Decent Jobs and Livelihoods

A fair income, security and social protection for workers and their families



By Esly van Dam

A major challenge in low-income countries

Decent work refers to opportunities for work that are productive and deliver a fair income, security in the workplace, and social protection for workers and their families. In many low-income countries, unemployment and especially youth unemployment is a major challenge.

Worldwide, unemployment levels are expected to fall below the pre-pandemic levels. However, this is not the case for low-income countries. One in four youths are not in employment, education or training, with young women being twice as likely as young men in this situation. Besides this, two billion workers are in informal jobs, with no social protection. In 2022, 712 million people worldwide were working for less than 2,15 dollars per day. This was an increase of 23 million people compared to 2019. In short, we need decent work to tackle these challenges.

A little note before you read this whitepaper; every country has a different context. Labor laws, market needs, and many other aspects mentioned here, can be very different from one country to another.



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What is decent work?

The International Labor Organisation (ILO) defines decent work as productive work for women and men in conditions of freedom, equity, security and human dignity. This means it entails more than a fair income. In general, work is considered as decent when:

- A secure form of employment is guaranteed, and the working conditions are safe.
- Workers earn a fair income.
- Equal opportunities and treatment for all are ensured.
- Social protection for the workers and their families is included.
- Personal development and social integration are encouraged.
- People can organize themselves and are free to express their concerns.

Formal and informal work



Formal enterprises are incorporated under the law and registered with some national authority. A tailor having a shop in the market, can therefore have a formal job, as long as it is recognized by the local authorities. According to UNDP (2022) 8 out of 10 businesses are informal. This leads to 60% of the world population earning a living in the informal sector. In developing countries, this percentage is even higher.

Having a formal job has a number of advantages, according to World Bank:

- Access to financial and business services (including training).
- Access to product markets through public procurement.
- Access to private firms through supplier development programs.

 Access to legal and advisory services (to negotiate taxes and regulations).

Besides these advantages, it is more likely that labor laws are followed in formal jobs. This means, formal work gives better chances for decent work.

Informal jobs

According to ILO 90% of all workers in developing countries work in the informal sector. This means they are not working for a registered company. Workers in the informal sector are normally very vulnerable (no social security, no stable payments, need to work every day, high level of insecurity). They have less economic opportunities, less rights (property, labor), social protection and less voice in the social dialogue. Lastly, informal workers face a set of systemic risks and disadvantages due to the wider policy and regulatory environment. They lack recognition, face negative narratives in the policy world that stigmatize them as somehow being non-compliant, non-productive or even illegal. Often they don't have access to bid for public contracts.

Supporting informal workers can contribute to many Sustainable Development Goals. For example, most food is produced, processed and distributed by informal workers. We are not going to reduce hunger without supporting the people engaged in this.

If you'd like to support informal workers, there are two guiding principles:

- 'Do no harm', no more harassment, evictions, bribes, confiscation of goods, negative narratives.
- 'Nothing for us, without us', involve them in new policies, planning processes etc.



Registering an informal business as a formal business is often challenging. In many countries, there are many statutory reporting requirements outside the business' core activities. Many small entrepreneurs lack the skills and especially time to do all this reporting. Hiring experts to support them is expensive.

In some countries, informal workers unite in trade unions where they can support each other. These unions may provide training, but also fight for the rights of informal workers. In Rwanda for example <u>SYTRIECI</u> is a union focusing on protecting and promoting rights of workers in the informal economy. They do this by improving their living and working conditions through education and consolidation of its members and representation of informal workers in decisionmaking bodies. This example can be translated to a smaller scale if you encourage informal sectors to come together to use the power of numbers to influence policy making.

In India, the Minister for Labour and Employment has developed a framework to provide decent work and to facilitate safe and orderly migration for informal workers. In 2021, a digital portal was launched to register such workers with the intention to develop a national database. So far, around 280 million people have been registered. The database intends to lead to better dissemination of social welfare schemes for informal workers.



Employment or self-employment

Ideally, everyone should have the opportunity to choose between being employed or being self-employed. However, because of a lack of employment opportunities, many people in developing countries are forced to become self-employed.

In both cases, promoting a formal status of the job or company is advisable as this offers many more opportunities. Lower tier informal wage and self-employed workers, at the bottom of the job ladder, account for 70% of the workforce in some African countries.

