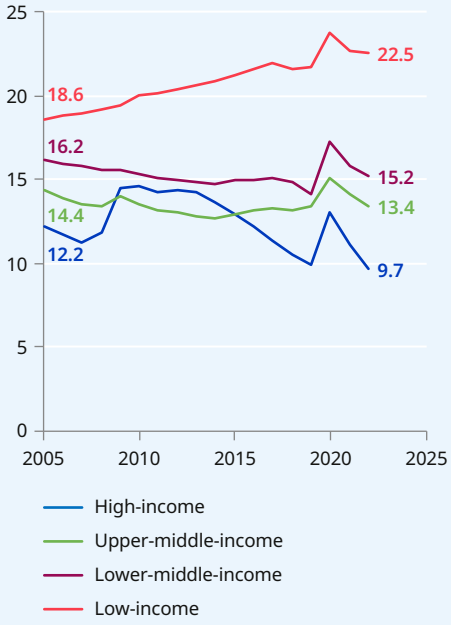
to other human and labour rights: freedom of association and the effective recognition of the right to collective bargaining; the elimination of forced or compulsory labour; the abolition of child labour; the elimination of discrimination at work; and a safe and healthy working environment. In addition, the right to work, the right to just and favourable conditions of work and the right to social security are fundamental human rights related to the world of work.

Progress on guaranteeing basic human rights for all has been mixed. On the one hand, the prevalence of child labour and the rate of fatal occupational injuries have both fallen steeply since 1995. On the other, the compliance with freedom of association and collective bargaining rights score has not improved since 2015 and forced labour remains at close to 3.5 per cent of the population.

Chapter 2: Equal access to opportunities

Equal access to opportunities means overcoming and removing barriers to participation in education, training and the world of work, enabling people to secure decent work through paid employment or self-employment. The concept of decent work introduced by the ILO in 1999 refers to productive employment for women and men, covered by social protection systems, respectful of labour rights and with conditions negotiated with sound social dialogue mechanisms. While this concept is too comprehensive to allow a single (or even composite), precise measurement, many proxy indicators reveal that improvement is too slow. For example, informality – a widespread and persistent barrier to opportunity – serves as a partial indicator[4] of the global decent work deficit. In 2025, 58 per cent of workers are in informal employment. Economic growth alone does not ensure decent or formal work, underscoring that policies are crucial for supporting equal access to job opportunities. At the start of the twenty-first century, GDP growth of 1 per cent led to a rise in formal employment of 0.50 per cent – faster than overall employment growth. In the past decade, however, this relationship fell to 0.38 per cent, indicating a weaker link between economic growth and the creation of formal jobs.[5]

Figure ES1. Combined labour underutilization measure (LU4) by country income group, 2005–22 (percentage)



Source: ILOSTAT, ILO modelled estimates, November 2024.

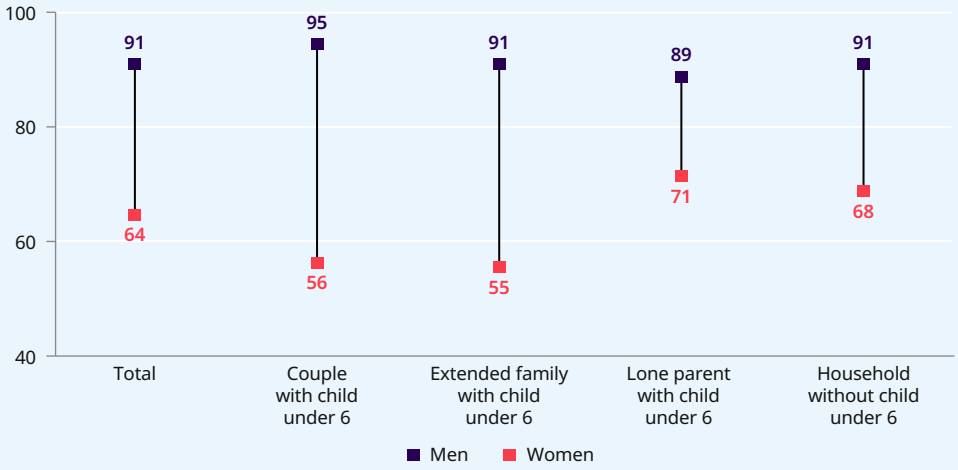
Beyond informality, large gaps in labour force participation persist between men and women, between youth and prime-age workers, between persons with and without disabilities and between countries at different income levels (see figures ES1 and ES2).

