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## The Effect of the Private Sector in Employment Creation in Seychelles

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### Abstract

The importance of the private sector cannot be undervalued as it remains the prevailing source of employment generator in Seychelles, accounting for on average 65 per cent of the formally employed year on year. When looking at private sector's contribution to employment, it is important to note that there are industries, mainly construction, and accommodation and food service industry, which are retaining the overall largest share of total employment but are not attracting local workers hence showing insufficiency local labour force (both skilled and unskilled). Additionally, whilst acknowledging the fact that socioeconomic vulnerabilities in the likes of teenage pregnancy, substance abuse, high unemployment among single female parents and youth, and declining education outcomes threaten human capital development, extreme poverty has nearly been eliminated as unemployment remains low at 3.2 per cent, be mindful that to develop private sector further, there are constraints. This paper, through document review method, provides a comprehensive view of private sector's contribution to employment through primary data from Seychelles' Bureau of Statistics and Ministry of Employment and Social Affairs, and recognised the constraints from United Nations Conference on Trade and Development (UNCTAD) report. The constraints are mainly: Skills Constraints, Ease of Doing Business, Competitiveness Constraints, and Geographic Remoteness and Small Domestic Market, and discussion around identified strategies to alleviate them was done. The findings contribute valuable insights for policymakers, stakeholders, businesses, and researchers who seek to understand the private sector's contribution to employment opportunities. Additionally, serve as a valuable resource for policymakers and government who are playing a crucial role to ensure an enabling environment and working towards boosting private sector further to create more employment opportunities.

**Keywords:** Employment, Private, Industry, Formal, Sector, Constraints

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### Introduction

The catalyst to addressing unemployment in any economy is primarily to develop and nurture a vibrant private sector. The private sector is therefore viewed as an instrument of economic growth, job generation, and innovation, while government plays a crucial role in ensuring an enabling environment. In most developing states, 90 per cent of employment are in the private sector (including formal and informal jobs). Specifically in Seychelles, an average of 65 per cent of the local work force are working in the private sector, especially in SMEs as they account for about 90 per cent of all businesses in the private sector and contribute to more than

60 per cent of employment in majority of the African countries (International Trade Centre [ITC], 2018). However, despite this sector's important role to create jobs and be the engine of economic growth and innovation (Adugna, 2024), a number of factors constrain the development of private sectors. If these constraints are not recognised and dealt with, private sector will not be able to fulfil the important job it has in Seychelles, or in any developing country for that matter.

### **Literature Review**

One of the most common definitions of the private sector states that this sector is not state-controlled and led by companies and individuals with primary strategy of engaging in profit-seeking activities (Abe et al, 2019). This includes small and medium-sized enterprises (SMEs), financial institutions and intermediaries, large corporations, and individual entrepreneurs, conducting business both in the informal and formal sectors, and do not include civil society organizations, non-governmental organizations (NGOs), and independent foundations (Di Bella et al., 2013).

According to Abe (2019), a large part of the economy comprises of the private sector comprises whereby it can account for 70–85% of overall global investment and provide 9 out of 10 employments in countries that are still developing. This last part of the statement is equally supported by International Labour Organization (ILO, n.d.) which states that over 90 per cent of jobs in developing countries emanates from the private sector, even if multiple constraints to promote sustainable enterprise development has been identified. These constraints are both internal and external factors and ranges from the level of entrepreneurs' knowledge to the external environment in which the private businesses operate in to make it more enabling.

If narrowed down to Africa, the African Development Bank (AFDB, 2022a) report entitled *Private Sector Operations in 2022 - A key player in the development of the private sector in Africa*, has identified private sector development as one of its fundamental areas of focus to support sustainable growth and bring down poverty in that continent as the sector accounts for 90% of jobs, 70% of GDP, and 70% of all investments and considered as the prime engine for job creation and inclusive green growth.

