

# OVERCOMING BARRIERS TO EMPLOYMENT AND IMPROVED LIVELIHOODS

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## INTRODUCTION

Sustainable Development Goal (SDG) 8 aims to ensure inclusive and sustainable economic growth and full and productive employment for all. This entails increasing labour market participation and improving the quality of existing jobs to accelerate economic growth and improve livelihoods. While the size and capacity of the formal economy do contribute to employment levels, a number of social and institutional barriers also inhibit increased economic development. Vertical and horizontal inequalities, gender norms, capacity and skills gaps, access to credit and unsafe work environments are among these factors. This brief examines some of the most prevalent challenges to promoting full and decent employment, and how SDG 8 implementation could maximize underexplored economic development opportunities.

## FINDINGS AND IMPLICATIONS

The International Labour Organization estimates that over 200 million people were unemployed worldwide in 2014 and 1.44 billion workers were in vulnerable employment. Female labour market participation, which is particularly low in many global regions, significantly inhibits potential economic growth.

Development aims related to political stability, good governance, education and healthcare contribute to long-term economic growth and should be paired with measures designed to increase employment and livelihoods in the short and medium term. Context-specific interventions designed to promote jobs among the locally unemployed can help match market needs with the available labour supply. One example is the acute demand for IT specialists in Africa. A forthcoming meta-study of 113 impact evaluations spanning 31 low-, middle- and high-income countries over a 24-year period found that active labour market policies targeting youth, such as training and skills development, entrepreneurship promotion, employment services and subsidized employment, are largely effective and have statistically significant positive effects on employment and earnings. The analysis also demonstrated that the most appropriate interventions (and combinations thereof) depend on the local context.

Partnerships between governments and other stakeholders, namely the private sector, NGOs and academic institutions, can promote the inclusion of marginalized groups and improve development outcomes. For example, one multi-stakeholder initiative supported by Sida leveraged investments by Sweden's Somali diaspora to support private businesses and NGOs in Somalia, resulting in increased awareness and knowledge on sustainable livelihoods, gender equality, and human rights. Another successful public-private partnership, a project funded by Inter-American Development Bank, engaged transnational corporations in the provision of employment services in Brazil, Costa Rica, and El Salvador to increase local knowledge, provide apprenticeships and offer skills training to local women. A collection of UN projects in Kyrgyzstan experienced similar success by empowering rural communities to contribute to the planning and implementation of local development projects to address needs in infrastructure, healthcare, education and skills upgrading.



## RECOMMENDATIONS

### 1. Labour market interventions should be aligned with broader economic and social policy frameworks.

- Multi-stakeholder initiatives can increase the scale and effectiveness of employment and job readiness programmes. Policymakers should consider specific ways to engage the private and non-profit sectors to maximize their comparative advantages.
- Establishing regular consultations and platforms for dialogue between policymakers, civil society and academia will increase knowledge sharing and ensure that new evidence is appropriately integrated into policy approaches.
- If the key problem for private business is lack of trust in the judicial and administrative systems, then any other specific efforts, such as promotion of entrepreneurship or foreign direct investments, will make a little difference.
- Job creation programmes should focus on quality rather than quantity to avoid creating low-productivity jobs, which are less effective in reducing poverty and boosting economic growth.

### 2. Labour market interventions must be tailored to the local context.

- It is important to consider the sociocultural factors underpinning employment and productivity figures, such as the varying levels of market and credit access available to different stakeholders.
- Policymakers must understand how institutions reinforce and reproduce social hierarchies in order to identify sector- and region-specific opportunities that increase participation among unproductive and excluded groups.

### 3. Increase investments in data collection and research on the relationship between employment and other development challenges (e.g. gender equality, conflict, governance and public health).

- While there is consensus that development initiatives in different sectors should be implemented in parallel, there is less agreement on how best to coordinate interventions. For example, how violence, political unrest and unemployment impact each other is not fully understood. Increased research could demonstrate the presence of causal relationships that would help sequence development initiatives to increase their effectiveness. It could also explain the conditions under which large-scale employment programmes might be more or less effective.
- Emerging private-sector initiatives, like social entrepreneurship and social impact funds, are under-researched. Increasingly, companies are using their own resources, networks and business practices to create new development models. These public-private partnerships (PPPs) have the potential to promote social inclusion, increase employment and drive economic development. However, without sufficient evidence on how and when different PPP models are most effective, it is difficult to determine where they should be employed.
- SDG 8 progress monitoring should be complemented by wider availability of labour market statistics, especially in fragile contexts. More efforts are needed to improve the data on labour and resource productivity and informal employment.