CRISIS-AFFECTED PEOPLES AND COUNTRIES

ILO’s Operational Activities, Mid-1997 - March 2001

INTERNATIONAL LABOUR OFFICE
GENEVA
The ILO has an International Focus (InFocus) Programme on Crisis Response and Reconstruction to develop the organization’s coherent, timely and effective response to the decent work and other socio-economic challenges of the different crises - armed conflicts, natural disasters, financial and economic downturns and difficult political and social transitions. It builds on areas of ILO’s comparative advantage and insights gathered from recent ILO technical assistance, research and other activities.

This report, Crisis-Affected Peoples and Countries: ILO’s Operational Activities, Mid - 1997 March 2001, provides a synopsis of ILO’s technical assistance programmes and projects in a sample of countries in different parts of the world. The programmes cover the period from mid 1997 to March 2001. The document thus starts from when the earlier report ILO and Conflict-Affected Peoples and Countries (Geneva, 1997) ended. Unlike the earlier document which focuses on only armed conflicts, the new one gives examples spanning all the four types of crises, the approaches adopted and lessons learnt.

As the reader will find, ILO’s different structures in the field and headquarters have been engaged for some time in interventions in a variety of crisis situations. Providing a description of a sample of these technical assistance programmes and other initiatives within one volume makes it possible to appreciate the work done within the ILO in the recent past and to draw lessons from it. This can enhance ILO’s future response and strengthen the work of the current ILO InFocus Programme on Crisis Response and Reconstruction (IFP/CRISIS) in making ILO’s response more comprehensive, better integrated, more timely and more effective.

The IFP/CRISIS would like to record its great appreciation of the following: the ILO field structures and headquarters departments, members of the office-wide crisis network and other ILO staff for providing the requisite information; the consultants - Ms. Sofi Ospina and Ms. Yaa Yeboah - who worked on the volume; the professional staff of the IFP/CRISIS (especially J. Krishnamurty, Alfredo Lazarte, Irma Specht, Eugenia Date-Bah, Mike Shone and Janine Rodgers) who all made valuable contributions to the volume; J. Krishnamurty for supervising the work; and Rosa Friio for typing the various drafts.

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ACRONYMS

ACOPAM  Appui coopératif aux activités rurales bénéficiant de l’aide du PAM dans le Sahel (ILO)
ANC    African National Congress
ASSP   Agriculture Sector Support Project
BDCs   Business Development Centres
BUNADER Bureau National de Demobilisation et de Reintegration
CEPR   Country Employment Policy Reviews
CEPREDENAC Coordination Centre for the Prevention of Natural Disasters in Central America,
CIDP   Crimea Integration Development Programme
CINTERFOR Inter-American Vocational Training Research and Documentation Centre
CNRT   National Council for East Timorese Resistance
CODEV  Development Cooperation Department (ILO)
DANIDA Danish International Development Agency
DPPC   Disaster Prevention and Preparedness Commission (Ethiopia)
EBRD   European Bank of Reconstruction and Development
ECOSOC Economic and Social Council
EDA    Enterprise Development Agency
EGP    Employment Generation Programme
EII    Employment Intensive Infrastructure Investment
EU     European Union
FAO    Food and Agriculture Organization
FDPs   Former Deported Peoples
GENPROM Gender Promotion Programme (ILO)
GTZ    German Development Agency
HABITAT/UNHCHS United Nations Centre for Human Settlements
IDPs   Internally Displaced Peoples
IDRND  International Decade for the Reduction of Natural Catastrophes
ILO    International Labour Organization
ILO/ARMAT ILO Arab States Multidisciplinary Advisory Team
ILO/ASIST-AP (Bangkok) ILO Advisory Support, Information Services and Training - Asia and the Pacific
ILO/EAMAT ILO East Africa Multidisciplinary Advisory Team
ILO/EASMAT ILO East Asia Multidisciplinary Advisory Team
ILO/SAAT ILO South Asian Multidisciplinary Advisory Team
IFP/CRISIS InFocus Programme on Crisis Response and Reconstruction
IMO    Institute for International Relations, Zagreb
INATEC (Nicaragua) Instituto Nacional Tecnológico
INDISCO Interregional Programme to Support Self-Reliance of Indigenous and Tribal Communities through Cooperatives and other Self-Help Organizations
INFOTEP (Honduras) Instituto Nacional de Formación Técnico Proprieroanl
IOM    International Organization for Migrations
IPEC   International Programme on the Elimination of Child Labour (ILO)
ITPs   Indigenous and tribal peoples
KILM   Key Indicators of Labour Market
LEDA   Local Economic Development Agencies
MDT    Multidisciplinary Teams (ILO)
MNLF   Moro National Liberation Front
MONUC  United Nations Organization Mission in the Democratic Republic of Congo
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<tr>
<td>NEDA</td>
<td>National Economic Development Authority</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>OCHA</td>
<td>United Nation Office for the Coordination of Humanitarian Affairs</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>OSCE</td>
<td>Organization for Security Cooperation in Europe</td>
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<td>PEDCAR</td>
<td>Palestine Economic Council for Development and Reconstruction</td>
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<td>PRODERE</td>
<td>United Nations Programme for Displaced People, Refugees and Repatriates in Central America</td>
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<td>PROMICRO</td>
<td>Un programme sous-régional de promotion des organisations, structures et programmes d'appui à la micro-entreprise</td>
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<td>ROAS</td>
<td>Regional Office for Arab States (ILO)</td>
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<td>RRDP</td>
<td>Rehabilitation, Reconstruction and Development Programme</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<td>Small Enterprise and Human Development</td>
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<td>Self Employed Women’s Association</td>
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<td>SICA</td>
<td>Central American Integration System</td>
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<td>United Nations Children’s Fund</td>
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<td>UNMIK</td>
<td>United Nations Interim Administration Mission Interim in Kosovo</td>
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<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
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<tr>
<td>UNTAET</td>
<td>United Nations Transitional Administration for East Timor</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Cooperation</td>
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<td>WHO</td>
<td>World Health Organization</td>
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<td>UTO</td>
<td>United Tajik Opposition</td>
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1. INTRODUCTION