To make matters worse, research reveals that workers in informal self-employment in Africa rarely move up the job ladder. They are stuck at the bottom. Supporting these lowertier informal workers through for example additional and certified training or by supporting them to start a formal business (selling from a stall in the market instead of in the street, with the risks of the police confiscating the goods for example) may be ways to support these workers to get a better position in the labor market.

Skills and the skills gap

For (self) employment, skills and experience are important. In many countries, young people enter the labor market without the required skills. Sometimes because they dropped out of the formal education system, sometimes because their training and acquired skills don't match with the needs of employers or the market. Apprenticeships or internships help young people to acquire relevant skills and experience, and to enter the market. It helps them to build a network and get used to what the market requires.

Job and business centers can be very helpful to prepare young people for the labor market. You can read more about job and business centers in <u>the WhitePaper on Vocational training</u>.

Also, existing businesses can increase their income (and thus employment capacity!) by improving the skills of the owners and/or workers. But which

skills are required always depends on the situation. It's important to find out which skills are required and where the gap exactly is. What is required by the company or the law? What is needed in the market? Training more hairdressers in a village where there are too many hairdressers already will not give people good opportunities.

First of all, people need their **technical skills**. If a company is looking for an operator of heavy equipment, the new employee must have the skills to safely handle this equipment. To become a tailor in the local market, you need tailoring skills. Very often, these technical skills are acquired through vocational training. Internships are helpful to use these skills in practice.

Communication skills, working in teams, leadership skills and problem-solving are all examples of **soft or life skills**. In many countries, these skills are hardly included in the formal education system. However, they are often needed for successful employment or entrepreneurship. A good training program should therefore also pay attention to this type of soft skills.



In more and more jobs, people need **ICT skills**. This is now becoming part of the curriculum in primary or secondary education in many countries. However, not everyone has these skills. Supporting people to acquire these skills can help them to improve their job opportunities. It does of course depend on the job for which ICT skills are required, if a phone should be used or a laptop for example.



If people want to become self-employed, **entrepreneurship skills** are also very important to become a successful entrepreneur. Business management, bookkeeping, strategic thinking and planning are all examples of business skills. By training or coaching (aspiring) entrepreneurs on these skills, they can develop their businesses. Mentorship programs can be very useful for starting entrepreneurs, as they can learn from experienced businesspeople.



Suggestions for creating and sustaining decent jobs

Creating decent jobs is important, but not always easy. Below are some suggestions to keep in mind when working on this,

- Focus on the people. What do people want and need? It is important to allow them to join a workers union for example. How do you make sure people are not exploited but are instead seen as dignified people with rights.
- Do a thorough market analysis, both on demand and supply side - what is needed and by whom (is there really need for more hairdressers in the area?)? What skills do people lack?

What companies are nearby which could offer employment and what do they need? What expectations are there for the future (e.g. in 10 years, is there still need for people to repair generators, or better learn how to install solar panels?) What do people want to do?

Use a multi-stakeholder approach. Not only involving young people but also local businesses, potential customers, labor unions, parents, local government, etc. The more people can think along, the better your project will fit the needs of your community. Together you can also mobilize youths to join your project.

- If you want to **promote selfemployment**, support people to develop a realistic business plan, including an overview of expected costs and income and a risk analysis. If needed, also include who will be asked to invest or offer a loan to start.
- A template which is often used for business plans is canvas business model. A template can be found online, for example through <u>this website</u>.
- Every government has different policies, but more and more governments focus on job creation. Make sure you follow the labor rules of the country, but also consider how you can complement government efforts and what you can request from the government to support you.



- Support existing informal businesses to become formal businesses. Which requirements do they need to meet for this? And what skills do they lack to become successful (small scale) entrepreneurs?
- Know your environment. What is already there where you can add instead of starting something completely new? Can you add training to the vocational training center to improve the opportunities for

young people, or work with local companies to offer internships, apprentices and mentorship. Liaise with these companies to see how they can employ more people instead of starting small businesses.

 Support the start-up of business incubation centers. In these centers, small (also informal) businesses can get working space, internet connectivity, advisory services (on business, finances and taxes). It also enables them to work together, support each other and grow.