While global unemployment rates may have fallen – especially in high-income countries due to better policies as well as the impact of ageing populations, which lower labour force participation rates – they are rising in low-income countries. Labour underutilization (including time-related underemployment and the potential labour force, which captures people who are currently outside the labour force but ready to

4 A formal job may or may not constitute decent work, but an informal job can never do so.

5 ILO, *Jobs, Rights and Growth: Reinforcing the Connection – Report of the Director-General*, ILC.113/I(B), 2025.

Figure ES2. Global prime-age labour force participation rate by sex and household type, 2023 (percentage)



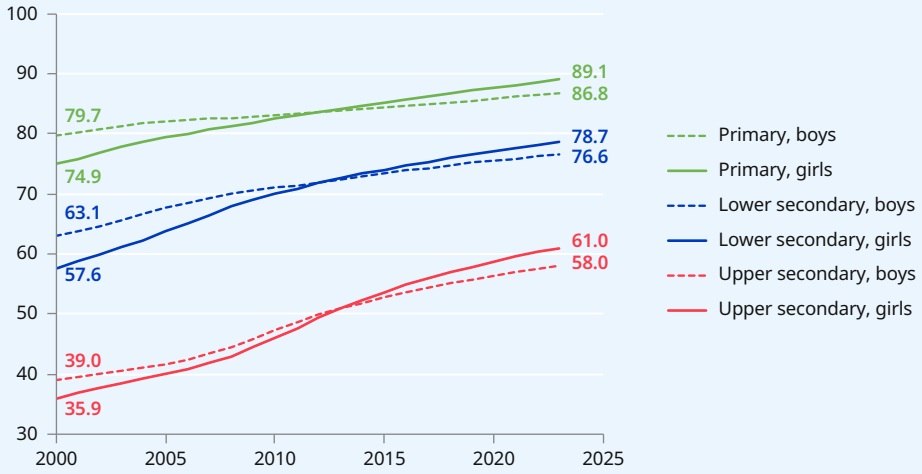
Source: ILOSTAT, ILO modelled estimates, November 2024.

join it) reveals deeper disparities. A persistent 27-percentage-point gap in the labour force participation rate separates men and women. In large part, it is because women bear the majority of unpaid care responsibilities (76 per cent globally), which limits their access to paid employment. The high rate of youth not in employment, education or training (NEET) continues to present a challenge for younger people, particularly young women, whose NEET rate worldwide stood at 28 per cent in 2024.

A comprehensive, pro-employment policy approach is needed, which aligns macroeconomic, sectoral and enterprise interventions with basic education and skills development and active labour market programmes, and which incorporates equality objectives to address structural barriers faced by women and other vulnerable groups.

Education. Over a person's lifetime, skills, knowledge and education open the door to opportunities in the labour market and elsewhere. Trends have also been positive over the last 30 years, especially for girls and young women. Figure ES3 shows that lower secondary completion rates increased by 14 percentage points for boys and 21 points for girls from 2000 to 2023.

Figure ES3. Completion rates by education level and sex, 2000–23 (percentage)



Source: UNESCO Institute for Statistics data (see https://uis.unesco.org).

Challenges remain, nevertheless, in learning outcomes and skill-job matches.

Enterprise development. The private sector accounts for almost 90 per cent of employment worldwide, with micro, small and medium-sized enterprises (MSMEs) accounting for around 70 per cent, which means productive enterprises, including MSMEs, are crucial for opening opportunities to all. However, they can suffer from a significant productivity gap compared to larger companies. Factors such as access to credit, technology and investment in worker training are critical for MSMEs to improve productivity and working conditions.

