



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.



MAIN AREAS OF SUPPORT

Productive and decent employment provides the link between economic growth and poverty reduction and thus an important means for poverty reduction and broader development. Employment and income generation are interlinked with many development areas, such as private sector development, education, agriculture, gender equality, health, democracy and human rights and thus many of the Global Goals.

Sida's Approach to Employment

Sida's support focuses 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.

As underlying constraints to employment and income generation are complex, Sida's approach to employment is multi-faceted and context-specific. Interventions are hence adapted to the specific country contexts and vary with development levels and economic structure. 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.

Decent Work and Social Dialogue

Sida promotes improved functioning of labour markets, for instance through better market information and match-making, rights to organise, good working conditions and improved dialogue between labour market actors. Sida interventions have during the last couple of years seen an increased focus on social dialogue as a tool to enhance decent working conditions. For this purpose, Sida supports several programmes implemented by International Labour Organisation (ILO) at global, regional and national levels.

An Inclusive Market Systems Approach

One important area for Sida to achieve increased productive employment and income opportunities for the working poor is market development, which includes private sector development, inclusive finance and trade promotion. Market development also promotes development of partner country economies in ways that enable poor and vulnerable to participate in, contribute to and benefit from the process of economic growth through their work.

Market Systems Development (MSD) is one of Sida's prioritised approaches and is useful for productive employment and holds great potential for more qualitative aspects of decent work. In 2019, Sida supported several MSD programmes, for example in Zambia, Ethiopia, Liberia and Guatemala in order to increase employment and incomes 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 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 ILO and the World Bank. Further, a growing number of countries in fragile and conflict-affected situations highlight the importance of employment and livelihood for conflict prevention and for peace building as well as continued stability and security.

In recent years, more qualitative aspects of work have gained increased attention, comprising the whole decent work agenda as defined by ILO. However, for many developing countries, not the least in Sub-Saharan Africa with a large informal and agrarian economy and a small industrial sector, productive employment is still the most important aspect for poverty reduction. In these countries, informal employment continues to dominate and economic growth is not inclusive enough to eliminate poverty. Hence, there is an urgent need for structural and economic transformation towards increased productivity and value addition.

The Four Pillars of the ILO Decent Work Agenda:

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

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. To make sure there is a "Just Transition" and no one is left behind in this process, participatory dialogue with all stakeholders in society as well as investments in new skills and qualifications will be crucial.

Important definitions:

- *Productive employment* generates sufficient income to allow the worker and dependents a living standard above the poverty line
- *Decent employment* is of certain quality and provide people with rights, voice, dignity and safe working conditions
- *Working poor* are those who work but remain below the poverty line, this is Sida's target group in employment contributions

SIDA'S SUPPORT

Sida's support to targeted interventions where employment is the principal objective amounted to 1.3 billion SEK in 2019. Many development areas contribute to employment, such as agriculture, private sector and financial development, education and energy. The largest part of Sida's employment portfolio is classified as employment creation but there is also support to labour rights and social dialogue specifically. As for Sida's bilateral and regional support, which constitute the lion share of Sida's disbursement to employment, Africa was the largest recipient, followed by Asia. Sida also supports global programmes, of which a large part is distributed through the ILO Partnership programme and the World Bank Umbrella Trust Fund on Jobs. Apart from multilateral organisations, which are by far the largest recipient of funds, NGO's, public-private partnerships as well as public sector constitute important implementing partners for Sida in employment.

FIGURE 1: GEOGRAPHICAL DISTRIBUTION 2019 (%)

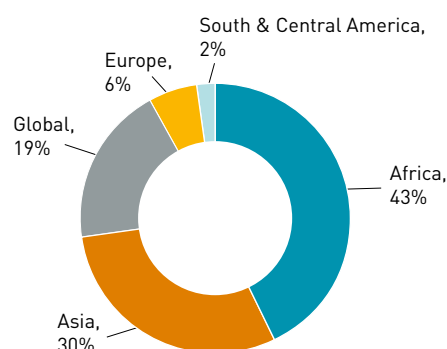


FIGURE 2: TYPE OF IMPLEMENTING ORGANISATIONS 2019 (%)