- Create opportunities for people to start their new businesses. Consider providing access to starting capital for informal businesses as well.
 Often, they can't access credit from mainstream financial institutions. By providing them with loans (against low interest rates) can help them grow and transition to the formal sector.
- Mentorship by larger businesses is important. Maybe you can also think of ways to have bigger businesses to trade with smaller (even informal?) businesses if possible.

Green jobs

The future is green! ILO defines green jobs as 'decent jobs that contribute to preserve or restore the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency'.

Green jobs can produce goods or provide services that benefit the environment. However, the production of these goods or services can be based on polluting production processes and technologies. Green jobs can therefore also improve processes to become more environmentally friendly which in turn supports the well-being of communities. Ideally, green jobs are based on resources (materials) which are available locally. Green jobs can have a lot of benefits due to them being directed towards a sustainable future but are often not yet as profitable as traditional jobs.

Green jobs can further add to a sustainable future by:

- Protecting or restoring ecosystems and biodiversity.
- Reducing resource consumption and inefficiency.
- De-carbonizing the economy.
- Minimizing or altogether eliminating all forms of waste and pollution.

This means that green jobs may be the installation or maintenance of solar panels or starting tree nurseries. But it can also be innovative agriculture which reduces water consumption or turning garbage into something useful. A green job doesn't necessarily produce environmental goods or services.

Gender aspects



Inclusive economic development and growth, also means that decent work is accessible for men and women. Women do more often have informal, unsecure and poorly paid jobs than men. Equality is improved by inclusive economic development. Be aware of the position of women in relation to land ownership. Supporting women to execute their rights to (land) ownership can improve their opportunities for decent work.

Economic self-reliance for women gives them more control over their own future. Women get the opportunity to develop their own potential. Groups of women do often work together successfully in Self Help Groups, savings and loan groups or women cooperatives. The women groups look for economic opportunities in their neighborhood, get specific training (technical, financial or soft skills oriented) and start producing products that can be sold in the local market. NGOs are successfully supporting these processes. Village level groups can also come together and establish a federation at the district level to have a stronger voice.

Very often, people do have quite strong beliefs about 'what is for girls' and 'what is for boys'. These gender norms can limit opportunities in both education and in jobs, for women, but also for men. Creating opportunities which are challenging these gender stereotypes can be difficult but do create equal opportunities for everyone. This may mean you have to do something to enable everyone to participate. For example, women do often have the responsibility of taking care of their children. Creating a form of childcare may create opportunities for them to work or study which they would not have without it.

Lastly, if you want to create job opportunities for women, you will also have to involve the men. They have to be supportive. In some cultures, women are seen as the main responsible for the house and the children. It may need a change of mind for men to support the women to work and have their own income. Although family income rises when the mother is also working and earning money, in some cultures men are very reluctant to see their mothers, sisters, daughters and wives go to work. This is something what should be addressed to create opportunities for the women.

Child protection

Childcare

For many young mothers, taking care of their (young) children while working or participating in a training can be a major challenge. To prevent children roaming the streets while their parents are working, some kind of childcare could be facilitated. Sometimes groups of women work together, taking turns to care for everyone's children. In other cases, some more formal way of childcare is offered.

With the growing world population, more and more working mothers will need childcare for their children. Supporting people to develop their skills in social (child) care gives them job opportunities, but also enables others to leave their children in a safe place while working, giving them more opportunities as well.

Child labor

In 2020, ILO calculated that almost 1 in 10 children worldwide was in child labor. Boys are more likely to be in child labor than girls. In many cases, the work the children do directly endangers their health and development. Although girls are less likely to be in child labor, they do face more challenges as they often have to take care of school, work and household tasks which heightens the risk of falling behind, making them even more vulnerable to poverty and exclusion.

Child labor is defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. This means it refers to work that:

 is mentally, physically, socially or morally dangerous and harmful to children; and/or



- interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or
- requiring them to attempt to combine school attendance with excessively long and heavy work.

What is exactly child labor may vary from country to country and even from sector to sector within a country. However, it is always important to be sensitive to the risks of child labor.

Rural poverty, traditional gender norms and lack of access to affordable and quality education are important causes of child labor. The agricultural sector accounts for by far the largest share of child labor. Promoting decent (formal) work for adults and youths of working age may reduce the need for children to work to complete family income.

What does Wilde Ganzen support?