Active labour market policies. Active labour market policies are crucial in opening opportunities for all in the world of work. They consist of the following:

(i) training programmes, which are effective when coordinated among stakeholders and tailored to both jobseeker and market needs;
(ii) labour intermediation services, which help match jobseekers to vacancies, thereby reducing search costs;
(iii) public employment programmes, which provide income support and short-term employment, especially during economic downturns and in lower-income countries;
(iv) employment subsidies, such as wage subsidies and hiring incentives, which can help sustain employment during crises and ease transitions into industries of the future;
(v) support for entrepreneurship and self-employment.

A comprehensive pro-employment policy approach is needed to overcome barriers that prevent people from equal access to opportunities, particularly for decent and productive employment.

Chapter 3: Fair distribution

The concept of fair distribution seeks to ensure a just share of economic growth benefits, with particular emphasis on the most disadvantaged. This concept not only recognizes the normative value of fairness but also recognizes that high income inequality negatively impacts economic growth and stability, and contributes to social conflicts, crime, poverty, poor health and low social cohesion. While a fair distribution is not one of perfect equality – there will always be differences in wages, earnings, incomes and wealth as a reward for initiative, innovation and hard work – present income inequality levels remain unacceptably high.

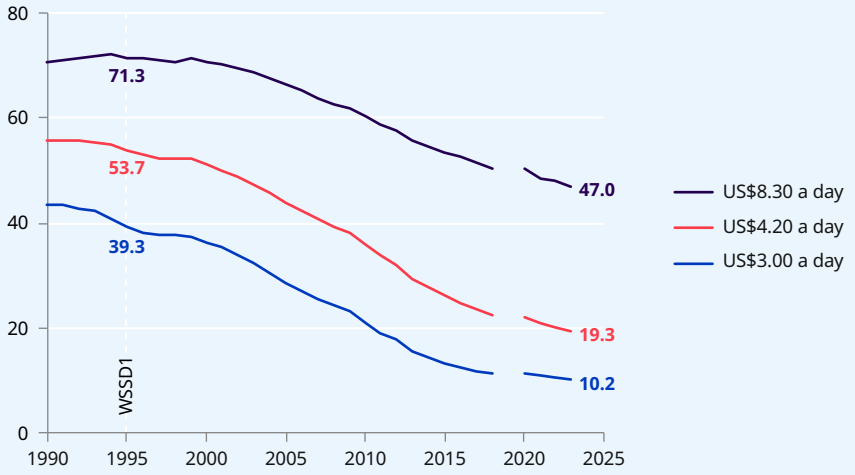
Despite reductions in labour income inequality since 1995, particularly between countries, wage inequality remains high, and many workers earn wages insufficient for a decent living. Although the share of total income held by the top 10 per cent fell 3 percentage points from 1995 to 2024, it remains unacceptably high at 53 per cent. The decline in global inequality is largely driven by middle-income countries catching up with high-income ones, while low-income countries continue to lag further behind.

Poverty, working poverty and hunger (as measured by child stunting) have all fallen since 1995 (see figure ES4), although the improvement has stalled somewhat during the last 20 years.

With regard to the labour share of national income (see figure ES5), it has been increasing in low- and middle-income countries but decreasing in high-income countries. Due to the weight of high-income countries in global incomes, the worldwide trend is downwards.

Certain groups – such as women and workers with disabilities – continue to face wage gaps driven by factors unrelated to job characteristics, skill levels, work experience or performance. Although women have made significant progress towards closing the earnings gap with men, they still earn only 75 per cent of what men do in high-income countries and only 46 per cent

Figure ES4. Global monetary poverty rates according to international poverty lines, 1990–2023 (percentage)

