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In market systems, all you need is jobs?



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All blogs

How to tackle the global jobs problem with a market systems approach, by the ILO's Matt Ripley.

Around the world, people are dependent on jobs for survival. For many, working out of poverty still offers the best chance of an improved livelihood.

Yet 200 million people are currently without work. Over 800 million workers – almost a third of the global labour force – are not earning enough to lift themselves and their families above the poverty line. An estimated 2.3 million die every year from occupational accidents and diseases. Millions more, often children and women, are working in unsafe conditions or are trapped in coercive labour.

In this context there is growing interest in applying a market systems approach to the world of work, based on its potential to stimulate more lasting and large-scale change. How can we do this? The second edition of the [Making Markets Work \(M4P\) Operational Guide](#), recently launched by BEAM Exchange, gives some hints.

First, we need to unpack the jobs ‘problem’. Is it, for example, about low returns to labour for rural farmers? Or is it about deficits in the nature of employment – whether wages, working time, workplace safety or exploitation – in urban waged workers?

Second, what are the opportunities to benefit the target group? Experience suggests those living in poverty cannot afford not to be working, so the context is often less about unemployment, and more about a transition from under-employment to better, more productive jobs with higher wages or improved working conditions. As

a recent study by the [Chronic Poverty Advisory Network](#) found, it is not necessarily that people in poverty are more excluded from labour markets, but that they are more adversely included.

Third, what's the feasibility of sustainable system-level change? A systemic approach does not 'buy' temporary improvements in jobs, but attempts to incite behaviour change in actors in the market system to address the underlying reasons for the very existence of the jobs 'problem'. Lasting change cannot be pushed from the outside through regulation or policies alone, but has to be driven by the market players themselves.

Fourth, are we addressing the root causes not just the symptoms of the jobs problem? Practitioners need to be willing to go 'deep' in the analysis and explore and intervene in different market systems. Looking at job problems in a core product market, like a value chain, often leads to root causes being identified in this system's supporting functions or rules – so-called inter-connected markets. [This project in Indonesia](#) looked into the micro-leasing market system to reduce the impact of poor physical working conditions for urban tofu and tempeh workers. The search for root causes can also help identify issues common to multiple jobs problems, such as poorly functioning information provision or advocacy. [This project in Uganda](#) (pdf) developed media markets that led to a local commercial radio station exposing an ailing out-grower scheme critical to farmer self-employment. Finally, the search can take us to the labour 'market system' as a sector in itself to delve in to both supply- and demand-side constraints. [This project in Bangladesh](#) (pdf) took a systemic lens to stimulate a vibrant skills market – through a mix of training and regulation – that improved access to quality healthcare.

As labour is the principal asset of the poor, it is critical to almost all the poverty reduction work done in market systems development. Yet jobs can quickly become a tricky issue to tackle. Thankfully, as another [BEAM blog](#) has already said, the power of M4P is in the simplicity and structure it provides to make sense of what might seem like an overwhelming mass of complexity.

Finally, there is a need to hear from more projects about how they've tackled jobs through a market systems approach. And that, after all, is the potential of the new BEAM Exchange and the opportunity it provides for knowledge sharing. How have projects used a systemic lens to help find longer-term solutions to jobs problems? All together now, if jobs are all we need, it's time to start bringing together our collective experiences.

Matt Ripley leads 'Market Systems Development for Decent Work: the Lab', a new action research initiative from the [International Labour Organization](#) (ILO) that aims to test ways to better measure and maximise pro-poor employment outcomes. The

Lab is funded by the *Swiss State Secretariat for Economic Affairs (SECO)*. Read more on the *ILO website* about employment-focused market development. See also *Value Chain Development for Decent Work: A Guide*.

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