

# SDGNOTE



International  
Labour  
Organization



## NATIONAL EMPLOYMENT POLICIES

The 2030 Agenda embraces the three dimensions of sustainability – economic, social and environmental – in an integrated and interconnected manner. It contains 17 Sustainable Development Goals (SDGs) that will build on the progress achieved under the Millennium Development Goals. The 2030 Agenda for sustainable development puts people and the planet at its centre and gives the international community the impetus it needs to work together to tackle the formidable challenges confronting humanity, including those in the world of work.

Comprehensive national employment policies, grounded in tripartite social dialogue and broad-based consultations with stakeholders, are a critical tool to promote full employment and decent work for all and contribute significantly to achieve the goals of the 2030 Agenda.

### The ILO DW for SDGs Notes Series

At a special UN summit in September 2015 world leaders adopted a new vision for global development: “Transforming our world: The 2030 Agenda for Sustainable Development”.



The 2030 Agenda calls for integrated and transformative policies to tackle development challenges. The promotion of more and better jobs is a central element that cuts across many of the Sustainable Development Goals with SDG 8 at its core.

The design and implementation of comprehensive national employment policies – in line with national needs and circumstances – can make a critical contribution to improve the policy frameworks needed to achieve SDG 8: inclusive growth, full and productive employment and decent work for all.

Such policies would also have a major impact on the effort to end poverty in all its forms (SDG 1) by lifting the millions of working poor out of poverty. They would also contribute to SDG 4 on education by the provision of quality vocational and technical education; to SDG 5 on gender equality by empowering women in the labour market; to SDG 9 on infrastructure and sustainable industrialization by promoting labour-intensive and sustainable public works; to SDG 10 on reducing inequality through fiscal and wage reforms and equal access to productive employment; SDG 11 on disaster-affected people by addressing the specificities of labour markets in fragile states; and SDG 17 on partnership and policy coherence by encouraging interministerial coordination for the formulation and implementation of employment policy measures and supporting the production and dissemination of timely and reliable labour market indicators to support and enhance policy decisions.

The Decent Work (DW) for SDGs Notes series aims to provide a thematic decent work perspective on the SDG framework for ILO constituents, UN counterparts, development partners and other policymakers. SDG notes are envisaged for all ILO Programme and Budget (P&B) outcomes. They should be used in conjunction with the ILO Implementation Plan for the 2030 Agenda for Sustainable Development.

The present document is an SDG Note on “National Employment Policies”, which mainly concerns SDG 8, 1, 10, 16, 17 and related targets and indicators.<sup>1</sup>

1 - The Global Indicator Framework developed by the Inter-Agency and Expert Group on SDG Indicators (IAEG-SDGs) to monitor progress on 169 targets of the SDGs was agreed upon by General Assembly in July 2017. The framework has 232 indicators and each indicator has been assigned to one or several organizations to coordinate efforts around collection and reporting of national data. These indicators are classified into three tiers depending on the availability of data and internationally agreed measurement methodology. The global indicators can be found here. The list of custodian agencies here.



# 1- THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT AND NATIONAL EMPLOYMENT POLICIES.

## 1.1 Why are National Employment Policies key to achieving the 2030 Agenda for sustainable development?

Glaring employment deficits both in terms of levels and quality highlight the need for comprehensive national employment policies that provide a clear framework for addressing working poverty, creating decent jobs, increasing hourly earnings of female and male employees and decreasing youth unemployment and discouragement. In 2017, there were over 201 million unemployed people worldwide, while over half of the world's workers were involuntarily self-employed most often in a weak and uncertain situation. 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 in emerging and developing countries earning less than US\$ 3.1 a day in 2017. Non-standard, precarious forms of employment have seen an alarming rise in all regions. These challenges tend to disproportionately affect youth, women and marginalized groups, requiring far reaching policy responses.

This lack of productive employment opportunities and the persistence of decent work deficits is a major obstacle to pursuing pro-poor growth and sustainable development. It is now commonly acknowledged that economic growth, while necessary, is by no means sufficient to engender sustainable and productive employment. Comprehensive national employment policies, comprising macroeconomic, sectoral and structural policies as well as labour market policies and institutions, offer a practical framework for tackling the multidimensional labour market challenges highlighted above and deliver on most of the targets under SDG 8.

In view of the specific challenges of providing more decent jobs to young people, national employment policies take into consideration age-specific targets and policy measures to address the ongoing youth unemployment crisis in a comprehensive, inclusive and gender responsive manner. Young people are much more likely to be unemployed than any other group of society, thus causing greater inequalities within the labour market, detachment from the world of work, increased vulnerability and rural-urban migration.