Crises around the world are threatening the promotion of decent work for men and women, poverty alleviation and social integrations. In response the ILO has launched the InFocus (International Focus) Programme on Crisis Response and Reconstruction (IFP/CRISIS).

The Programme coordinates the ILO’s comprehensive response to armed conflicts, natural disasters, difficult social movements/political transitions and economic and financial downturns. The Programme aims to build ILO’s crisis preparedness and capacity to respond promptly and in a coherent and comprehensive manner to the employment and other socio-economic challenges arising from different types of crises. The overall objective of the programme is to promote socio-economic and political stability and the development of states through policies which generate employment, promote equity and social inclusion and assist reconstruction.

The specific objectives are to:
* develop a coherent ILO framework and comprehensive capacity to respond rapidly and effectively to different crises;
* promote socio-economic re-integration and poverty alleviation of crisis-affected groups;
* increase awareness of the importance of employment, and tackling social inequalities and other social concerns in crisis situations at the national, regional and international levels;
* build ILO constituents’ capacity to play a greater role in crisis monitoring, prevention and tackling adverse consequences.

The IFP/CRISIS strategy involves several measures to be implemented before, during and after crises. They include labour-related early warning systems, crisis preparedness, emergency employment and social protection, rehabilitation, reintegration and development interventions. The programme’s activities include technical assistance services (rapid needs assessment and programme formulation and implementation); and advocacy on the importance of tackling the employment and other socio-economic issues.

The ILO can play a unique role in alleviating the consequences of crises and in developing knowledge and tools to deal with them. The programme also recognizes the importance of partnerships within the Organization and with other institutions at the international, regional and national levels.

Some of the programme’s key outputs are:
* guidelines, manuals and other tools on employment and other social concerns in crisis situations;
* a network of specialists and focal points throughout the organization and a roster of external consultants;
* mobilization of resources to implement employment creation programmes;
* design and implementation of socio-economic reintegration programmes and projects;
* information-dissemination;
* increased capacity of ILO's constituents to promote and contribute to the design and implementation of employment promotion, social dialogue, reconciliation and other socio-economic interventions;
* strengthening of local capacities to promote employment;
* elaboration and implementation of employment and other social policies by governments.

1 The programme objectives and key outputs are presented in box N°.2 (back cover, page XX).
Since the IFP/CRISIS builds on recent ILO programmes and insights in the crisis field, the programme has attempted in this volume to assemble a sample of such ILO activities, especially in the technical cooperation field, from 1997 to May 2001. The volume supplements the earlier document, ILO and conflict-affected peoples and countries, covering ILO activities before 1997. The activities reflect ILO’s comparative advantage including the following:

* **tripartite structure and emphasis on social dialogue** that can play a significant role in preventing as well as tackling the effects of the crisis by promoting reconciliation and building a consensus around economic and other objectives (e.g., among parties often on opposing sides of conflict);
* **core international labour standards**, which provide a framework for the prevention and resolution of crisis;
* **skills training, small- and medium-enterprise development and other projects in some conflict-affected countries** including proven expertise in the reintegration of ex-combatants and the relevant materials prepared for this purpose;
* **long-standing extensive country-level operational action on employment-intensive investment**, which has demonstrated that the use of labour-based technology can create more jobs during reconstruction than would be possible with conventional equipment;
* **recognized expertise in micro-finance**, which is vital to reach and empower groups most affected by crises and to provide an entry point for institution building from the grass roots upwards;
* relevant research, technical cooperation and promotional activities on **labour market issues, women and gender equality matters, disabled persons, migrants and indigenous peoples**, as well as on the social and economic integration of other vulnerable groups;
* **insights and lessons learnt from ILO’s cooperative projects in post-crisis contexts**, such as the ACOPAM programme that responded to the 1970’s drought in the Sahel, the PRODERE programme in Central America, and the grassroots cooperative development projects by the INDISCO programme in conflict-affected communities and "tribal" peoples;
* **past response to the famines** in Ethiopia and Sudan, as well as its current work to assist the Central American countries in the aftermath of Hurricane Mitch;
* **interventions to promote a local economic development approach** to stimulate local economies and create employment in crisis-affected countries (e.g. Central America, Bosnia and Herzegovina, Croatia, Cambodia);
* **direct participation in peace negotiations** (e.g., in Guatemala), at the request of the UN Secretary-General and relevant local parties. The ILO was the only UN specialized agency to play a key role in the Agreement on Identity and Rights of Indigenous Peoples and the Agreement on Socioeconomic Matters and the Agrarian Situation);
* **capacity to develop social protection** (development of social security and non-statutory social benefit schemes as part of measures for crisis prevention and coping with its consequences). Of special relevance is the current work on social protection of the vulnerable groups including strategies and tools against exclusion and poverty (STEP);
* **collaboration with other UN organizations** and participation in inter-agency missions in the framework of a UN system-wide response to different crises.
The descriptions presented here are largely of countries from which information was provided on the following: the main approaches taken by ILO, the impact of the intervention, and the target beneficiaries. At the end of the document some general lessons learned will be outlined.
2. ARMED CONFLICTS

Conflicts may arise from diverse reasons such as ethnic tensions, religious and ideological differences, struggles for independence, social exclusion and inequality, poverty, competition for scarce resources, oppression and authoritarianism, violation of human rights, land distribution and other social, economic and political factors. The conflict could affect regions within a country, or the country as a whole. Armed conflicts could last for a few days, months or for many years (e.g. Guatemala, Mozambique, Sudan).

Armed conflict, in general, has adverse impacts on the economy and human capital: destruction of productive assets, working places, social and economic infrastructures, and people. They cause early mortality, disability and psychosocial suffering in conflict-affected groups. Moreover, conflicts force people to flee from their homes and thus contribute to internal displacement of populations and international migration.

Finally, armed conflicts cause the breakdown of governance, institutional weakness and dysfunction of the civil society, institutions and communities.

Some of the challenges found by the recent ILO action programme on countries emerging from armed conflicts were:

* the critical need for the Organization to support the reintegration of diverse conflict-affected groups into civil society. Some of these groups were: refugees/returnees, internally displaced people, demobilized combatants, the increased numbers of female heads of households, disabled persons, child soldiers, war-affected youth and orphans.
* the need to rehabilitate the socio-economic and physical infrastructure,

* to promote social and political negotiations, dialogue and reconciliation between the different groups,
* rebuild the community's social fabric and institutional capacity of the ILO's constituents and other structures, skills reservoir and relevant labour market information systems, and
* promote equity and social justice and broad efforts at development and peace building and to address at tackling conflict's root causes.

Armed conflicts have affected a number of countries in recent years. In the last two decades, nearly half of the low-income developing countries experienced armed-conflict. ILO, along with its action programme on countries emerging from conflicts, has been actively involved in providing technical assistance in dealing with the social and economic consequences of such crises. We present here some of the countries where ILO has provided its technical assistance.

2 According to the United Nations Secretary-General, Africa has been affected by more than 30 wars since 1970. The majority of them are intra-State in origin.

3 Generic ILO response: armed conflict.
Shortly after its independence in 1991 from the Yugoslav Republic, Bosnia and Herzegovina plunged into a brutal civil war that lasted for four years and resulted in an estimated 250,000 people being killed. Roughly two million people were internally displaced and according to UNHCR, approximately 600,000 sought refuge in Western Europe. The war had a devastating impact on the country’s physical infrastructure and economy. A large number of state enterprises were completely destroyed or heavily damaged thus reducing their production capacity to between 10 and 20 per cent. The Dayton Peace Agreement was signed on 14 December 1995. Today, the country is reeling from an unemployment rate of 50 per cent or more in many regions.

The ILO response

Emergency assistance was provided in order to respond quickly to the most urgent needs of particularly vulnerable people. Emergency employment schemes were initiated under the overall coordination of ILO, and a task force was established to ensure the coordination of the various initiatives related to employment creation and training.