According to an older AFDB report (2019), most African private businesses are small with only a few being large and medium. The larger businesses are more productive than the smaller ones, particularly in manufacturing and largely because of financial impediment, Africa's small and medium enterprises (SMEs) generally fight hard to keep afloat and evolve to big enterprises (AFDB, 2019). Despite their struggles, 90 per cent of all private businesses are from the SMEs' category, contributing to greater than 60 per cent of job and as such are considered the backbone of African economies (ITC, 2018).

As for Seychelles, being the most prosperous nation in Sub-Saharan Africa as dubbed by World Bank (2025), the private sector is the driver of economic transformation and plays a crucial part of bringing down poverty and boosting growth through employment creation. According to AFDB's Policy Note (AFDB, 2022b), entitled *Private Sector Development and Structural Transformation in Seychelles Post COVID-19*, private sector is primarily comprised of tourism, fishing, construction and manufacturing, amongst others, and remains the largest GDP's contributor as well as the country's largest employer of labor. On average 60 percent of

GDP with a growth average of 4.5 percent per annum is contributed by the private sector in Seychelles (AFDB, 2022b).

To note that the Republic of Seychelles, comprises of 115 islands with a total population of 121,355 people according to the latest census and depends highly on tourism and fisheries to attain Africa's highest gross domestic product (GDP) per capita, recorded at \$16.7 billion in 2023 (World Bank, 2025)

### Contribution to Employment

In terms of the overall formal employment in the country, the private sector remains the largest employer of labor accounting for about 65% of the overall formal employment between 2019 to 2023 (National Bureau of Statistics [NSB], 2024a). For the last 4 years, Accommodation and food service activities retained the overall largest share of total employment, ranging from 17% from 2020 to 19% in 2023. The other industry that has contributed significantly to employment is the construction industry, accounting for on average 10% of overall employment for the last 4years.

### Labour Market Structure

As shown in Table 1, the population of Seychelles has grown considerably by 22.6% from 2019 to 2023, that is from 97.6 thousand to 119.7 thousand in 5 years only. There was a 20.7% increase in 2022, following the Covid-19 epidemic. Gender-wise the composition is such that 54% of the total population is male and the rest (46%) is female for 2023.

**Table 1. Seychelles' Total Resident Population by gender 2019-2023.**

	2019	2020	2021	2022	2023
<b>Total Resident Population ('000)</b>	<b>97.6</b>	<b>98.5</b>	<b>99.3</b>	<b>119.9</b>	<b>119.7</b>
Male	49.7	50.1	50.4	65.2	64.7
Female	47.9	48.4	48.9	54.7	55.0

Note. Adapted from <https://www.nbs.gov.sc/downloads/5-other-publications/41-annual-publications?start=0>. Copyright 2025 by National Bureau of Statistics Seychelles

Geographically, the biggest island in Seychelles, Mahe, is home to 88% of the population, whilst Praslin and La Digue are home to 8% and 4% respectively and this is shown in Table 2.

**Table 2. Seychelles' Geographical Distribution 2019-2023**

	2019	2020	2021	2022	2023
<b>Geographical Distribution ('000)</b>					
Mahe	85.5	85	85.7	105.5	105.4
Praslin	8.6	9.3	9.4	9.4	9.4
La Digue & Outer Islands	3.5	4.2	4.2	5.0	4.9

Note. Adapted from <https://www.nbs.gov.sc/downloads/5-other-publications/41-annual-publications?start=0>. Copyright 2025 by National Bureau of Statistics Seychelles

In terms of age composition, Seychelles has an ageing population as shown in Table 3, with only around 20% below 15 years old and 47% between 15-44 years old for both 2022 and 2023 respectively.