### **SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

- **8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services**
- **8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value**
- **8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training**
- **8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization**

**Indicator 8.3.1:** Proportion of informal employment in non-agriculture employment, by sex

**Indicator 8.5.1:** Average hourly earnings of female and male employees, by occupation, age and persons with disabilities

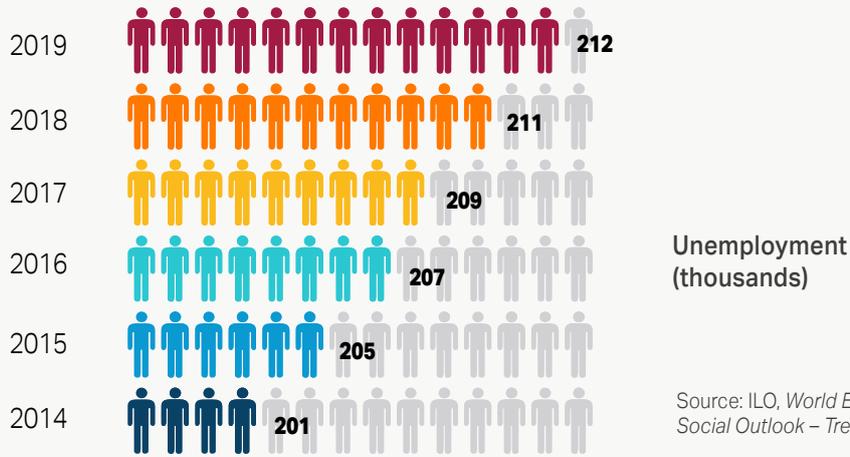
**Indicator 8.5.2:** Unemployment rate, by sex, age and persons with disabilities

**Indicator 8.6.1:** Proportion of youth (aged 15-24 years) not in education, employment or training

**Indicator 8.b.1:** Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy

### SDG 8 (Global unemployment)

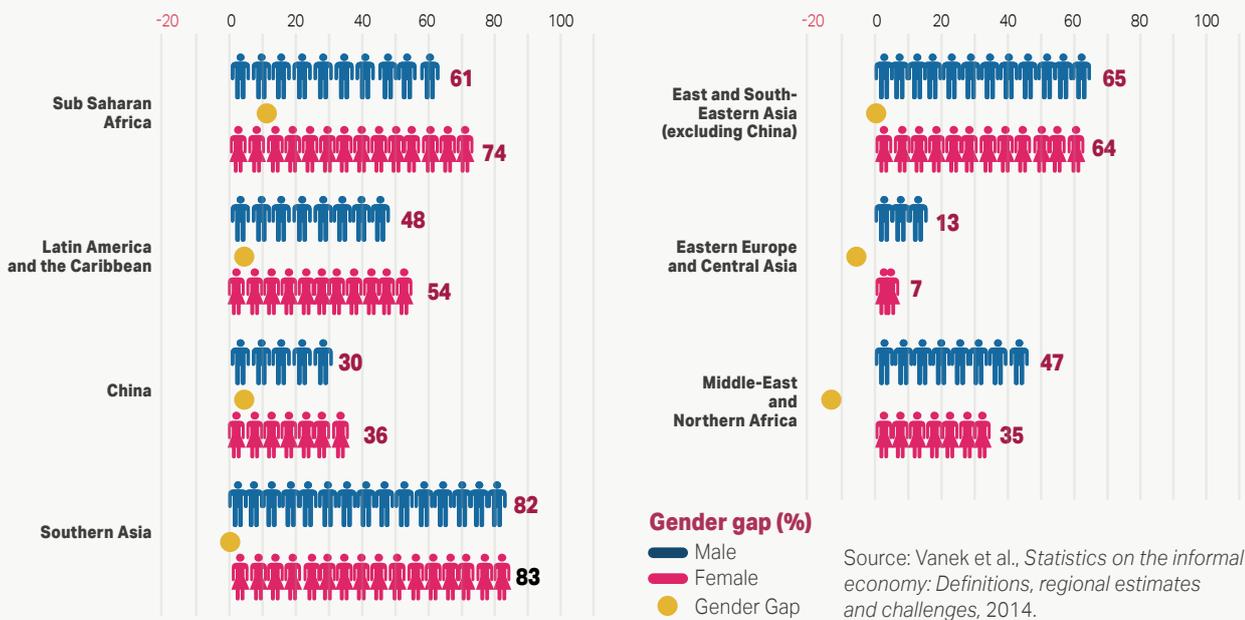
Panel A. Global unemployment development