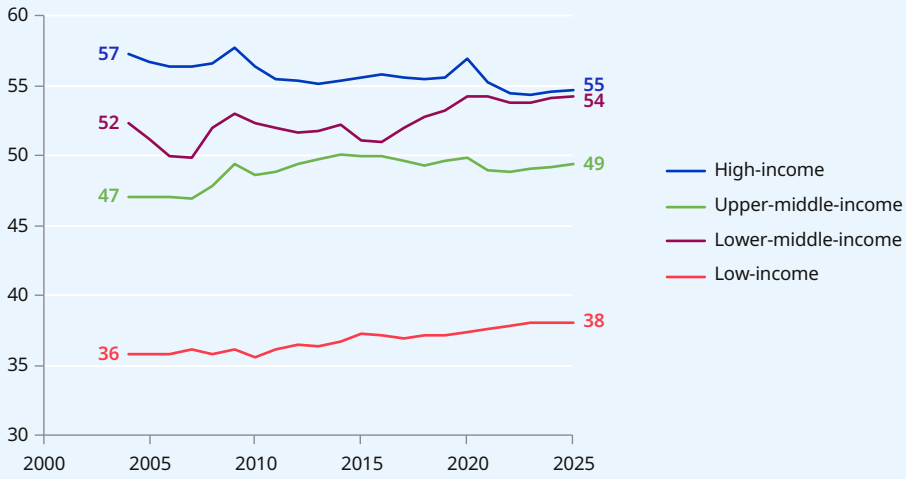


Key: WSSD1 = first World Summit for Social Development.

Note: The break in the series is because of the COVID-19 pandemic, when many household surveys were interrupted.

Source: World Bank, "Poverty and Inequality Platform".

Figure ES5. Labour share of national income by country income group, 2004–25 (percentage)



Source: ILOSTAT, ILO modelled estimates, May 2025.

in low-income countries. The gap between workers with and without disabilities has shown no signs of substantive reduction over the last decade and remains at 20 per cent for men and 46 per cent for women.

Policies of fair distribution of market incomes and redistribution through taxes and social polices help ensure fair distribution.

Policies for fair market outcomes. In addition to policies recommended in Chapter 2, two additional policies for more egalitarian market income distributions stand out: minimum wages and wage bargaining. Statutory or negotiated minimum wages serve as a key tool to address low pay and wage inequality. Their real value, averaged across countries, has increased substantially

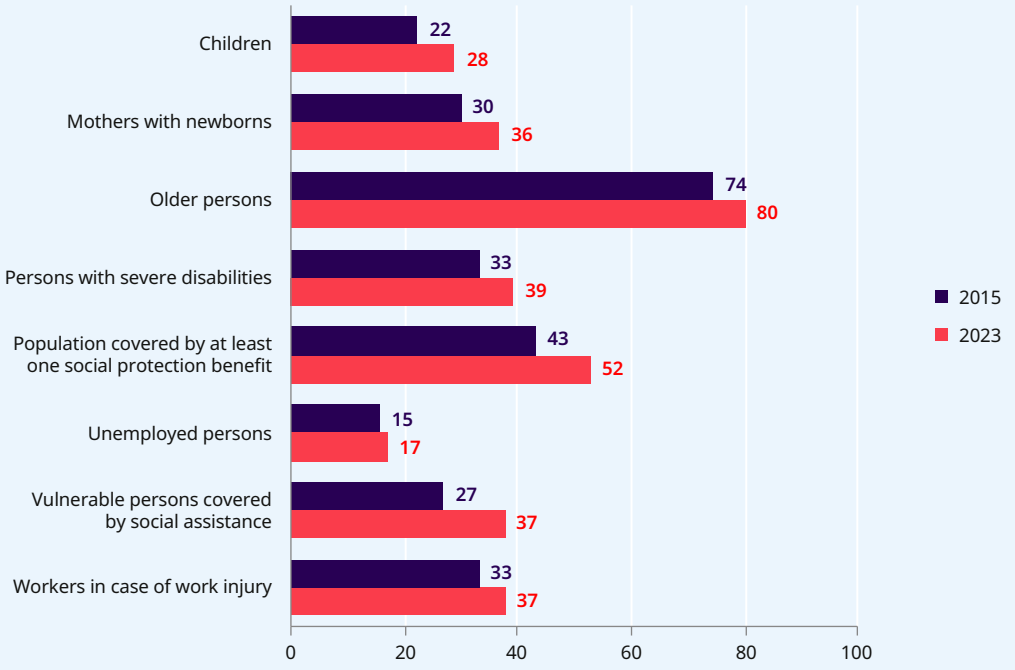
over the last 30 years. This increase has been highest in upper-middle-income countries and has coincided with falling wage inequality. In low-income countries, however, the average minimum wage has fallen by 44 per cent in real terms since 1995. In recent years, partly due to the absence of adequate minimum wage systems in many countries, attention has shifted to the concept of "living wages", aimed at ensuring that workers earn enough to afford a decent standard of living.