**Table 3. Seychelles' Age Composition 2019-2023**

Age composition ('000)	2019	2020	2021	2022	2023
Under 15 years	20.5	20.9	21.5	24.4	24.5
(15-44) years	36.7	36.3	35.9	56.9	56.0
(45-64) years	30	30.1	30.0	28.4	28.5
65 years and over	10.4	11.2	11.9	10.2	10.4

Note. Adapted from <https://www.nbs.gov.sc/downloads/5-other-publications/41-annual-publications?start=0>. Copyright 2025 by National Bureau of Statistics Seychelles

Further breakdown of the figures from 2023 mid year population, as seen in Table 4 below, indicates that 50.1% of the total population of 119.7 thousand is below 35 years old, with slightly less young women (23%) than young men (27%). The working age population (15 years and above) accounts for 70.7% of the population of which 13% is employed by the government and 10% in the parastatal sector (NSB, 2024a).

**Table 4. Seychelles' Age Composition in details for 2023 (mid year)**

Age Interval	Mid-Year Population 2023		
	Male	Female	Total
0	794	862	1656
1 - 4	3364	3218	6582
5 - 9	4210	3982	8192
10 - 14	4061	4032	8093
15 - 19	3653	3529	7182
20 - 24	4131	3389	7520
25 - 29	5689	4228	9917
30 - 34	6539	4250	10789
35 - 39	6558	3988	10546
40 - 44	5920	4080	10000
45 - 49	4761	3754	8515
50 - 54	4123	3612	7735
55 - 59	3377	3467	6844
60 - 64	2733	2715	5448
65 - 69	2178	1936	4114
70 - 74	1241	1272	2513
75 - 79	742	898	1640
80+	656	1505	2161
<b>Total</b>	<b>64730</b>	<b>54717</b>	<b>119447</b>

Note. Adapted from <https://www.nbs.gov.sc/downloads/5-other-publications/41-annual-publications?start=0>. Copyright 2025 by National Bureau of Statistics Seychelles

Total employment figures, displayed in Table 5, portray that out of the 54,841 persons formally employed in 2023, the private sector accounts for 65% (at 35,836), hence remaining as the predominant source of employment in Seychelles.

### Formal Employment

According to National Statistical Bureau of Seychelles (NSB, 2024b), people in the formal employment are those who are working in the formal sector that is for businesses that are

legally registered and keeping records of accounts. Additionally, to be classified as formally employed, receipt of social protection coverage and benefits from paid sick leave and paid annual leave, are imperative. The majority of formal employments are in the accommodation and food service, followed by public administration and defence and the construction industry, which respectively account for 19%, 11% and 10.5% of total persons in employment in 2023. To note that accommodation and food service, and the construction industry are two main sectors which are not attracting local workers, despite the fact that young people have been trained in these two areas in demand.

**Table 5. Formal Employment figures per sector 2019 – 2023**

<b>5.FORMAL EMPLOYMENT, 2019-2023</b>					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total employment (Numbers) <sup>(1)</sup></b>					
<b>All Sectors</b>	<b>53,632</b>	<b>52,917</b>	<b>49,623</b>	<b>53,664</b>	<b>54,841</b>
Government Sector	10,411	10,626	10,602	10,667	10,634
Private Sector	35,369	34,557	31,409	35,003	35,836
Parastatal Sector	7,852	7,734	7,611	7,994	8,371
<b>Primary sector, of which:</b>					
Agriculture, forestry, fishing	628	591	561	559	599
Mining and quarrying <sup>(2)</sup>					
<b>Secondary sector, of which:</b>					
Manufacturing	4,156	4,005	3,859	3,979	3,976
Electricity, gas, steam and air conditioning supply	629	627	620	608	617
Water supply; sewerage, waste management and remediation activities	658	735	701	678	707
Construction	6,664	6,133	5,064	5,355	5,768
<b>Tertiary sector, of which:</b>					
Wholesale & retail trade; repair of motor vehicles and motorcycles	4,686	4,856	4,361	4,775	4,753
Transportation and storage	4,221	4,317	4,068	4,142	4,233
Accommodation and food service activities	9,728	8,829	7,895	9,835	10,347
Information and communication	909	897	858	903	908
Financial and insurance activities	1,889	2,115	1,884	2,102	2,545
Real estate activities	1,232	1,078	1,100	1,167	1,136
Professional, scientific and technical activities	1,570	1,583	1,749	1,851	1,784
Administrative and support service activities	4,055	4,020	3,921	4,482	4,260
Public admin. & defence: compulsory social security	5,949	6,037	6,078	6,042	6,013