Source: ILO, *World Employment and Social Outlook – Trends 2015*, 2015

### SDG 8.3 (Informal employment)

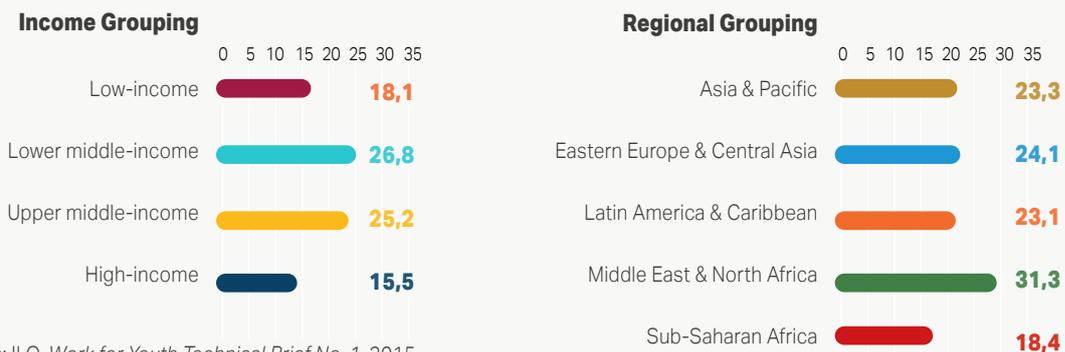
Non-agricultural informal employment estimates by sex, (%) 2004/10



Source: Vanek et al., *Statistics on the informal economy: Definitions, regional estimates and challenges*, 2014.

### SDG 8.6. (NEET Youth)

Youth NEET rate by income and regional groupings, (%) 2012/13



Source: ILO, *Work for Youth Technical Brief No. 1*, 2015

**NEPs contribute to achieving SDG1.** Half of the world's population live on less than US\$ 2 a day, with some 776 million working poor in 2017, undermining their right to dignity and jeopardizing socio-economic development and social cohesion. Addressing decent work deficits is a necessary condition for ending poverty in all its forms. An underlying feature of chronic poverty is the persistence of poor-quality employment. For most poor people, work is the only asset they have, as well as the primary pathway to escape material and income poverty. In developing countries, the poor rely substantially on their labour incomes and have few opportunities to benefit from social transfers. Meanwhile, in a number of developed countries, social transfers are becoming less able to counteract the relative decline in labour incomes associated with precarious employment. The objective of achieving decent, full, productive and freely chosen employment with fair remuneration for all women and men must therefore be placed at the heart of national development frameworks.



**SDG 1 End poverty in all its forms everywhere**

- **1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$ 1.25 a day**
- **1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions**
- **1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions**

**Indicator 1.1.1:** Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)

**Indicator 1.2.1:** Proportion of population below the national poverty line, by sex and age

**Indicator 1.2.2:** Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

**Indicator 1.b.1:** Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups

**SDG 1 and 8 (Working poor)**

**Working poor (millions) US\$ 2/day**

**Working poor as a share of total employment (%)**



**NEPs also contribute to reducing inequalities as aimed for in SDG 5 and SDG 10.** Wages lag behind productivity growth rates, leading to increased income inequality in most countries. The inequality caused by the polarization of incomes and persisting gender pay gaps are threatening social cohesion within and among countries. Ensuring more inclusive growth and moving towards achieving SDG 10 require pro-employment macroeconomic policies that support sustainable and sustained patterns of consumption and investment, complemented by fair wage and labour market policies and institutions that make labour markets more effective, inclusive and equitable – including wage setting institutions, minimum wage systems, mandatory social benefits, unemployment insurance, employment protection legislation and proper enforcement mechanisms. Addressing the persistent gender wage and income gaps (SDG 5) is also key to efforts to reduce inequality.





### SDG 10 Reduce inequalities within and among countries

- 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies, and action in this regard
- 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

**Indicator 10.1.1.:** Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population

**Indicator 10.3.1.:** Proportion of population reporting having personally felt discriminated against or harassed within the previous 12 months on the basis of ground of discrimination prohibited under international human rights law

**Indicator 10.4.1.:** Labour share of GDP, comprising wages and social protection transfers

**A robust NEP formulation process contributes to promoting peaceful and inclusive societies (SDG 16).** NEPs are built on consensus that is gathered through extensive dialogue at all levels – with employers’ and workers’ organisations, different line agencies and ministries, and other key stakeholders. Consultations ensure that policy design encompasses the needs of all key stakeholders, including those who are vulnerable and constrained in accessing opportunities in the labour market such as informal workers, youth or rural workers. An open and broad-based NEP process contributes to make national institutions more transparent, accountable and inclusive. It promotes tripartite and interministerial steering committees, strong public employment services with tripartite governing bodies and other labour institutions that account for commitment and accountability. Transparent and accountable decision-making processes and institutions ensure that employment policy measures are actionable and sustainable.



### SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- 16.6 Develop, effective, accountable and transparent institutions at all levels
- 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels
- 16.b Promote and enforce non-discriminatory laws and policies for sustainable development

**Indicator 16.6.1.:** Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)

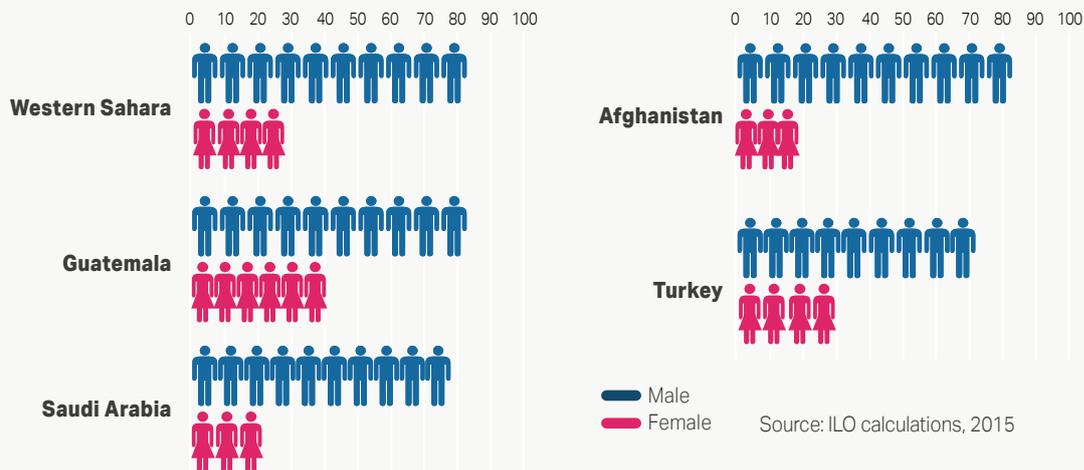
**Indicator 16.6.2.:** Proportion of population satisfied with their last experience of public services

**Indicator 16.7.1.:** Proportion of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service, and judiciary) compared to national distributions

**Indicator 16.7.2.:** Proportion of countries that address young people’s multi-sectoral needs within their national development plans and poverty reduction strategies

#### SDG 16 (Inclusive societies)

Gender differences in labour force participation rates around the world, selected countries (%)





**NEPs promote policy and institutional coherence (SDG 17).** Employment issues are often approached independently from one another. However, sustained creation of quality employment requires concerted action at many different levels that address the complex determinants of labour market outcomes. Coordination and coherence across different policy areas are critical ingredients for success. Tackling several policy areas in a coherent manner - such as skills and training, sustainable enterprise development, sectoral development policies and a conducive macroeconomic environment - is challenging but necessary. Institutions and mechanisms for coherence and coordination - such as interministerial tripartite employment committees - are an important determinant of how effective national employment (and development) policies are.



**SDG 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development Systemic issues**

**Policy and institutional coherence**

- 17.14 Enhance policy coherence for sustainable development
- 17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

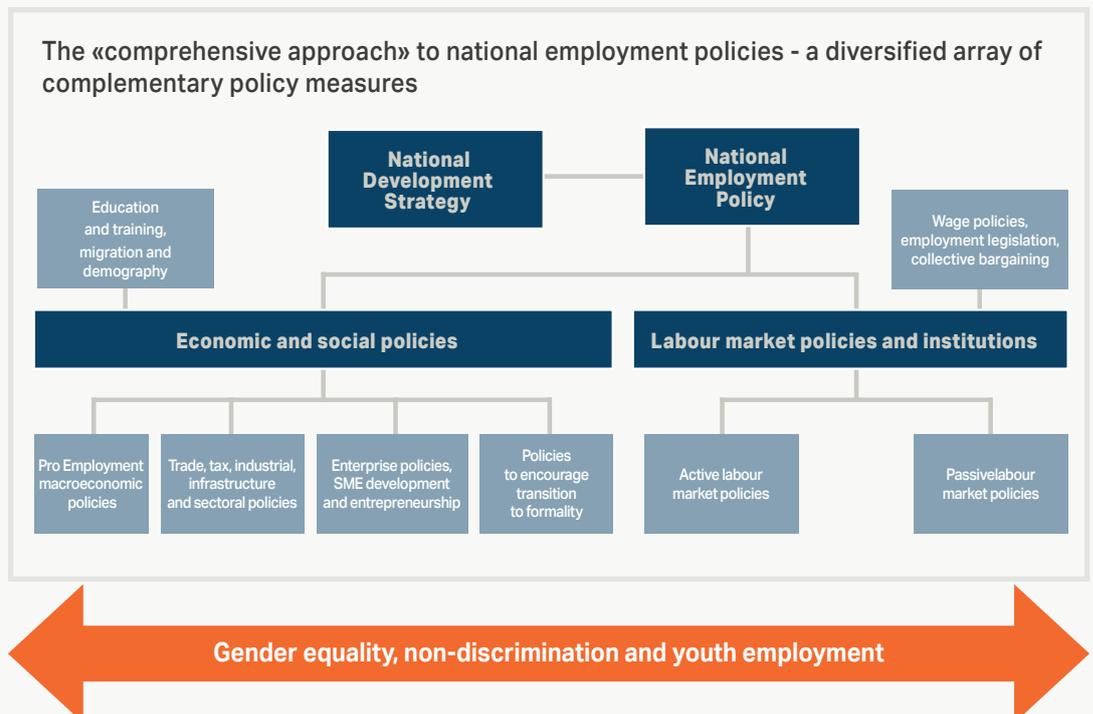
**Indicator 17.14.1.:** Number of countries with mechanisms in place to enhance policy coherence of sustainable development

