National Employment Policies for inclusive and sustainable growth and full and productive employment

In 2015, world leaders adopted 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet and ensure prosperity for all. The promotion of full, productive and freely chosen employment is a central element of that Agenda and cuts across many of the SDGs, with SDG 8 at its core.

Jobs remain a critical concern globally – in 2017, there were over 201 million unemployed people worldwide, while over half of the world’s workers were involuntarily self-employed, often in precarious situations. In developing countries, workers in the informal economy still account for between 35 and 90 per cent of total employment. Working poverty remains pervasive with 776 million people earning less than US$ 3.1 a day in 2017, and non-standard, precarious forms of employment, which disproportionately affects youth and women, have seen an alarming rise in all regions.

Comprehensive national employment policies (NEPs), grounded in tripartite social dialogue and broad-based consultations with stakeholders, can significantly contribute to achieving the goals of the 2030 Agenda:

• NEPs promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG 8). NEPs, that encompass a range of policy areas – macroeconomic, sectoral and structural policies, labour market policies and institutions, offer a practical framework for tackling the multidimensional labour market challenges. These policies aim at creating opportunities for decent employment, especially for young people, while tackling working poverty, informality, low earnings, gender inequality and other forms of discrimination. SDG 8 on inclusive growth and productive employment reflects closely the guiding principles of the ILO Employment Policy Convention, 1964 (No. 122), which provides the framework for NEPs.

• NEPs have a major impact on the effort to end poverty (SDG 1) by creating opportunities for productive employment and regular income that enables many to escape poverty. Poor-quality jobs are an underlying feature of chronic poverty. In emerging and developing countries, people in vulnerable employment experience rates of extreme poverty that are three times as high as for wage and salaried workers. Similarly, in developed countries, workers in precarious employment conditions are more likely to be poor than those with stable jobs.

### SDG 8.3 (Informal employment)

Non-agricultural informal employment employment estimates by sex, (%) 2004/10

<table>
<thead>
<tr>
<th>Region</th>
<th>Male</th>
<th>Female</th>
<th>Gender Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>61</td>
<td>74</td>
<td>23</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>48</td>
<td>54</td>
<td>16</td>
</tr>
<tr>
<td>China</td>
<td>30</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>82</td>
<td>83</td>
<td>1</td>
</tr>
<tr>
<td>East and South-Eastern Asia (excluding China)</td>
<td>65</td>
<td>64</td>
<td>1</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>13</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Middle East and Northern Africa</td>
<td>47</td>
<td>35</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Vanek et al., Statistics on the informal economy: Definitions, regional estimates and challenges, 2014
NEPs also contribute to reducing inequalities as aimed for in SDG 5 and SDG 10 through pro-employment fiscal and wage reforms, access to productive employment and by empowering women and promoting gender equality in the labour market. NEPs include pro-employment macroeconomic policies that support sustainable and sustained patterns of consumption and investment, complemented by fair wage and labour market institutions that make labour markets more effective, inclusive and equitable.

A good NEP formulation process contributes to promoting peaceful and inclusive societies (SDG 16). NEPs are built on an inclusive process, and consensus that is gathered through extensive dialogue at all levels – with workers’ and employers’ organisations, different line agencies and ministries, and other key stakeholders including informal workers, youth or rural workers. The involvement of all those actors ensures the necessary political buy-in, so that the policy interventions benefit from greater ownership and commitment. NEPs also strengthen national institutions to make them more transparent, accountable and inclusive - for example, they promote tripartite and inter-ministerial steering committees, public employment services with tripartite governing bodies wage setting and other labour institutions.

NEPs also contribute to other SDGs, such as SDG 4 on education and skills, by strengthening quality vocational and technical education; SDGs 9 and 11 by promoting labour-intensive and sustainable public works that support economic transformation and reduce vulnerabilities, including climate change; and SDG 17 on policy coherence by encouraging inter-ministerial coordination for policy design and implementation as well as dissemination of timely and reliable labour market indicators to inform and evaluate policy decisions.

The ILO facilitates national processes to develop and implement NEPs. It does so by conducting analyses on the employment and the labour market situation; providing research and analysis to inform policy design, monitoring and evaluation; offering tailored technical advice; undertaking capacity building for government and the social partners, as well as facilitating tripartite policy dialogue.

Mozambique National Employment Policy (2016-2020): promoting more and better jobs to achieve SDG 8
The NEP in Mozambique was adopted in December 2016 to improve coherence across existing employment programmes and strengthen decent employment creation through economic transformation. Broad consultations were held in all provinces. The ILO and the Swedish International Development Cooperation Agency are assisting in the implementation, focusing on labour intensive infrastructure in rural areas, SME development, green jobs, empowering women workers and strengthening the labour market information system.

Azerbaijan National Employment Strategy 2016 – 2030: a strong partnership to achieve SDG 8
The engagement of several ministries and the social partners set the ground for the formulation of a national employment policy in Azerbaijan, fully aligned with the SDGs, in particular SDG 8. The ILO is collaborating with UNDP to assist in the implementation, focusing on entrepreneurship, self-employment, wage subsidies and vocational training.

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