



Employment

Creating More Productive and Decent Jobs

Employment is the main source of income for the working poor and their main route out of poverty. Jobs 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 jobs for the working poor is a fundamental requirement for inclusive economic growth and poverty reduction and therefore a priority for Swedish development cooperation. Sida's support to employment amounted to just over 1 billion SEK in 2015.



MAIN AREAS OF SUPPORT

Productive and decent employment provides the link between growth and poverty reduction. Employment is thus a goal in itself as well as a means for poverty reduction and broader development. It is a cross-cutting issue, interlinked within many development areas, such as private-sector development (PSD), education, agriculture, democracy and human rights and thus many of the Global Goals.

Sida's Approach to Employment

Sida's approach is broad and context-specific. It includes a combination of interventions, as the problems and their root causes are complex. They also vary with development levels and economic structure. Interventions are adapted to the specific country contexts.

The support focusses on the sectors, labour markets and geographical areas of relevance for many working poor, in particular women and youth. This includes the formally and the informally employed, wage workers as well as self-employed, such as smallholder farmers and micro-entrepreneurs. Sida addresses constraints on the demand side, for example by stimulating market and value-chain development, and the supply side, such as skills development. Sida promotes improved functioning of labour markets, for instance through better market information and matchmaking, labour rights to organise and working conditions. An emerging area is social dialogue between labour-market actors as well as with the government.

An Inclusive Market-Systems Approach

Sida supports employment through direct interventions as well as integrated in support within other development areas. One important area is market development, which includes PSD, inclusive finance and trade promotion. It promotes development of partner-country economies in ways that enable large groups of poor to participate in, contribute to and benefit from the process of economic growth through their work.

The inclusive market-systems or Making-Markets-Work-for-the-Poor (M4P) approach is central. It represents good practice, is useful for productive employment and holds great potential for several more qualitative aspects of decent work. In 2015, Sida supported several M4P programmes, for example in Liberia and Zambia, to increase employment and incomes among the rural poor through inclusive development of agricultural markets and value chains.

Social Dialogue and Decent Work

Women's economic empowerment is an important focus area. Sida supports the International Labour Organization (ILO) 'Global Deal' programme in Bangladesh, together with the Swedish company Hennes & Mauritz and trade union IFMetall through IndustriALL. It aims to enhance workplace rights, working conditions and productivity through development of industrial relations between employees and employers in the ready-made garment industry – a sector where 80 percent of the workers are women.

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 in particular. The role of productive and decent work for inclusive economic growth and for the elimination of poverty, the Global Goal 1, is increasingly recognised and addressed by international donors, such as the World Bank and the ILO. In recent years, more qualitative aspects of decent work have gained increased attention, which is desirable. However, the pivotal role played by productive work for poverty reduction – not least in Sub-Saharan Africa, which now accounts for half of the world’s poor – must not be forgotten in the process.

Changes in the international labour market due to globalisation of the economy, global structural change and technological development raise concern. Increased informalisation and shifts away from traditional forms of labour have been observed in developed countries. In developing countries, the informal economy and employment continues to dominate. Economic growth is not inclusive enough to eliminate poverty, particularly in Sub-Saharan Africa. There is a need to go back to basics, focus on rural and agricultural development, development of the domestic economy and structural transformation towards increased productivity and value addition.

At the same time, a growing number of countries in fragile and conflict-affected situations (FCS) highlight the importance of employment, not least of youth, for both conflict prevention and for peace building and continued stability and security.

The Four Pillars of the ILO Decent Work Agenda:

- Employment creation
- Rights at work
- Social protection
- Social dialogue

SWEDISH SUPPORT

Sida’s total support (disbursements) to employment amounted to just over 1 billion SEK in 2015. This represents more than 5% of Sida’s total disbursements, and a substantial and gradual increase from 600 MSEK in 2011, reflecting the increased attention given to employment. The major increase is accounted for by support to global programmes, but support to regional/bilateral programmes also increased, after a decline in 2012 and 2013, as shown by Figure 1. Support to global programmes increased from

20% of the total support for employment to 45% between 2011 and 2015.

A large part of the Swedish support at the global level is distributed through the ILO. In 2015 Sida disbursed 84.7 MSEK to the organisation. This includes support to the Sida/ILO Partnership Agreement 2011–2015 (of totally 175.2 MSEK). Another large global programme that received funding in 2015 was the World Bank Umbrella Trust Fund on Jobs (of totally 54 MSEK).

FIGURE 1: SIDA'S DISBURSEMENTS TO EMPLOYMENT 2011-2015 (MSEK)

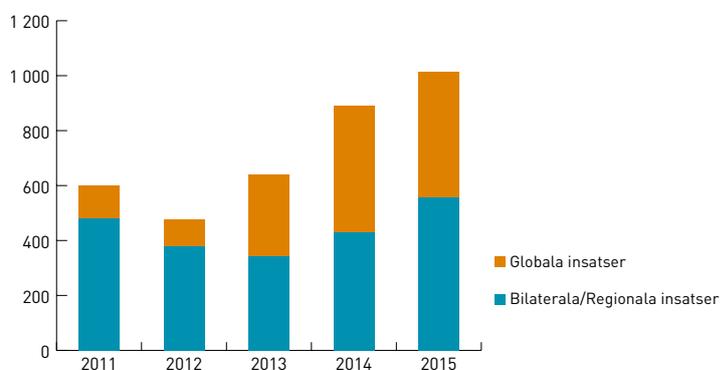


Figure 2 shows the regional distribution of Sida support for employment in 2015. Africa was by far the largest regional recipient, followed by Asia. Countries receiving particularly large amounts this year were Somalia, Afghanistan, Zambia, Liberia and Rwanda. This suggests an important representation by FCS countries, and is a possible indication of the growing importance of these countries. However, one ought to be aware that annual payments fluctuate quite a lot, due to the phasing of individual programmes, and trends can only be observed over time.

FIGURE 2: GEOGRAPHICAL DISTRIBUTION (%) 2015