**Indicator 17.15.1.:** Extent of use of country-owned results frameworks and planning tools by providers of development cooperation

## 2- WHAT IS THE ILO'S APPROACH?

### 2.1 Inclusive and accountable National Employment Policies based on social dialogue

The ILO promotes a comprehensive approach to employment policy, whereby a NEP articulates both a vision and a coherent framework linking all employment policy interventions, and involving all stakeholders who have a role to play: government, employers' and workers' organizations, development partners, financial institutions, NGOs and civil society groups. The content of a NEP will necessarily touch upon a wide array of economic, social and labour market policies that affect both the supply and demand sides of the labour market, as well as the interaction between them.



The ILO facilitates national processes to develop comprehensive national employment policies. 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 advice on incorporating employment goals in overarching policy frameworks; undertaking capacity building for government and the social partners, as well as facilitating tripartite policy dialogue. Demand from national constituents for ILO support in the formulation of NEPs and implementation processes has grown steadily in recent years. In 2016–17 alone, 36 developing countries requested ILO support for the design of their NEPs. While NEP adoption and ILO support to the NEP process is global, demand from sub-Saharan Africa has been particularly strong, followed by Asia, Eastern Europe and Latin America

## 2.2 Relevant International Labour Standards

- Employment Policy Convention, 1964 (No. 122) and the associated Employment Policy Recommendation, 1964 (No. 122), and Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169). This Convention provides the global normative reference for employment policy. It calls upon States to declare and pursue active policies designed to promote full, productive, and freely chosen employment as a major goal, consulting the social partners and other groups affected by the measures to be taken and taking into account national circumstances.
- The ILO has also adopted a wide range of additional instruments to guide advocacy and technical work in fields that are critical to the implementation of comprehensive employment policies, such as skills (e.g. the Human Resources Development Convention, 1975 (No. 142)); employment services (e.g. the Employment Services Convention, 1948 (No. 88), and the Private Employment Agencies Convention, 1997 (No. 181)); the employment of persons with disabilities and other vulnerable groups (e.g. the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)); informal employment (e.g. the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)); enterprise development (e.g. the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)); and social protection (e.g. the Social Protection Floors Recommendation, 2012 (No. 202)), amongst others.

## 2.3 A consensual policy framework adopted by the representatives of governments, employers and workers from all ILO member States

The Global Employment Agenda, adopted at the 286th Session (2003) of the ILO Governing Body, and its 2006 implementation strategy, manifested the ILO's response to fight poverty and social exclusion through employment and decent work. Moreover, the discussion highlighted the need to place employment at the heart of economic and social policies. It was the first framework promoting an integrated approach to national employment policies.

The ILO Declaration on Social Justice for a fair Globalization (2008) called for the promotion of decent work through a coordinated approach to achieving four strategic objectives: employment, social protection, social dialogue, and fundamental principles and rights at work.

The economic downturn and large-scale unemployment led to the adoption of the "Global Jobs Pact" at the 98th Session of the ILC. This policy instrument, adopted in 2009 in response to the job crisis emanating from the global financial and economic crisis, aimed at fostering recovery by focusing on job-centred policies aligned with both the ILO's Decent Work Agenda and the 2008 Declaration on Social Justice for a fair Globalization.

In 2010, the first recurrent discussion on employment, held during the 99th Session of the ILC, recognised the central role of pro-employment macroeconomic frameworks as well as trade and investment policies in promoting full, decent, productive and freely chosen employment, side-by-side with labour market and skills development policies.

More recently, at the second recurrent discussion on employment at the 103rd ILC Session (2014), ILO tripartite constituents highlighted the need for "proactive, employment centred, inclusive growth strategies and balanced, coherent policy frameworks, well-articulated, both at the global and national levels". They called on member States to pursue a comprehensive employment policy framework, based on tripartite consultations, to promote full, decent, productive and freely chosen employment.