Education	2,914	2,985	3,005	3,057	3,061
Human health and social work activities	2,089	2,189	2,197	2,330	2,302
Arts, entertainment and recreation	1,231	1,162	1,029	1,134	1,316
Other service activities	523	575	537	496	320
Activities of households as employers of domestic pers.	110	123	96	118	142
Activities of extraterritorial organizations and bodies	62	61	41	50	53

Note. Adapted from <https://www.nbs.gov.sc/downloads/5-other-publications/41-annual-publications?start=0>. Copyright 2025 by National Bureau of Statistics Seychelles

Given that Seychelles has an ageing population and youths are not taking up employment in the two top employment industries, the country is relying more and more on imported or expatriate labour and will have more challenges to meet the future labour market needs. Statistics from the Ministry of Employment and Social Affairs indicates that in 2022 more approval was given to non-Seychellois workers in the Construction industry (7704, 53.6%), through a new GOP approval of 5289 (68.7%) and 2415 (31.3%) approval for GOP renewal. The second industry with the most non-Seychellois workers is Accommodation and food service activities which received 1566 GOP approvals (10.9%), comprising of 816 (52.1%) new GOPs and 750 (47.9%) as renewals. An identical trend was identified in 2021 where Construction industry had 7,525 (51.3%) approval for non-Seychellois workers, followed by Accommodation and food service activities with 1982 (13.5%) approvals.

According to the Seychelles Work Country Programme 2019-2023 (Employment Department, 2018) done by Ministry of Employment and Social Affairs in 2018, the main reasons for having a lot of foreigners employed in the two sectors are a lack of young local talents with the required skills or their attitude towards these sectors, and the inconvenient working hours in these sectors for many working mothers who cannot take up shift or weekend work as they have social and family obligations.

### **Informal Employment**

As per the definition provided by National Bureau of Statistics (NSB, 2024b), informal employment is such that it is from a job-based view being interpreted in terms of the job's nature and its associated protections of the worker compared to employment in the informal sector which is from an enterprise-based view and looks at the worker's workplace characteristics. Therefore, it is the same definition as adopted by ILO, informal employment refers to the fact that generally no basic social conditions from the employers are received, or more precisely, when the worker is not regulated or protected by the state given that the employer is not contributing to compulsory pension for the worker, no entitlement to paid sick, annual, and maternity/paternity leaves by the worker in his/her main job. To note that informal employment can be found in all three existing sectors: informal, formal and in household (all contributing family workers). Statistics from NSB (2025) has shown that in Q4 2023, 11.7% employers were employed in the informal sector compared to 7.1% in Q2 2024.

**Table 6. Percentage distribution of employed population by unit of production and sex, Q4 2023, Q2 2024**

Sector	Q4 2023			Q2 2024		
	Male	Female	Both Sexes	Male	Female	Both Sexes
	%			%		
Employment in Informal sector	17.9	5.8	11.7	12.1	2.3	7.1
Employment in formal sector	81.5	93.2	87.4	87.4	97.2	92.3
Households	0.6	1.0	0.8	0.5	0.6	0.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note. Adapted from <https://www.nbs.gov.sc/downloads/1726-labour-force-survey-quarter-4-2024/viewdocument/1726>

