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# Should we create decent work or make work more decent? Demystifying what decent work means for Market System Development projects



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**Focusing on job creation alone is not enough. Low quality jobs are precisely what keeps people locked into cycles of poverty.**

## Meet Susan

Susan works on a building construction site in Rwanda. She's a single mother with a three-year-old child and gets no support from the father. She has been shovelling earth and moving building materials around various construction sites for about five years. During that time, her salary hasn't changed from just over \$2/ day. On this particular day, she's the only woman on the site. Any bathroom breaks involve going to the communal toilet, a hole in the ground behind the bushes.

She'd like to train to move up from her current position in the most labour-intensive and poorly paid job on site. She says there is a training school right around the corner. But a complete training course would take a year, limit her time to work and would cost \$235 - about 40 per cent of her annual income.

Every morning she wakes up, gets herself and her child ready to go, drops her child off at a neighbour's place and arrives at work. She's also in the early stages of pregnancy, something that she tries to hide since the foreman indicated that pregnant women get rotated off the site.



Sadly, Susan is not alone.

### **A third of the global labour force are not earning enough to lift themselves and their families above the poverty line**

Almost two-thirds of the world's workforce is categorised as informal. Three-quarters of workers in Africa and Asia are in vulnerable employment. Millions more work in unsafe jobs or suffer from discrimination – and lack the necessary voice or agency to improve their situation. Conservative estimates are of 2.3 million deaths a year from occupational accidents. More than one in five young people are not in employment, education or training. The global youth unemployment rate is four times the adult rate.

There is increasing recognition that not only the number, but also the quality, of jobs matters for sustainable and inclusive economic growth<sup>[1]</sup>. This is because a job is a critical pathway out of poverty for most people<sup>[2]</sup>. Indeed, focusing on job creation alone is not enough. Low quality new jobs are precisely what keeps people locked into cycles of poverty<sup>[3]</sup>.

Recently, the ILO issued a warning that progress on reducing unemployment around the world is not being matched by improvements in the quality of work. Progress towards the Sustainable Development Goal (SDG) 8 on decent work and economic growth has been slower than expected. At the current pace, this makes SDG achievement unrealistic for many countries<sup>[4]</sup>.

### **What does this mean for market systems projects looking at jobs?**

The ILO Lab - a Swiss-funded ILO knowledge exchange on how to achieve long-term and large-scale decent work outcomes - has recently released a briefing note on using a market systems approach for decent work outcomes.

Over the past six years of supporting projects to better understand, address and measure constraints to creating more and better jobs, we have learnt three key things.

#### **1. Start with a clear strategy that puts the target group into focus**

First, it's important to have a clear strategy on which target groups to focus on, and which decent work deficits to address. This shapes the first part of the MSD cycle which involves selecting the sectors the project will work in based on criteria of relevance, feasibility and opportunity.

It is likely that the target groups will face many working challenges. In thinking about Susan, she doesn't make enough money, has difficulty in managing work and family life, is exposed to occupational safety and health hazards and sexual harassment, and has neither contract stability nor a social safety net to protect her



against tougher times ahead. So where to start? Rather than use conceptual language about decent, good or dignified jobs, the Lab has re-framed internationally-agreed statistical indications into 10 decent work deficits which can help you pinpoint what isn't decent work for your target group (box 1).

#### Box 1. 10 Decent Work Deficits

1. Lack of employment opportunities
2. Inadequate earnings and unproductive work
3. Indecent hours
4. Inability to combine work, family and personal life
5. Engaged in work that should be abolished
6. Lack of stability and security of work
7. Unequal opportunity and treatment in employment
8. Unsafe work environment
9. Lack of social safety nets
10. No voice: failing workers' and employers' representation

Recognising many of these deficits will be inter-connected, projects will likely need to prioritise which to address first. It will not be possible to graduate thousands of Susans from poor quality jobs to decent jobs at the same time. This then influences the sector selection process and the fundamental strategic decision that projects need to make - do I support incremental improvements to the jobs target groups are currently doing (often on farms) or do I try and help support the creation of new opportunities that may lead to radical improvements in future jobs (e.g. in more modern sectors like services)?

### Look below the surface to find the causes to decent work deficits

Second, during **market systems analysis**, the underlying reasons driving decent work deficits may not be immediately obvious. The key is to spend time investigating 'why' before rushing in with a 'solution' such that projects are better positioned to address real root causes, not just symptoms.

For decent work, the challenge is often not one of unemployment but underemployment. Analysis needs to focus not only on the drivers of labour market exclusion, but to understand and address the reasons why people are being adversely included<sup>[5]</sup>. Why, for example, are the training and up-skilling options available to Susan so limited? Why is Susan's workplace so unsafe? What are the norms shaping her foreman's perception that pregnant women should rotate off work?

### Be adaptive, manage ambition and measure the meaningful



Third, as the BEAM community well knows, the reality of **facilitating change** in market systems is more complex than simply implementing 'blueprint' interventions.

Innovations may not be viable or deliver benefits to the target group; market actors may not have the expected capacity or incentives. In some cases there may be a **business case for better job quality**. But in other instances, projects need to work to address some of the shortfalls in the often neglected rules and regulations part of the system. For Susan, there simply isn't a business case for providing better safety gear or a stable contract for her. Projects may need to step up their work to enhance the rules that contractors comply with and/or the inspection services that enforce them.

Projects must be open to the fact that the interventions they design may need to change - so measurement becomes critically important. As highlighted by World Bank<sup>[5]</sup>, there are three important aspects to understanding job effects:

- Number of jobs: *Job creation*
- Inclusiveness: *Job access* (by gender, geography etc.)
- Better jobs: *Job quality* (productivity, earnings, skills and working conditions)

For the Lab, measuring jobs in market systems is not about setting an absolute definition of what constitutes a good or 'decent' job, but an **exercise in relativity**. Are projects helping move the needle and **improving wages or working conditions** towards national labour laws or productive employment?

Here projects need to have a laser-sharp focus - only measuring improvements in the decent work deficits they intend to address, while ensuring that this doesn't come at the detriment other deficits. **Measuring every aspect** of such a broad, multi-dimensional topic will likely lead to inaction. There may also be difficult trade-offs involved - is supporting informal jobs good for livelihoods? But what is important is to move away from the concept of a job in the abstract, to put it in the context of understanding and measuring what's important to the target group and their starting situation in the sector.

### **Enhancing decent work in MSD projects is never easy**

It's always contextual, relies on adaptability and requires a tight focus on addressing and measuring what matters - much the same as many MSD projects.

Although we've worked to codify lessons into guidance, there is much space to advance knowledge and efficacy in this area.

If you are interested in advancing knowledge or improving how your project tackles decent work challenges, we invite you to reach out to us ([thelab@ilo.org](mailto:thelab@ilo.org)) to see if we can find a way to work together to create more and better jobs.



[1] German Development Institute, MSEs as drivers for job creation, Oct. 2015

[2] IFC

[3] Morgan Simon, "Managing vs Measuring Impact". Stanford Social Innovation Review

[4] For country-level data, see [https://www.ilo.org/global/publications/books/WCMS\\_712685/lang--en/index.htm](https://www.ilo.org/global/publications/books/WCMS_712685/lang--en/index.htm)

[5] Chronic Poverty Advisory Network blog post

[6] See the work of Thomas Farole, World Bank

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