Other relevant ILC Resolutions and Conclusions include those on sustainable enterprises (2007), skills for improved productivity (2008), youth employment (2005 and 2012) as well as social protection, decent work and green jobs (2013).



## 2.4 Internal ILO organisation to support effective NEPs

Today's world of work is characterized by job insecurity, underemployment, lack of decent working conditions, (youth) unemployment, non-standard forms of employment and persistent gender gaps. The first outcome outlined in the ILO's **Programme and Budget 2016-17** therefore centres on "more and better jobs for inclusive growth and improved youth employment prospects" and is well aligned with SDG 8 and other relevant SDGs.

The ILO is engaged in providing support for the formulation, implementation and monitoring of comprehensive and inclusive employment policy frameworks; the development of policy measures targeting the unemployed, underemployed, working poor, those in the informal economy, young people and women. It also supports the development of pro-employment macroeconomic and sectoral policies promoting inclusive growth, and the strengthening of labour market institutions.

The **ILO Employment Policy Department's Employment and Labour Market Policies Branch (EMPLAB)** provides policy advice, develops methodological tools, builds capacities of key actors and supports tripartite constituents in the development and implementation of NEPs. It does so in close cooperation with the global team of field employment specialists, relevant ILO branches, departments, country and regional offices, as well as with other UN and multilateral organizations and bilateral donors. Through its Youth Employment Programme (YEP) team, the Branch also plays a leading role in international and national efforts to address the labour market challenges of young women and men in all regions.

## 2.5 The role of the International Training Centre

In collaboration with EMPLOYMENT/EMPLAB, the Employment Policy and Analysis Programme of the ITC-ILO offers an annual two-week global training programme in Turin on Employment Policy. Country delegations from Ministries of Labour, Planning and Finance, together with workers' and employers' representatives, learn about the full employment policy cycle and develop sample employment policies collaboratively over the duration of the programme. The course builds capacities of the key relevant actors through a realistic simulation of the process of elaborating NEPs. Additionally, tailored country- and regional-level NEP training courses are designed and conducted by EMPLOYMENT/EMPLAB and the ITC-ILO to meet the individual needs of constituent groups, as well as more in-depth training on specific thematic areas, including a two-week course on youth employment, as well as shorter courses on macroeconomic policies, jobs and inclusive growth, public employment services and active labour market policies, amongst others. All integrate gender issues as a cross-cutting theme.

# 3- HOW HAVE COUNTRIES RESPONDED?

## 3.1 The process to design and implement a NEP

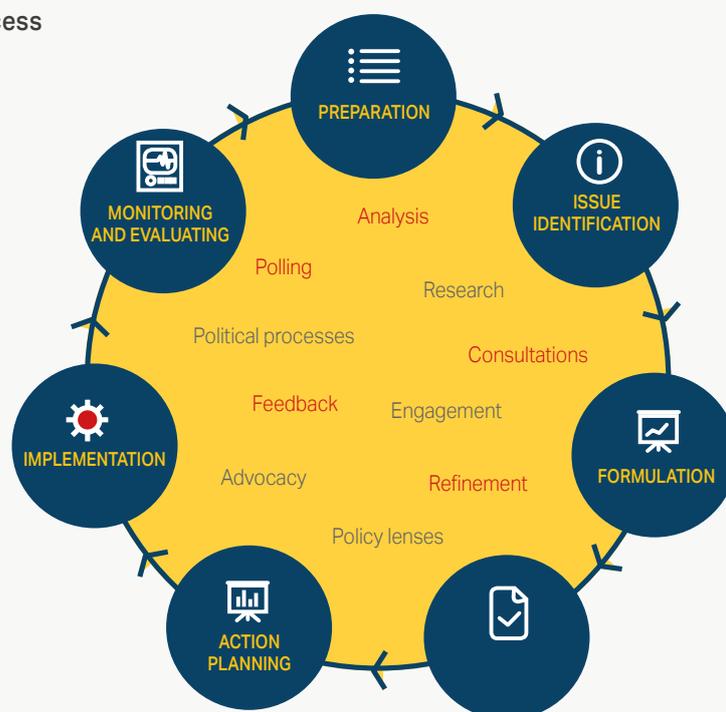
SDG 8 on inclusive growth and productive employment reflects closely the concept of the ILO Employment Policy Convention, 1964 (No. 122), which calls for countries to pursue employment policies that foster economic growth and promote full, productive and freely chosen employment.

