



# **UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

**Contribution to the  
2015 United Nations Economic and Social  
Council (ECOSOC)  
Integration Segment**

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### 1.0 BACKGROUND

The world is facing an unprecedented global jobs crisis. ILO estimates that 600 million productive jobs are urgently needed over the next decade to sustain growth and maintain social cohesion. Promoting employment creation is challenging in developing economies and even more complex in conflict and in displacement contexts. But employment and decent work are important for achieving sustainable development. UNDP views sustainable development as an integrated approach that tackles multidimensional poverty, inequality and exclusion, while ensuring that economic, social and environmental objectives and standards are upheld. This is reflected in UNDP's Strategic Plan which calls for growth and development that is inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.

Jobs and livelihoods have emerged as a key concern in the discussions on the post-2015 development framework. The Open Working Group's 12th session proposed in the zero draft a sustainable development goal (SDG 8) whose aim is to **"promote strong, inclusive and sustainable economic growth and decent work for all"**. The consultations around Goal 8 have called for sustainable and inclusive growth through decent jobs, youth employment, SMMEs and entrepreneurship, promotion of productive sectors, expanding social protection and public services, protection of worker's rights, including migrants, strengthening the voice of workers and reforming global economic governance in the interest of the developing world. All this is in line with the decent work agenda that UNDP is also pursuing within its own mandate with more focus on two of the main pillars of Decent Work, that is, i) employment creation and enterprise development and (ii); social protection. The key questions are what is our approach to social protection, employment creation and decent work? And what contributions are we making to achieving sustainable development through employment creation and decent work.

### 2.0 OUR APPROACH

Successful economies are ones that generate and sustain domestic leadership in economic development, employment and inclusive growth while taking measures to assure sustainability. Economic reforms intended to create macroeconomic stability and fiscal sustainability may be conducive to growth and employment in the long run; but they are often weak on employment creation in the short to medium term. Policy conservatism is detrimental to employment generation which is necessary to absorb the large numbers of unemployed youth, women and girls. Women and girls are an important constituency to focus on globally to reduce poverty, inequality and exclusion. Therefore the decent work agenda is at the forefront of UNDP's on recovery and development across the globe.

To address sustainable development in a more integrated manner, the United Nations' Three Track Approach to employment creation and decent work is a useful model to adapt and apply. ([http://www.undp.org/content/dam/undp/library/crisis%20prevention/20130215\\_UNDP%20LER\\_guide\\_summary.pdf](http://www.undp.org/content/dam/undp/library/crisis%20prevention/20130215_UNDP%20LER_guide_summary.pdf)) UNDP and ILO are continuing to apply this model in a number of countries, including for the Syria Crisis where resilience based development is paramount. Further details are provided in the Annex.

### 3.0 POLICY RECOMMENDATIONS

**First**, investments in the areas of entrepreneurship development initiatives (such as the provision of training, vocational education and business skills development) to promote self-employment and small

enterprise development are crucial. Such investments will include creation of an enabling institutional framework for micro, small and medium enterprises, trade facilitation and logistics, standards and quality infrastructure, as well as access to finance and markets. This will enhance productivity in labour-intensive (low productivity) sectors in which the poor predominantly work. Focus will be placed on enterprises that will work on the sustainable management of natural resources, biodiversity and ecosystem services.

**Second,** to combat the increasing and unsustainable pressure on already strained natural resources and energy supplies, the international community should promote sustainable jobs and livelihoods programmes through management of natural resources, biodiversity and ecosystem services. Jobs, livelihoods and economic revitalization programmes offer important windows of opportunity to not only generate income but also strengthen community-level resilience, increase equitable access to natural resources, and better protect against economic and environmental shocks. The sustainable management of natural resources offers a wide array of livelihood opportunities in the Cash for Work schemes in reforestation, agro food processing, skills building, rainwater harvesting, improved agriculture practices and improved irrigation systems.

**Third,** provision of appropriate learning quality, skills development and education-to-work transitions is critical in order to establish strong links between education and employment outcomes, particularly for youth. This can be accomplished through the establishment of a competency-based system for training and retraining in the short to medium term to increase the coverage and scope of formal economy-sector led education and training programmes and through partnerships with employers. This will enable the poor to access jobs in higher productivity sectors with increased wages in the longer term.

**Fourth,** since the majority of people in developing countries work in the informal economy, and many rely on natural resources and ecosystems services for jobs and livelihoods, a better understanding of the link between the informal sector, natural resources and livelihoods is crucial to understand its important role in providing jobs and livelihoods. A number of policies could help those working in the informal sector secure productive employment, such as support in starting and scaling up businesses, entrepreneurship and management skills or enhancing access to start-up resources, such as land or initial capital.

**Fifth,** there is need to view employment creation and decent work through the lens of a continuum of short, medium and long term policy interventions. UNDP's livelihoods approach is anchored in the "**UN policy on employment creation, income creation and reintegration in post-conflict situations**" which provides an operational framework for interventions in the short, medium and long term.<sup>1</sup> The UN policy identifies three specific intervention streams (3 tracks) that are useful for achieving optimum results with limited financial resources, leading to a cost-effective approach that creates immediate results by addressing poverty and unemployment in the short-term, while laying a foundation for stabilization and economic growth in the medium and long term.

**Lastly,** the sustainability dimension can be built by reinforcing the links to social protection, addressing the root causes of vulnerability, identifying risk patterns and its mitigation and creating an enabling environment for productive employment opportunities. Making links with social protection schemes will enable affected people to have minimum measures of resilience and coping mechanisms in the advent of conflict or disaster.

