



4 People have sustainable livelihoods

Why this Goal?

Where GOAL works, most people's livelihoods are within the informal economy. This is typically characterised by a high incidence of poverty, inequality and vulnerability. The informal economy comprises more than half of the global labour force and more than 90% of Micro, Small & Medium Enterprises (MSMEs) worldwide. Young people account for 40% of the world's population, the largest youth generation in human history, yet approximately 30% of young people are not in employment, training or education. Access to financial services is critical to development and building resilience. In 2017, an estimated 1.7 billion adults lacked access to a transactional account and are excluded from the formal financial system.

Livelihoods are typically secured through self-employment, micro or small businesses, rather than through waged employment. Recognising this, and focussing particularly on women and young people, GOAL will promote the development of sustainable and resilient livelihoods through its work.

GOAL's systems thinking allows it to design interventions that foster the development of resilient livelihoods by focussing on the capabilities, assets and activities that people require to create and maintain a living. The development of market-based skills and the promotion of financial inclusion are vital parts of this work.

Financial inclusion is a critical part of creating sustainable livelihoods. Many people in developing nations have no access to formal and regulated financial services. Instead, they depend on informal mechanisms for saving and protection against risk. Even where formal services are available, high transaction fees or excessive interest rates restrict access to adequate financial services. Youth and women generally have a limited track record of running a business and the additional challenge of having minimal or no savings to serve as collateral for a loan.

How will GOAL achieve this?

With a focus on women and youth, GOAL will facilitate access to market skills and financial inclusion by incorporating market-facing skills and financial inclusion into all its resilient livelihood programming, while working with selected micro, small and medium enterprises (MSMEs) to increase their capacity to provide appropriate goods, services, employment and self-employment opportunities. Priority countries for GOAL in 2019-2021 will include Ethiopia, Iraq, Malawi and Uganda.

GOAL will work with people and businesses to stimulate socio-economic development through:

- increasing access to skills required in the labour market, especially for youth and women;
- increasing access to productive employment and reduce exclusions, especially for youth and women;
- working with MSMEs to provide essential goods, services, self-employment and employment; and
- building technical and business skills with and increase access to financial services, including access to investment.

What will GOAL achieve by 2021?

Increase market-facing skills, especially amongst women and youth

- Ensure labour market and value chain assessments are part of context analysis, especially where there is evidence of potential for increased employment and self-employment.
- Assist institutional skills training providers to design market-facing skill offerings.
- Work with women and youth to increase uptake of market-facing skills and make linkages with formal financial service providers.
- Facilitate links between women/youth and businesses for work placements, training, mentoring, employment and self-employment.

Increased access to financial services

- Incorporate financial inclusion objectives into all economic development programming.
- Develop informal financial services, e.g. Village Savings and Loans schemes, to build financial skills and confidence and facilitate progression to more formal financial services and increased financial credibility, with a focus on women and youth.
- Work with formal financial services providers to enable greater access to their products (including savings, credit and insurance).

MSMEs increase their use of technology, financial, technical and business skills in order to increase profit and access to goods, services and jobs for target populations.

- Identify target MSMEs that have the potential to increase (or start providing) employment and self-employment for women and youth.
- Identify MSME which have (or could have) the potential to provide essential goods and services accessible to vulnerable people.
- Link target MSMEs to appropriate and bespoke business development services.
- Link targeted MSMEs with skilled women, men and youth and support development of work placements, training and mentoring with a view to employment and self-employment.
- Link large enterprises to MSMEs for technology and skills transfer.

Increased access to investment for MSMEs working in market systems which are critical to our target population.

- Explore and develop opportunities to increase access to financing for Small and Medium Enterprises in market systems that are critical to vulnerable people's sustainable livelihoods and mentoring with a view to employment and self-employment.
- Link large enterprises to MSMEs for technology and skills transfer.