Research consistently shows that unions and collective bargaining reduce wage inequality. However, global collective bargaining coverage is low (one third of employees) and unionization rates have been falling for decades.

Policies for redistribution. Policies for redistribution, social security legislation and effective coverage have expanded significantly, with over half the world's population covered by at least one scheme in 2023 (see figure ES6). However, it still means that almost half are excluded, and low-income countries lag significantly behind in terms of coverage. Social transfers are effective in reducing inequality, but fiscal capacity (tax collection) is a major constraint, especially in low-income countries.

The redistribution systems of high-income countries are most effective at reducing inequality, but even lower-middle-income countries can achieve substantial reductions in income inequality. The median drop in inequality due to taxes and government transfers is 35 per cent in high-income countries, 7 per cent in upper-middle-income countries, 3 per cent in lower-middle-income countries and 3 per cent in low-income countries (see figure ES7).

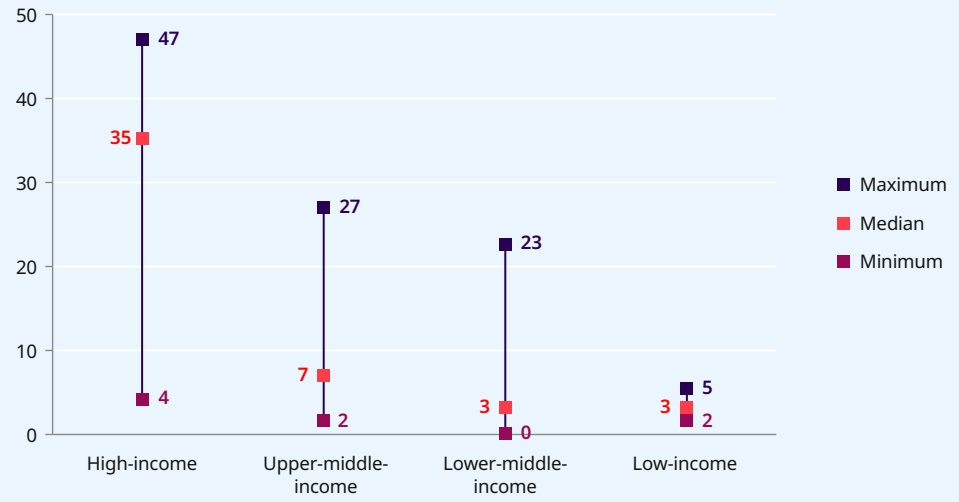
Figure ES6. Effective social security coverage by population group, 2015 and 2023 (percentage)



Note: Sustainable Development Goal indicator 1.3.1.

Source: ILO, *World Social Protection Report 2024–26: Universal Social Protection for Climate Action and a Just Transition*, 2024, figure 3.2.

Figure ES7. Inequality reduction due to redistribution by country income group (percentage)



Note: The numbers show the percentage reduction in income inequality (measured by the Gini coefficient) brought on by the redistribution system. For example, a country whose income inequality falls from 40 to 30 Gini points due to redistribution reduces its inequality by one quarter or 25 per cent.

Source: Commitment to Equity Institute (see https://commitmentoequity.org); Organisation for Economic Co-operation and Development, "OECD Income Distribution Database (IDD)".

Chapter 4: Fair transitions

We are faced today with a set of three simultaneous major transitions: environmental, digital and demographic. These global trends are creating structural economic changes that will lead to significant shifts in employment, as some enterprises shut down while new ones are created. A society committed to social justice must ensure these transformations are fair for everyone, especially the most vulnerable. The term "fair transitions" in this report describes results that promote social justice across all societal transformations, leaving no one behind.