**Table 7. Percentage distribution of employed population by nature of job and sex, Q4 2023, Q2 2024**

Nature of job	Q4 2023			Q2 2024		
	Male	Female	Both Sexes	Male	Female	Both Sexes
	%			%		
Persons with informal main job (Informal employment)	25.1	8.5	16.7	23.4	5.9	14.6
Persons with formal main job (Formal employment)	74.9	91.5	83.3	76.6	94.1	85.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note. Adapted from <https://www.nbs.gov.sc/downloads/1726-labour-force-survey-quarter-4-2024/viewdocument/1726>

In spite of having 16.7% workers in informal employment in Q4 2023 and 14.6% in Q2 2024, the Employment Department (2018) confirms that there is inadequate reliable data on the informal sectors, hence the full understanding of informal employment's impact on the employment and unemployment figures, labour market and the economy, is lacking. Even if there is a lack of data, the department has confirmed that informal employment is particularly common to businesses on Praslin and La Digue islands, where many workers are making the choice of informal employment over formal employment given that their attraction to work arrangements which are unofficial and often non-schedule, example casual work, which often suits their needs.

To deal with informal employment in Seychelles, policies and regulatory framework based on the situational analyses of informal employment needs to be established (Employment department, 2018) upon which a better understanding will be achieved and impacts on decent employment opportunities for all will be managed and minimized. Additionally, case studies on flexible working time arrangements, and work-life balance is a recommendation to analyse this sector further.

### **Constraints to Private Sector Development**

Despite the fact that the private sector remains the largest employer of labor, this sector is faced with a lot of constraints which need to be identified and dealt with so that more jobs can be created. According to a policy note done by AFDB (2022b) on Seychelles' private sector post Covid-19, the constraints to develop private sector further are identified as ease of doing business, competitiveness constraints, skills constraints, and geographic remoteness and small domestic market.

### **Ease of Doing Business**

As reported by the World Bank Ease of Doing Business report (World Bank, 2020), Seychelles was ranked 100 out of 190 countries, which was a deterioration from being 85th in 2015. The report, which is no longer being publishing, identified that Seychelles was losing ground on most of the factors being looked at to rank the country for Ease of Doing Business. With these 2020 figures, Government aspired to be ranked 50th within 3 years by announcing that decisive

reforms needed to be undertaken on a number of indicators including: ‘starting a business’ (as Seychelles moved from 127th in 2015; to 147th in 2020), ‘granting construction permits’ (48th in 2015; 106th in 2020), ‘getting credit’ (171st. in 2015; 144th in 2020), ‘enforcing contracts’ (103th in 2015; 128th in 2020) and trading across borders (42nd in 2015; 98th in 2020) (World Bank, 2020).

As per the United Nations Development Programme (UNDP) report written by Muhumuza et al., (2021), the government has made efforts to create a more favourable enabling environment by getting Seychelles Investment Board (SIB) to act as a ‘one-stop-shop’ for investors. Therefore, pivotal agencies in the government sector (example Health and Safety, Planning Authority, Registrar, Environment, Department of Finance, Seychelles Licensing Authority), tend to coordinate together, however paper-based administration continues to restrain business facilitation. Progress to establish a digital strategy has been made by the Ministry of Finance with increased focus on technology adoption and the digital economy to unburden the processes that businesses in the private sector have go through.

As part of the recommendations in the National Entrepreneurship Strategies presented in the United Nations Conference on Trade and Development (UNCTAD, 2023) report, procedures can be streamlined to curtail the administrative and regulatory hurdles when attempting to do business with ease. Additionally, increased access to information, decrease in costs, augmenting the advantages connected with formalization, assisting entrepreneurs to formalize and enhancing the contract’s enforcement and predictability. The attainment of an effective and agile governance system through the reviewing regulations and policies which facilitate the process and favour innovations will encourage a transparent and friendlier business environment for entrepreneurs. Additionally, a single platform to upload data and documents, process permits centrally and publish all policies and standard for easy access and clarity is recommended as well. The requirement for data sharing through annual forms to better understand each shareholder’s priorities and needs is also recommended to ease clarity further and facilitate the procedures (UNCTAD, 2023).

