What is the LED approach?

Local Economic Development is a strategy for employment promotion through micro and small enterprise development, support of social dialogue and development planning. At the center of the approach is the creation of public-private partnerships that bring together stakeholders in the local economy, including representatives of regional and local government, employers’ and workers’ organizations, Chambers of Commerce, cooperatives, producers’ associations, women organizations and other NGOs.

Based on the rational use of local capacities and resources, the stakeholders will define common priorities for the development of their region taking into account the social and environmental contexts. The partnership can be developed in a forum or institutionalized in a Local Economic Development Agency (LEDA). This will reinforce the capacities to raise public awareness on the development needs of the region and to establish linkages at the national and international level. Especially in countries disrupted by conflict or in social and economic transition, experience has shown that the LED approach has a potential to contribute to the ongoing reconciliation, decentralization and democratization processes.

On the African continent, ILO provides technical assistance to LED activities in –among other countries- Mozambique.

LED in Mozambique

ILO is supporting UNOPS (United Nations Office for Project Services) in carrying out LED activities in Mozambique, in the framework of the PDHL Program (“Human Development Program at the Local level”). PDHL is a program that aims at improving the living and working conditions of the, mainly rural, population in 7 districts in Mozambique, in the provinces of Maputo, Manica and Sofala. These districts are among the worst hit by the civil war that devastated Mozambique between 1975 and 1992. From the socio-economic point of view, the districts are characterized by:

- a low population density (ranging from 3 to 19 people per km²), dispersion of this population and a geographical isolation. Six months a year, during the rainy season the communication with and access to 5 of the 7 districts is almost impossible
- a population with a low level of formal education, 60% of the men and 95% of the women have had less than 5 years of formal schooling
- a very low productivity due to: a lack of an efficient transportation and marketing system; a lack of functional support structures of the production; a lack of (access to) information, knowledge and technical preparation
- a complete lack of any formal finance mechanism, there are no banks nor formal financial institutions operational in the ‘PDHL districts’

In this context the ILO intervention is focused on supporting the local economic development process in these districts by:

- Improving the support services for productive activities
This includes among other things: -installation of grinding mills and rehabilitation of shops, small markets and small workshops; -improving the physical working conditions of the different public support services in the districts; -installation of a Business Service Centre in Matututuine district which provides technical assistance to business starters as well as financial services through a Credit Cooperative that has opened a branch in the Centre; -support to and improvement of the agricultural production and marketing of the agricultural products; -an analysis of local investment opportunities, incorporating the local population
- Strengthening of the available local capacities (potential), or creating new ones
This is mainly focussed on the organization and training of the local population; -promoting associative forms of labour; -developing financial mechanisms and instruments based on the local requirements and conditions; -training courses especially aimed at developing basic entrepreneurial skills, also aimed at technical staff of the public support structure in the field, mainly Ministry of Agriculture

- Promotion and creation of provincial Local Economic Development Agencies
In Manica and Sofala province two LEDAs are being set up at the moment. These LEDAs are incorporating most of the relevant institutions and organizations that deal with the economic development at provincial level. They are currently drawing up their first operational plan.

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For further information on LED you can visit our web-site:
http://www.ilo.org/employment/led

1 There are three ILO experts currently employed in the PDHL programme