



## Decent work and economic growth (SDG8)

*Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*<sup>74</sup>

### Challenges to decent work and economic growth – the global picture

- The Covid-19 pandemic has “increased unemployment, underemployment and inactivity; losses in labour and business income, especially in the most impacted sectors; enterprise closures and bankruptcies, particularly for micro, small and medium-sized enterprises; supply chain disruptions; informality and insecurity of work and income; new challenges to health, safety and rights at work; and exacerbated poverty and economic and social inequality” ([ILO, Global Call to Action, July 2021](#)).<sup>75</sup>
- Women and girls are hit harder as they are more likely to be in informal work, have no benefits, and hold positions as caregivers (United Nations).

### Challenges to decent work and economic growth – local community perspectives

People have lost their jobs precipitously, due to the insecure nature of their work, as with the millions of migrant day labourers we documented in [India](#).<sup>76</sup>

Others have been effectively cut off from their waged work by illness or by the necessity of caring for ill family members. And yet others have been cut off from their work by lockdowns and government restrictions on movement (as with fishers’ inability to set to sea in [the Philippines](#)<sup>77</sup> or vendors’ inability to access markets in [Indonesia](#)<sup>78</sup> and [Bangladesh](#)<sup>79</sup>) or narrow categorisation of what constitutes ‘essential work’ and legally permitted to continue (as with waste pickers in [South Africa](#)<sup>80</sup> and [Colombia](#)<sup>81</sup>).

### Grassroots solutions to create economic opportunity

The Voices from the Frontline stories showcase countless examples of local entrepreneurs turning adversity into opportunity by developing products to meet the demand for Covid-related products, such as hand gels, sanitisers and masks. As described in the chapter about sanitation (SDG6, above), this has often been facilitated by seed funds and supplies from intermediary organisations. It has spawned a new generation of micro and small businesses to produce the hygiene, sanitary products and services that are in increased demand during the pandemic.

**Savings for start-ups.** Community members have also made extensive use of savings groups, pooling their own funds to capitalise new business ventures during the pandemic. For instance, the Metro Focus Detergents Filming Group is under the Safe and Inclusive Cities project, a youth-led project funded by Plan International, and consists of 20 members. Saving is encouraged within the group, and the members have been practising saving 10 bond notes (approximately USD 0.10) per week. They also make and sell liquid soaps, detergents, liquid gas and different arts and crafts. “The Safe and Inclusive Cities project has been an eye opener, as I have been made aware of opportunities to generate income, and participate in my community. I have realised I can make detergents that will help my family and community,” shares [group member Lonica Kenneth](#).<sup>82</sup>

In Keta, Ghana, [several friends came together to initiate a commercial farming business](#)<sup>83</sup> in the Volta region. Their goal is “to protect communities from starvation during Covid-19 and provide much-needed income,” according to Misper Apawu. Sedem Tetevi, a semi-pro basketball player and civil engineer, banded together with friends and family to pool funds and purchase land for an arable farm. They subsequently engaged young people and women in commercial farming, from production to processing and supply chain management.

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“SEDLA [the new company’s name] has brought farming into our community and created employment for young people. This initiative has helped us to have foodstuffs for our household and the community at large. By selling the food at a lower (than market) price for them, it has reduced our suffering.”

Bliss Quashie, a volunteer in the Keta, Ghana initiative.<sup>84</sup>

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**Livelihood diversification.** Others have diversified their existing small businesses into other products and services, either because they were forced by circumstance or they spotted new financial opportunities as a result of the pandemic. In the Philippines,<sup>85</sup> fishers were cut off from their usual livelihood of catching and selling high-value fish because of the lockdown, so they diverted into seaweed farming and carrageenan production, instead – a nearby and steady job, albeit less lucrative. Meanwhile, in Uganda,<sup>86</sup> Mirembe Esther and the members of the “Namungona Women Empowerment Initiative (NAWEI)” (named for the name of their informal settlement) have thrown themselves into briquette making as a means to grow their collective revenues “while waiting for government assistance” to arrive. In Nepal,<sup>87</sup> an agency specialising in climate smart agriculture used the opportunity of the business to explore how to explore how it could expand its training, research and development activities after the pandemic, to reach new markets.



Fishermen in Caloco, Philippines, started harvesting seaweed when they could not go fishing on the high seas during lockdown. © Rhaydz Barcia



Prakritik Krishi’s emergency fund enabled collaboration between farmers through the exchange of seeds, and provided fertilizers and basic food supply to farming communities in Bangladesh during the pandemic. © Prakritik Krishi

**Keeping markets open.** In Dhaka, Bangladesh,<sup>88</sup> the rapid spread of Covid-19 and a related lockdown broke the supply chains from farms to urban markets. This decision not only stopped the farmers’ income, making them worse off, but also affected food supplies in the city. One organisation’s answer was to liaise with the authorities to create a temporary, make-shift vegetable market near the village mosque to serve the local community. The idea was initially opposed by the local administration for fear of breaching social distancing protocols. But the farmers persisted with their efforts, and it was agreed that community police would be appointed to enforce and monitor social distance measures so that the market could operate.

**Digital innovation.** Facing the close-down of traditional markets in some places, micro and small entrepreneurs have turned to different digital platforms to innovate their marketing and distribution practices. In Yogyakarta, Indonesia,<sup>89</sup> businesswomen are using Whatsapp to identify customers for their produce. In Dhaka, Bangladesh and its surroundings,<sup>90</sup> young entrepreneurs have instigated new forms of internet-based ordering to maintain their groceries sales during the pandemic and meet communities’ food needs. Several youth-led companies in Nepal,<sup>91</sup> including those offering training and human resource solutions, moved the bulk of their business online in response to lockdowns.