### **Competitiveness Constraints**

Competitiveness barriers to private sector development comprises of but not limited to poor work ethics in the labour force, limited access to finance, inadequate educated labour force, inefficient government bureaucracy, and inadequate infrastructure. The time and costs imposed by exports and import logistics can also have an effect on competitiveness as the documentary compliance is ensured from origin to final destination through transit, Border compliance with customs and port, and ease of loading, unloading and transporting shipments using domestic transport. Since 2018, the government of Seychelles has seen the necessity to enhance its external competitiveness by improving its exports and import logistics. Per the UNDP report written by Muhumuza at al. (2021), the 2019 Global Competitiveness Report (WEF) ranks Seychelles lowest amongst high income economies at 74th out of 140 economies.

The competitiveness report (Schwab, 2019) suggested that improvement in its standing within the high-income category can be achieved through financial systems’ strengthening in order to ease financing to the private sector, amelioration of macro-economic stability and emphasis on public sector performance, checks and balances to strengthen institutions.

As part of the recommendations in the National Entrepreneurship Strategies presented in the United Nations Conference on Trade and Development (UNCTAD, 2023) report, to deal with poor work ethics and inadequate educated workforce, the enhancement of skills and education development is important. The report states that the current education system lacks training opportunities, focuses on academic more than vocational strengths, and do not encourage independent thinking. Hence, there is a need to sensitize parents, teachers, and students on the relevance of entrepreneurship via clubs, forums, and private sector partnerships, and to revamp the national curriculum framework incorporating entrepreneurship modules and apprenticeship's formalization with certification that would be recognized by employers. On the other hand, for limited access to finance, the UNCTAD report (2023) recommends a 'sandbox' approach to supply fresh and ingenious ideas, and use of alternative financing schemes (example an innovation fund, international funding avenues and larger seed capital schemes).

### **Skills Constraints**

Seychelles as a country is relying more and more on imported or expatriate labour to power its growth performance given that youth unemployment is relatively high mainly due to the mismatch of skills in the local labour market and inconveniency in working hours for young mothers. Muhumuza et al. (2021) noted there is insufficient local skilled and unskilled manpower and that as of June 2021, under 800 Seychellois were actively looking for formal jobs compared to a demand of 3000 employment, exacerbated by job seekers' selectivity given their preference to stay unemployed instead of accepting, even temporarily, jobs with low salary or non-white-collar nature. As a result of the unmet demand, 16443 non-Seychellois got new and renewed GOPs to work in Seychelles (Employment department, 2022).

According to Ministry of Employment and Social Affairs, a few strategies are in place to reduce unemployment (Employment department, 2022). Firstly, unemployed persons are encouraged to register at the Employment division as job seekers. At the end of 2022, the most active jobseekers (72, 50%) were aged between 15-24 years, and more than half were females (40, 55.6%), which is similar to the normal trend and for the same period in 2021 where more than half (106, 65.4%) were jobseekers of female nature. The Ministry also assist them to get job placements and for 2022, the topmost placings were in the Accommodation and food service activities industry followed by Wholesale and retail trade.

The Employment Department introduced "My First Job" Scheme in 2016 with the goal of encouraging employers to recruit graduates (between 15 to 24 years) when they complete their studies from professional centres, hence playing a role in reducing youth unemployment and helping graduates who has the desire to commence their own enterprise.

Additionally, Skills Development Programme (SDP) is an employment training schemes being offered. It caters for dropouts and its main goal is to increase the jobseekers' employability, equipping them with skills, work experience and technical knowledge, thereby making sure that they guarantee employment.

### **Geographic Remoteness and Small Domestic Market**

Due to Seychelles' location as an island state, the other constraint to private sector development is the increase to the cost of connectivity due to the islands being isolated from mainland Africa. Economies of large-scale production and large-scale production is lacking in this small

domestic market and can only be improved by enhancing infrastructure connectivity and using regional integration to augment access to factor and product markets.