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<sup>1</sup> The three-track approach UNDP uses for early economic revitalization makes the link between Outcome 6 and Outcome 1 of the new UNDP Strategic Plan, which focus on inclusive growth and sustainable development.

### **UNDP and the Three Track Approach**

The first Track focuses on direct employment and income generation schemes. This track focuses on the more vulnerable people and forms a foundation for social protection; Interventions such as the public works schemes in India or South Africa that target rural communities can be viewed as part of this track. These interventions are consistent with the three pillars of decent work agenda (DWA): i) employment creation and enterprise development (ii); social protection, and (iii) standards and rights at work.

The second track focuses on communities and is aimed at building labour demand by fostering local economic recovery /development. Investment in socioeconomic infrastructure, local institutions, the natural resource base from which people derive their livelihoods and capacity development of governments are key interventions. Assisting in value addition, income generation, including cultivation of high value crops, agribusiness and food processing will be important depending on the context. Again the approach here is fully linked to the three pillars of decent work above.

The third track is wider in scope and aims at creating long term employment and decent work at the macro-level. This may include interventions on changing industrial structures, nurturing local private sector and labour markets, inducing foreign direct investments and promoting inter-sectoral linkages. This also involves fostering social dialogue to define by consensus the rules of the game, including addressing sensitive issues like human rights, gender and protection of the vulnerable groups. While in conflict or post crises some interventions are subsidized, the aim is to ensure that countries move from aid supported employment creation to strongly unsubsidized private and public job growth. This also includes enabling private investments and entrepreneurship which include removing obstacles to doing business. Over the long term policy development under this track help formalize the in formal sector by making the evasion of rules and regulations less beneficial, thus improving the quality of jobs in a manner consistent with decent work and safe work places. This is an area where UNDP works with agencies such as the ILO or relies on ILO to advance tripartite negotiations. Clearly the three track approach if implemented holistically in developing countries will lead to sustainable development. It cuts across all the four important pillars of decent work with track three adding the dimensions of governance and social dialogue.

### **EMPLOYMENT CREATION AND DECENT WORK AGENDA IN PRACTICE**

In a number of crisis, post crisis and non- crisis /developing countries UNDP is working with its partners in particular government counterparts and the private sector to accelerating the achievement of sustainable development through livelihoods /employment creation and decent work. The examples below provides an overview of how and where UNDP is contributing to sustainable development through employment creation and decent work. UNDP's Strategic Plan calls for development that is inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and the excluded.

In the area of macroeconomic and sectoral policies, UNDP has supported many countries to focus efforts on achieving MDG targets on employment through the MDG Acceleration Framework (MAF). These countries include Armenia, Bhutan, Costa Rica and Tanzania, the Dominican Republic and Zambia. In Azerbaijan, UNDP supported the Government in the implementation of its National Employment Strategy.

In the area of entrepreneurship development and self-employment, UNDP has supported business skills development, access to finance to support micro, small and medium enterprises, as well as their linkages to existing markets. For example, in **Yemen**, as part of the Youth Employment Action Plan through a scaling-up of the 3x6 approach<sup>2</sup> (<https://www.youtube.com/watch?v=Mff24iaEHPY>), UNDP initiated the enrollment of 3000 young vulnerable Yemenis (25% women) in cash for work activities to constitute seed capital through a compulsory savings scheme for business creation. Bridging training with market needs for greater employability, 1000 youth in Sana'a and Aden have benefited from job placement and internship schemes yield job and internship opportunities for their effective integration in the workplace. Innovation, with a focus on solar energy, has been promoted with the launch of the second edition of the "Youth Innovation and Creativity Award".

In Mongolia, UNDP helped establish a financial credit mechanism for medium- and small-enterprises. The initiative had evolved into XacBank, an independent commercial bank operating on a market basis, with nearly 85,000 loans. In Haiti, UNDP supported micro-enterprise development targeted at youth and women. In Rwanda, UNDP is supporting the youth employment initiative YouthConnekt, which uses Google hangout technology in combination with other social media channels and SMS to connect young people to role models, resources, skills, entrepreneurship, and employment and internship opportunities. In Jordan, UNDP launched the Host Community Support Programme in responding to the influx of Syrian Refugees with a focus on women and youth. The recipients benefited from job placement and small and medium enterprise (SME) development support.

In Sierra Leone, UNDP has been working with various local partners to address the issue of youth employment. As a result, 5,000 young people have started their own businesses. In Nepal, UNDP's Micro Enterprise Development Program (MEDEP) has adopted value chain tools and approaches to link enterprises in key economic sectors. In Georgia, UNDP has been instrumental in overhauling the out-of-date vocational and educational training system (VET) curricula across the country. In the area of public employment, UNDP is helping governments in a number of countries (e.g. Namibia, Bhutan, Honduras, Timor Leste) to design, implement and monitor public work programmes that often provide low-skilled workers their only opportunity for gainful employment as part of the social protection agenda. The 2014 Evaluation of mainstreaming of full and productive employment and decent work by the United Nations system organizations has found UNDP to be one of the top organisations taking the DWA seriously.

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<sup>2</sup> The 3 phases include: 1) Inclusiveness; 2) Ownership, and; 3) Towards Sustainability.

The 6 Steps are: 1) Engaging; 2) Generating Income; 3) Savings; 4) Business Venturing; 5) Investing, and; 6) Accessing Markets.