A NEP is more than just a job creation programme, as it touches upon various socio-economic concerns by integrating projects, programmes and institutions that impact the functioning of labour markets. Policy interventions and recommendations vary as they depend on a country's specific development challenges. The process of developing such a policy framework follows the logical sequencing of a policy cycle as described below:

1. Preparation phase: define the employment policy's vision, put in place the organisational framework (steering committee and technical team), prepare a timeline of the process and budget for the resources needed to support it.
2. Issue identification phase: analyse the employment situation and socio-economic trends, review existing policies, and consult with stakeholders to identify employment challenges in order to produce a statement of issues which lists the opportunities and challenges of the labour market.

3. Formulation phase: prioritise the issues identified in phase 2, define the 3 to 5 objectives that the policy will pursue on the basis of this prioritisation exercise, decide the policy interventions that will enable the country to achieve these objectives, and draft the employment policy.
4. Validation phase: obtain a national consensus by validating the draft policy document with workers' and employers' organisations as well as all other stakeholders, followed by a formal adoption by the government to give the policy executive force and communicate on the content of the policy to all concerned, including those who will need to implement it at local level.
5. Programming and budgeting phase: specify the conditions of and plan for implementation, clearly defining the ways and means by which the objectives of the policy are going to be achieved.
6. Implementation phase: operationalize the NEP institutional frameworks, implement activities, train people who need to implement them as necessary and regularly monitor the implementation and eventually adjust interventions.
7. Evaluation phase: assess the impact of the NEP and draw lessons for the next policy cycle.

### The 7 stages of the policy process



The success of the 2030 Agenda as a whole will largely depend on coordinated action that will enhance policy and institutional coherence to achieve sustainable development. Priority should therefore be given to aligning national processes and ensuring coherence between the country's employment policy framework and its broader development vision (National Development Plans, SDG Frameworks, and UNDAFs). This might also ensure that local resources and donor resources can be mobilized to implement employment policy measures once the NEP is adopted.

### 3.2 The need to engage with tripartite constituents

Institutional arrangements in the development and implementation of a NEP matter greatly, although they may differ substantially from one country to another, depending on specific country contexts. Whatever coordination arrangements are put in place, it is of paramount importance that the development of national employment policies includes the key stakeholders in order to ensure policy coherence, ownership and sustainability. This approach is in line with SDG 17, which calls for institutions for policy coherence and coordination. Social dialogue plays a special role throughout the different phases of the policy cycle. The tripartite constituents' knowledge and understanding of country specific challenges help identify and select key themes to be addressed in the NEP. The Involvement in the process of the social partners as well as all the concerned government line ministries and agencies, ensures the necessary political buy-in and consensus among the actors who take part in putting the plan into practice. As a result, the policy interventions benefit from a greater sense of ownership and commitment.



### 3.3 ILO Country-level assistance

The following case studies provide examples of how the ILO has supported and engaged with constituents to formulate NEPs:

#### **Moroccan National Employment Policy 2015-2025: the key role of the tripartite steering committee**

*The NEP was successfully adopted by the government in Morocco thanks to the engagement of various actors from the economic and social sectors. A tripartite committee under the auspices of the Minister of Labour and Social Affairs facilitated the elaboration of a common national framework. The NEP is comprehensive, focusing on job creation, upgrading of human resources, sectoral policy responses and improved labour market governance. The ILO assisted in the design of the policy and in its pilot implementation in selected provinces.*

#### **The National Human Resources and Employment Policy (NHREP) for Sri Lanka (2014)**

*The NHREP in Sri Lanka was formulated by the National Steering Committee, a tripartite multi-stakeholder coordination body, based on the recommendations of thematic working groups. The agreed policy mix combined both supply and demand side policies, together with policies related to labour market governance. Following its adoption by the Sri Lankan Cabinet of Ministers in 2014, implementation of the NHREP has started with a package of measures to improve skills development opportunities for youth.*

#### **Promoting more and better jobs in Mozambique**

*The NEP in Mozambique was adopted in December 2016 to improve coherence across existing employment programmes and strengthen skills development and job creation through economic transformation. Consultations were held with the social partners and civil society in all provinces. The ILO is assisting in the implementation with support from the Swedish International Development Cooperation Agency (SIDA), focusing on promoting employment intensive infrastructure in rural areas, supporting SMEs and the creation of green jobs, empowering women workers and strengthening the labour market information system.*

#### **Multilateral collaboration for implementation of the NEP in Ghana**

*The Ghana National Employment Policy was launched by the President at the National Jobs Summit in April 2015, as a result of an extensive process of consultations involving the Ministry of Employment and Labour Relations, the National Development Planning Commission, several ministries, the Ghana Employers' Association, trade unions, "think tanks" and civil society. A National Employment Coordination Committee was established with ILO assistance. With the backing of the UN Resident Coordinator, ILO, UNESCO and UNIDO are joining forces to assist implementation in the areas of training, trade and sectoral policies.*