Wilde Ganzen happily supports projects to improve employability and entrepreneurship which meet the points mentioned above. If capacity strengthening is needed for this, we can also support that. We start collaborating with a project of max 12 months. After a first partnership we can also consider partnerships for a maximum of 3 years.

Examples of what we do support:

- Materials for social enterprises or small and starting cooperations. For example, farming equipment for a group of young widows forming a cooperation. A business plan may be required in this case. Wilde Ganzen supports micro and small locally registered and operating social enterprises. A social enterprise means that the people working for it have a decent job, but also that profits are used for the benefits of the community. The <u>Code of Conduct of Social Enterprises</u> must be endorsed.
- Capacity strengthening. We support training of (future) entrepreneurs or employees based on the needs assessment. But also trainers, mentors and traineeship providers can be trained. It may also be possible to hire a local

expert to do a needs assessment or market research.

- Lobby and advocacy. If it is needed to campaign towards the government or towards (big) companies, we could support this. For example, to change labor laws or improve possibilities for internships or apprentices.
- Projects creating an enabling environment.
 For example, a day-care center for children to enable mothers to work.
- Micro credits or other small loans and savings can be supported by Wilde Ganzen under a few conditions:
 - They lead to direct and decent (self)-employment and are thus used to invest in a business.

- Once the loans are paid back, they are re-invested in the community. This can be done through a revolving fund but can also be invested in community projects.
- Mentoring, coaching and/or training of the people who received a loan is part of the project.
- We highly recommend adding a training program. This can be technical training but can also focus more on soft skills.
- Wilde Ganzen can ask for a safeguarding policy which protects vulnerable people (e.g. children, women, people living with a disability) in their projects and activities.

Example of what we don't support:

- Costs of trainers and/or consultants brought in from abroad, except for situations where the project partner can prove that the knowledge is not available within the country. In that case, we may contribute to costs within the country, not to international costs.
- Investments in larger for-profit companies or companies owned by foreigners.
- Shipping of materials which are also available within the project country.
- Programs which are open for only selected groups of people (e.g. based on religion, or because of high fees which makes it affordable for only few people).
- Recurrent costs like staff salaries or office rent.



Good examples



Three important lessons

How can you successfully empower young people in the Global South to integrate into the local labor market? Girma Tsige of The Well in Action Ethiopia shares three important lessons.



Self-confidence and knowledge

Learning a trade is not always enough. In Peru, a group of women receive training to improve their personal skills. This gives them more self-confidence and empowers them.

From coffee to mushrooms Coffee farmers in Rwanda earn a higher income thanks to a smart solution. They now use the pulp released when processing the beans to produce mushrooms.



Tree nursery in Kenia To help young people find jobs, a tree nursery has been set up in Kenya. Here, they learn to grow and plant trees. In doing so, they also contribute to reforesting the country.



Reusable shopping bags

In Uganda, women learn how to make reusable shopping bags. Together with education on plastic pollution, this project contributes to a sustainable future for the community and the environment.



- Podcast Future Economies Start with Youth
- International Labor Organization has a lot of relevant information
- <u>WIEGO</u> organisation for women working in informal employment
- <u>WageIndicator.org</u> offers an overview of minimum wages and labor laws
- <u>Rainforest Alliance -</u> provides information on how to battle child labor
- <u>Fund for Youth Employment</u> about green jobs for youth in Africa
- <u>Fairtrade Standards</u> where you can read about fair trade standards, what should you think of?
- Digital Class World for more information on life skills
- If you'd like to read more about training people to close the skills gap, please read <u>the whitepaper on technical and vocational</u> training.





Want to know more?



More information

Contact **Wilde Ganzen** at servicedesk@wildeganzen.nl or call +31 (0)33 204 5555 and select option 1. Or contact your Projects Advisor directly.

Change the Game Academy

Would you like to map out who constitutes the community and which stakeholders are involved? Then you can make use of these (free) toolkits:



Module Mobilising Support Participatory Action Research Social entrepreneurship

Stakeholder Analysis

Special thanks to;

Darlington Mutaurwa (Dartmut consultancy services, Zimbabwe), Girma Tsige (The Well in Action, Ethiopia), Kenneth Ngombo (The Daughters of Destiny Children's Trust, Kenya), N. Byrav (Hand in Hand, India), Dr. Akhil Shahani (Shahani Academic & Global Empowerment (SAGE), India)