## Enabling actions to support and work with community solutions

### Barriers to financing at the community level

#### Economic/financial

- Lack of adequate collateral
- Lack of formal borrowing track record
- Lack of stable or dependable incomes

#### Regulatory /governance

- Status and rights of informal settlements
- Lack of formal documentation, e.g. identity documents, security of tenure
- Lengthy, burdensome and inflexible donor processes and conditions
- Misalignment between donor objectives and actual needs of communities

#### Market

- The cost of traditional finance is prohibitively expensive
- Project size – too small for traditional funders
- Financial returns outweighs social, economic and environmental impact

#### Social

- Lack of financial literacy
- Language barriers
- Gender discrimination
- Corruption
- Non-participatory finance modalities.

Source: Ebrahim for CDKN (forthcoming, 2021).

The following noteworthy and sustainable financing approaches at community level are driving income generation and people's ability to accumulate savings and assets, in the context of the pandemic: (Ibrahim for CDKN, forthcoming, 2021)<sup>92</sup>

#### • Village Savings and Loan Association Savings Groups

- Participatory self-managed and self-funding approach, based on saving money, earning interest and accessing savings as loans for income generation.

#### • Profit-sharing microfinance model

- Model based on the principles of a 'revolving credit facility', with a profit share mechanism.

#### • Kiva crowd-funding supported by local field partners

- International crowd-funding platform that partners with local field partners to facilitate loans to the financially underserved.

#### • Abalimi subsidy model

- Indirect funding mechanism whereby micro-farmers received essential training, resources and services at subsidised cost or below market prices.



In Cape Town, South Africa, civil society organisations have stepped up their efforts to ensure food security by supporting small-scale farming during COVID-19. © PlanAdapt



Civil society organisations have supported urban gardening in Cape Town's informal settlements during the pandemic through online training and sharing information via WhatsApp. © PlanAdapt

## Financing mechanisms that have supported communities – and could be supported to expand their reach

**Savings Groups**, which form part of a Village Savings and Loan Association (VSLA), were identified as an important finance mechanism for accessing savings in order to purchase essentials, such as food and healthcare-related supplies, during the Covid-19 related lockdown(s). While it would usually not be considered desirable to access savings for basic daily consumptive purposes, these savings helped certain families temporarily meet their most basic needs for a short period of time during the Covid-19 lockdown restrictions. These Savings Groups also provided opportunities for some to invest in alternative livelihoods.

**Tresor Women Warriors (TWW) microfinance model** comes from the [TWW not-for-profit foundation, based in The Gambia](#).<sup>93</sup> The organisation aims to empower women through engagement and support in the areas of agriculture, education, micro-financing, mentorship, and entrepreneurship. It has a network of around 7,000 members across The Gambia. The source of funding for the TWW microfinance scheme is the internal cash resources from TWW business ventures as well as the profit contributions from existing members (i.e. the TWW micro-finance scheme is a self-funding scheme). Small loans are provided to groups of women, who become members of the TWW network. Funding is not extended to individuals, but rather to groups of around ten women. This reduces the risk of default as the group is held responsible for repayment of the loan. Loans are only disbursed after the development of a business plan for funding and after capacity-building and training of the group members on financial and business literacy, technical skills (organic farming, soap making, animal husbandry, trading, etc.), technology adoption and mentorships. Capacity-building is a key component of the microfinance pilot scheme, which takes approximately two months. Loans are repayable after 6-12 months.

**The Kiva crowd-funding platform** is run by [Kiva](#),<sup>94</sup> a not-for-profit organisation based in San Francisco, USA. It facilitates loans from social impact lenders (i.e., individuals around the globe)

for a broad spectrum of activities in developing countries, such as for students to borrow money for tuition fees, entrepreneurs to start businesses, smallholder farmers to purchase equipment and families to pay for essential healthcare. Kiva collaborates with a global network of field partners (developmental and/or microfinance organisations) who work within local communities in remote areas and in emerging or developing economies. These field partners are vital to Kiva's work, as they provide essential services on the ground, such as (i) entrepreneurial training and financial literacy, (ii) vetting of potential borrowers and (iii) loan administration. These partnerships enable Kiva to reach more potential borrowers and deliver greater social impact.

**The Abalimi Bezekhaya**<sup>95</sup> '**subsidised cost**' model in South Africa offers micro-farmers an indirect funding mechanism whereby they received essential training, resources and services at subsidised cost or below market price. It links with Harvest of Hope (HoH), a social enterprise, which operates as an aggregator of agricultural produce purchased from micro-farmers. The micro-farmers are paid once a month for their produce, net of input costs incurred with Abalimi. Abalimi thus supports micro-farmers by funding the upfront cost of inputs and agri-resources (i.e., a form of working capital finance). Abalimi provides a 'one-stop-shop' offering technical training and capacity-building, business mentorship, agri-resources and market access. The innovative partnership between Abalimi, as a development organisation, and HoH, as a social enterprise, to create an alternative market network for micro-farmers was key to creating a sustainable urban micro-farming ecosystem. Together Abalimi and HoH were able to provide the ongoing training, skills, resources, mentoring and market access to micro-farmers during the entire life cycle of an urban micro-farming enterprise, from survival to subsistence, then subsistence to livelihood and finally to commercial operations.

Source: Ebrahim for CDKN (forthcoming, 2021).<sup>96</sup>