Given the small domestic market, many entrepreneurs seek global presence as they focus to stay relevant and competitive, hence the need to improve businesses' access to regional and global markets which will result in new sectors' exploration for added commercialization and development. Seychelles' signed agreements and trade relationships both in the region and around the world, and strategic cooperation between countries will be essential for facilitating market penetration and meeting global standards around quality and compliance (UNCTAD, 2023). Therefore, one of the key policy options to boost the private sector is looking at opportunities for regional integration to address the small domestic market challenges and benefit from economies of scale in production. Not only can regional integration tap into regional and global value chains like the UNCTAD report (2023) has stated but can also expand Seychelles' narrow market base and assist in diversifying from its prevailing high-end tourism sector. Opportunities can come for the different international organisation that Seychelles is currently member of, in the likes of COMESA, SADC and AfCFTA (AFDB, 2022a).

### **Recommendations**

This paper's ultimate objective was to bring to light the barriers to the development of the private Sector. Some pertinent constraints have been discussed together with strategies and policies identified by the National Entrepreneurship Strategies (UNCTAD, 2023) and Seychelles' Ministry of Employment and Social Affairs. Hence, this part of the paper offers additional valuable recommendations that policymakers, government, private sector entities, and other stakeholders should consider to generate better enabling environment for the private sector. Firstly, given the identified strategies and policies, the mentioned parties must work together for these recommendations to be either set to action, monitor and evaluate effectively. Also, as a recommendation, more studies to be carried out in collaboration with the mentioned parties and centralised teams to be formed for data collection, analysis and dissemination as more information is required for some types of employment, however, people from all parties need to be trained to be capable of generating reliable data. Additionally, there is a requirement for a focus group discussion for better understanding of various views, constraints and specific roles in the strategies' implementations so that policies and regulatory framework are updated with informed data.

### **Areas For Further Studies**

Following this review, few areas for further studies have been identified, including that of selecting and adopting appropriate monitoring and evaluation tools to ensure that strategies put in place to alleviate the discussed constraints are workings efficiently and having the desired impact. Additionally, there is a need to utilise different instruments rather than document review to gather and analyse data. Furthermore, there is also the need for a holistic approach to address other constraints that the private sector faces when trying to create more employment opportunities in the likes of high cost of living; vulnerability to external shocks given Seychelles' reliance on tourism industry; bureaucratic and regulatory barriers given the complex and outdated frameworks often in place; climate vulnerability and disaster risks due to the rising sea level, coastal flooding and the underdeveloped insurance markets; etc. Additionally, in future research, the breakdown of the private sector can be done to evaluate which part of this sector is contributing the most to employment opportunities: small and

medium-sized enterprises (SMEs), financial institutions and intermediaries, large corporations, or individual entrepreneurs. Given the inadequate reliable data on the informal sectors that prevent researchers from fully understanding the informal employment's impact on Seychelles' employment and unemployment figures, labour market and the economy, a future study can also be done to confirm both the Department of Employment's perception that informal employment is more common to businesses on Praslin and La Digue islands, and the main reason for these workers' attraction to casual work.

### **Conclusion**

On average, 60% of Seychelles' GDP is contributed by the private sector and 65% to total employment, establishing the sector as a critical one for economic diversification on top of being the engine of growth. However, with an ageing population and, youths and single mothers not taking up employment in the two top employment industries (construction and accommodation and food service industry), the country's reliance on imported or expatriate labour has increased and more challenges being foreseen to meet the future labour market needs. The potential transformative role of the private sector is limited by significant constraints to this sector's development, hence calls for strategies and policies to be put in place to alleviate the constraints and boost the role of the private sector in Seychelles. As one of the recommendations, policymakers, government, private sector entities, and other stakeholders should consider working closely together to produce informed, reliable and useful data for suitable policies, with the ultimate aim of creating better enabling environment for private sector to fulfil the important job of creating more employment opportunities.

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