



Employment

Productive and Decent Work for Poverty Reduction

Employment is the main source of income for the working poor and their main route out of poverty. Jobs and income generating activities need to be productive, to generate incomes above the poverty level, and of quality to protect the rights, dignity and safe working conditions of the employed. To create more productive and decent employment for the working poor, including people in the informal economy and other vulnerable groups, is a fundamental requirement for inclusive economic development and poverty reduction and therefore a priority for Swedish development cooperation.



MAIN AREAS OF SUPPORT

Productive and decent employment provide the link between economic growth and poverty reduction and thus an important means for development. Sida's support to decent employment focuses on the specific sectors, labour markets and geographical areas of relevance for many working poor, in particular women and youth in Sida's partner countries. This includes the formally and the informally employed, such as smallholder farmers and micro entrepreneurs as well as migrant workers and displaced persons.

Sida addresses constraints both on the *demand side* (job creation), for example by stimulating markets, improving the business environment and value chain development, as well as the *supply side* (employability), such as access to labour markets, skills development, women economic empowerment and social protection.

As Sida increasingly targets conflict and crisis-affected countries, including refugees and internally displaced persons, the so called *nexus* approach, referring to the interlinkages between humanitarian development peace nexus actions, is highly relevant for Sida's employment portfolio. Employment and income generation strategies can help the transition from crisis to recovery. In displacement situations, decent work opportunities are key to provide refugees and internally displaced persons as well as host communities, means for social cohesion, livelihood and self-sufficiency.

Productive and Decent Work

Sida interventions for market development, including self-employment, access to finance and international trade enable poor and vulnerable people to participate in, contribute to and benefit from the process of economic growth through productive and decent work.

Sida also supports improved working conditions and labour rights, which include the right to organise and to collective bargaining; to decent working hours and conditions; the rights of labour migrants, such as ethical recruitment, and protection against child and forced labour. Social dialogue, referring to collaboration between actors in the labour market, is an important tool in supporting decent work.

Systems Approach for Inclusive Market Development

Sida encourages its partners to take a holistic and systems-oriented approach to address underlying causes to poor performance in the market systems and to transform markets to be inclusive and to reach many people living in poverty. Therefore, the Market Systems Development Approach is one of Sida's prioritized approaches in employment and market development.

Currently, Sida supports market systems programmes in, among others, Ethiopia, Guatemala, Liberia and Zambia in order to improve employment, incomes and markets among the rural and urban poor.

THE GLOBAL GOALS

The Global Goals for Sustainable Development include everyone – and we can all contribute. The goals are interdependent and therefore indivisible. Sida's main contribution is to implement development cooperation, thereby reducing poverty and saving lives. Together we can build a better future where no one is left behind.



Results

DEVELOPMENT IN THE WORLD

Employment is high on the global agenda, as reflected in the Global Goal 8 of the Agenda 2030. The World Bank estimates that before 2030, 600 million new productive and decent jobs are needed only to absorb the young people that enter the labour market globally.¹ At the same time, the productivity and incomes have to increase in existing jobs to reduce poverty. The ILO estimates that 22 percent of all employed persons in the world live in poverty, under 3.20 USD per day.² As many as two billion people work in the informal economy and among them many women and youth within the agricultural sector, migrants and displaced persons.³

Example of Sida contributions

- Decent Work in the Supply Chains of the Garment Sector in Asia
- Livelihoods Improvement for Women and Youth programme in Ethiopia
- Increasing Income and Employment Opportunities in Agro-industry Value Chains in Liberia
- Indigenous Women and Youth's Economic Empowerment in Guatemala
- WIEGO - Women in Informal Employment: Globalizing and Organizing

For the future of work, changes in the international labour market due to global structural change, technological advances and climate change raise concerns. Climate change will increasingly undercut economic growth and jobs but new technology and efforts to greening economies will also create new job opportunities. Conflicts, displacement and insecurity increases unemployment levels and informal occupations which in turn increases vulnerability and poverty.

Productive and decent work will play a crucial role in the ongoing recovery from the COVID-19 pandemic. The working poor with little protection and resilience, are the hardest hit by the economic crisis caused by the pandemic. Support to recovery must include jobs and incomes combined with green investments and innovations to build back better and greener.

1 World Bank (2021). Available at: <https://www.worldbank.org/en/topic/sme/finance>

2 International Labour Organization (2021). World Employment and Social Outlook - Trends 2021, p. 28, ILO Geneva.

3 Ibid, p. 24.

Hence, an important task for development cooperation to combat poverty is to support the mass creation of productive and decent jobs to the working poor. There is an urgent need for structural and economic transformation towards increased productivity and value addition.

Participatory dialogue with all stakeholders in society as well as investment in new skills and qualifications will be crucial to ensure a just transition where no one is left behind” for more productive, greener and equal societies.

SWEDISH SUPPORT

Sida’s support to programmes where employment is the principal objective amounted to SEK 1.7 billion in 2021. The programmes where employment is partial objective amounted to SEK 6.3 billion. Africa constituted the largest recipient, followed by Asia and global level. Sida supports global programmes mainly through the ILO and the World Bank. Multilateral organisations are the largest recipient of funds followed by NGO’s. Public sector and public-private partnerships are also important implementing partners for Sida.

FIGURE 1: GEOGRAPHICAL DISTRIBUTION FOR EMPLOYMENT AS PRINCIPAL OBJECTIVE 2021 (%)

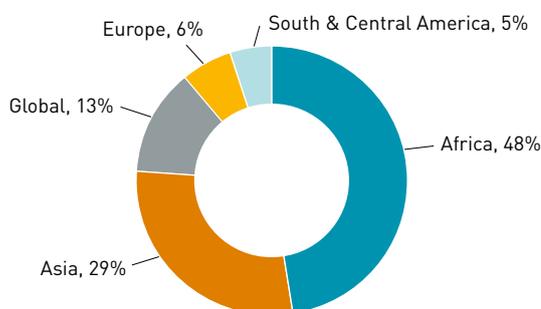


FIGURE 2: TYPE OF IMPLEMENTING ORGANISATIONS FOR EMPLOYMENT AS PRINCIPAL OBJECTIVE 2021 (%)