#### **Azerbaijan National Employment Strategy 2016 – 2030**

*The engagement of several ministries and agencies – including the Ministry of Labour, Ministry of Economic Development, Ministry of Finance, Central Bank and others - together with the social partners, set the ground for the formulation of a comprehensive national employment policy in Azerbaijan, fully aligned with the SDGs, in particular SDG 8. The process thoroughly reviewed the country's economic and employment situation including macroeconomic challenges. The strategy is giving momentum to the reorganization of the system of public employment services and the strengthening of local capacities to sustain effective active labour market policies. The ILO is collaborating with UNDP to assist in the implementation, including through support to measures catering to entrepreneurship, self-employment, wage subsidies and vocational training.*

### 3.4 Working with the multilateral system

Developing comprehensive National Employment Policies is an area of work that focuses mainly on activities at the country level. It is important to align the NEP with UN frameworks such as UNDAFs and Common Country Assessments, in order to mobilize resources and at the same time, strengthen interagency cooperation in creating synergies and ensuring successful implementation.

The launch of the SDGs is prompting new collaborative efforts. For instance, the ILO's Regional Office for Europe and Central Asia and the UNDP's Istanbul Regional Hub have joined forces to identify possible areas for collaboration in promoting decent work and inclusive labour markets in the region. This includes cooperation in supporting the design and adoption of comprehensive employment policy frameworks in two countries – Azerbaijan and the Republic of Moldova – with a view to pilot the roll out and nationalization of SDG8. Among the first steps, has been the alignment of the new development strategy of Azerbaijan to the SDG timeline, as well as the strengthening of national labour market statistics in the Republic of Moldova. Similar initiatives will multiply as the implementation of SDGs gains momentum.



#### ? **WHY ARE TRIPARTITE AND INTER-MINISTERIAL CONSULTATIONS THROUGHOUT THE POLICY PROCESS CRITICAL FOR THE SUCCESSFUL DEVELOPMENT, ADOPTION AND IMPLEMENTATION OF A NEP?**

The ministry in charge of labour, employment or planning may be the 'home' of the NEP, but other ministries, whose actions directly influence economic conditions and labour demand and supply, have a role to play in terms of improving conditions for job creation. Therefore, the involvement of all the key actors from the initial stages of the policy development process is critical in view of securing national ownership of the policy, as well as commitment to its ultimate implementation. Establishing a tripartite and inter-ministerial technical committee to identify the employment challenges and what further diagnostic work is required at the outset of the process is a good practice. A higher-level political committee is instrumental in securing political buy-in and policy coherence.

#### ? **WHY SHOULD A NEP ADDRESS MACROECONOMIC AND SECTORAL POLICIES, GIVEN THAT THEY ARE BEYOND THE MANDATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT?**

To be successful, a comprehensive employment policy needs to address both the supply and demand sides of the labour market, as well as effective interaction between them. Labour market and skills development policies, which typically may be core instruments in the hands of the ministry in charge of employment, represent only a part of the policy response that is required. Macroeconomic policies (fiscal, monetary, exchange rate and capital account management) have an important role to play on the demand side by creating a supportive environment for employment-generating structural transformation. They, in turn, need to be complemented by appropriate sectoral, trade and investment policies in order to foster private sector investment and enterprise development. Together, these policies operate in such a way as to ensure that the economic environment is conducive to sustainable growth, economic diversification and consequently the creation of productive and sustainable employment opportunities.

#### ? **IS THE ADOPTION OF A NEP ENOUGH?**

The formal adoption of a NEP is a significant milestone and an important statement of intent at the highest political level. However, the real proof that the NEP is in force lies in its effective implementation. This requires the development of an action plan and an accountability framework to coordinate action and monitor and evaluate the NEP. Activities, timelines, implementation partners and their respective roles need to be clearly identified and resources need to be allocated. The integration of the NEP into a country's national development framework is important as it facilitates resource mobilization for implementation from the government budget and the donor community.





## MORE INFORMATION

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## CONTACT

The Employment and Labour Market  
Policies Branch (EMPLAB)  
of the Employment Policy Department:  
[employment@ilo.org](mailto:employment@ilo.org)

**SDGNOTE**  
**NATIONAL EMPLOYMENT POLICIES**



International  
Labour  
Organization

**EMPLOYMENT POLICY DEPARTMENT:**  
[employment@ilo.org](mailto:employment@ilo.org)



**DEPARTMENT FOR MULTILATERAL  
COOPERATION:**  
[multilaterals@ilo.org](mailto:multilaterals@ilo.org)