Environmental. Climate change is driving increasingly severe impacts, such as heat stress, which affected 71 per cent of workers in 2024. Climate change will also lead to productivity losses, and vulnerable populations will bear the brunt: low-income earners across the world, who contribute just 12 per cent of global emissions, will face 75 per cent of income losses from climate-related effects. In response, efforts to convert to cleaner sources of energy could lead to the loss of 6 million jobs in fossil fuel industries – however, it could simultaneously create roughly 24 million new positions in renewable energy and green sectors. This transition will require a large-scale workforce adjustment, with at least 70 million workers requiring new skills. To manage this upheaval equitably, the ILO has developed guidelines for a "just transition", advocating for policies that promote decent work, reduce inequality and involve social dialogue to ensure that environmental measures do not deepen existing disparities.

Digital. The digital transition is redefining the nature of work and economic activity. Digitalization continues to drive growth, spawning new industries and changing how people work – whether through teleworking or digital labour platforms. Generative AI is already beginning to transform up to one in four jobs, with some, such as clerical support roles, at risk of being fully automated. Women are more likely to be affected by job loss, since their employment is concentrated in this sector. Moreover, the potential benefits of digitalization are not evenly distributed. The digital divide separates rich and poor economies, as well as large and small enterprises, limiting

productivity gains in lower-income countries. The rise in algorithmic management – where decisions about work and workers are made by algorithms – raises concerns about fairness and working conditions. In this context, respect for fundamental rights and decent work must be at the centre of regulatory discussions, with social dialogue helping to shape how technology is integrated into the workplace.

Demographic. The demographic transition presents long-term, but deeply meaningful, shifts. Fertility rates are declining globally, but at different rates in different countries. While shrinking labour forces in high- and upper-middle-income countries heighten concerns about future labour shortages, low- and lower-middle-income countries are still experiencing population growth, potentially resulting in labour surpluses. At the same time, ageing populations are driving up old-age dependency ratios, placing mounting pressure on pension systems and social protection networks. The care economy is already under strain – with skills mismatches, potential worker shortages, low wages and difficult working conditions – and demand for long-term care jobs is projected to rise sharply by 2050. Ageing workforces bring additional challenges, such as increased disability rates and the need for inclusive employment policies. Innovations such as partial retirement schemes and anti-age discrimination laws will be essential to support older workers and sustain economic participation.

Together, these transitions demand coordinated action across governments, industries and communities. They are not only a test of resilience but also an opportunity to build more inclusive, sustainable and just societies.

Harnessing these transitions to take advantage of their opportunities while mitigating their risks will require a combination of three efforts: (1) applying existing labour institutions to the changes at hand; (2) adapting labour institutions to the specific challenges of each transition; and (3) amplifying labour institutions to integrate the policies of the three transitions.

The way forward

Despite notable progress in many dimensions, widespread dissatisfaction and eroding trust in institutions persist – fuelled by uneven social progress and persistent inequality in many countries. To move forward, this report calls for a renewed commitment to social justice, underpinned by decisive action and inclusive policymaking.

This vision begins with reapplying existing labour institutions – such as social protection systems, active labour market policies and labour protections – to the challenges we now face. However, existing policies are not enough to tackle new challenges. Institutions must be adapted to meet the unique demands of our time, especially as societies grapple with environmental, digital and demographic transitions. Central to this adaptation is robust social dialogue, ensuring that social partners help shape policy outcomes and solutions.

A truly transformative approach must also amplify the social dimension of policymaking. Labour policies should no longer be confined to narrow frameworks but instead be woven into broader domains such as finance, industry, health and environmental planning. Crucially, breaking down silos – both nationally and globally – is essential. Collaboration among government ministries, international institutions and social partners will allow for more holistic and coordinated responses to today's intertwined global challenges.

Partnerships such as the Global Coalition for Social Justice – created by the ILO constituents (governments, employers and workers) – and the upcoming Second World Summit for Social Development are critical opportunities and instruments to facilitate and strengthen commitment and cooperation in the pursuit of social justice and decent work for all.

Advancing social justice, promoting decent work

The International Labour Organization is the United Nations agency for the world of work. We bring together governments, employers and workers to drive a human-centred approach to the future of work through employment creation, rights at work, social protection and social dialogue.

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