In 1996 a number of projects were initiated to promote small- and medium enterprises (SMEs) with the financial support of different donors including UNDP, Government of Italy, UNOPS, USAID, the World Bank, GTZ, and EBRD. Since 1997, both the Government of Bosnia and the donors have agreed to focus on long-term development assistance and to devote a large part to the creation of sustainable jobs. Some of these projects are:

A Local Economic Development (LEDA) programme was launched by UNDP/UNOPS in Travnik, Central Bosnia. Municipal agencies were established to initiate income-generating activities. Funded by UNDP and the government of Italy, LEDAs started operations in the areas of Bihac and Banja Luka. ILO has been associated with some of these projects.

In November 1997 ILO’s Enterprise Department started the first project, which aimed to promote micro, small and medium enterprises in the Brcko through the implementation of an Enterprise Development Agency (EDA). Funded by the Italian Cooperation, EDA became operational three months after it was initiated. EDA’s main activities are consultancy, training and micro-credit. The Belgium government provided financial support to promote women entrepreneurs. Along with these activities, EDA also implemented programmes for international NGOs and other bilateral donors.

Through EDA in Brcko, more than 200 jobs were created in the region. The two-year project ended in 1999; however, EDA continues to provide services to the target group by implementing programmes of different donors, making it self-sufficient.

Funded by UNDP, a new project started in May 1998 and created a new EDA in Banja Luka and another in Bahic with the aim to promote long-term economic development and sustainable employment opportunities for a large number of unemployed. Their main activities are
enterprise development business, training and SIYB, incubator project, business club, and creation of associations. These EDAs have provided numerous training courses and consultancy services to entrepreneurs and assisted business starters in setting-up their projects and also have executed programmes financed by donors. Through these activities, EDAs will reach self-sustainability before the end of the project in April 2001.

Based on these successful experiences in Brcko, Banja Luka and Bihac, the Italian cooperation financed the creation of two new EDAs, one in Mostar (October 1999) and another in Livno (September 1999). Their main activities are enterprise development, reintegration of refugees, SIYB training, business incubators, joint ventures and advice to municipalities. They are well integrated in the local community and provide services to the target group, mainly refugees.

The total amount of ongoing ILO activities in Bosnia has reached almost US$8 million. Some of the more relevant projects are vocational training (funded by UNDP and Luxembourg), and the rehabilitation of war-disabled (funded by Germany). Some activities have been undertaken for the elaboration of a new labour code (funded by Italy) and in the field of social dialogue.

Another project conducted was the “Vocational training to support the employment programme in Bihac”, designed to strengthen the training capacity of the Bihac Construction Training Centre. The Centre was running training courses in four occupational areas: carpentry, brick-laying/masonry, tiling, and sewage and canalization that promote employment opportunities to vulnerable groups in the country.

The Employment Office in Bihac recorded that all the 250 trainees who completed their training programme had obtained employment; among them, 90 per cent were demobilized soldiers and physically war disabled and 10 per cent belonged to families of soldiers killed in the war.
Since 1993, Burundi has been confronted with a civil war, which has caused the deaths of more than 200,000 people. Nine hundred thousand people have been displaced as a result of this conflict, of which nearly 300,000 have sought refuge in neighbouring countries (Tanzania and the Democratic Republic of Congo). From 1996 to 1999 (23 January), the country was also subject to an economic embargo. These five years of war and economic sanctions had a considerable impact on the poorest members of the population. The Arusha peace process, mediated by Nelson Mandela, is the best hope for a durable peace. The process has nevertheless been marked by a number of serious incidents, including armed attacks on civilian targets and on personnel from the United Nations and other humanitarian organizations. This armed conflict situation has accentuated the economic crisis, whose principal victims are young people unable to find work. The population of Burundi was estimated at 6.7 million in 1999, with approximately 2 million between 15 and 35 years of age.

The ILO response

The ILO, in collaboration with other United Nations System agencies, formulated a comprehensive programme for the economic and social reintegration of young people in March 1999. This programme should have been presented to a round table meeting of donors in 1999, but events in Burundi made this impossible. The international donors’ conference was finally held in Paris in December 2000 and resulted in 440 million US dollars in financial assistance for addressing the immediate humanitarian emergency, rehabilitation, reconstruction and the long-term development needs of Burundi. The socio-economic integration of the Burundian youth, an element of the comprehensive programme, could be launched within this framework, subject to successful completion of the peace process.

The ILO has also formulated a sub-regional programme for reintegration of child soldiers in the four Great Lakes countries, including Burundi (cf. Central Africa below).
Cambodia

Over the last decades, Cambodia and its people have lived through one of the most tragic chapters in recent Asian history. Much of Cambodia’s social cohesion, economy and infrastructure was destroyed in the 1970s and 1980s. Millions of Cambodians suffered from the hostilities. Many fled the country, while others fled within its borders, living without shelter and employment. Most of the country’s rural infrastructure, roads, irrigation canals and dams were damaged by the war and by neglect and lack of maintenance. Agricultural production, the main source of employment, fell below levels needed to meet basic needs. Memories of forced work on massive production sites meant that a new, but distinctly different, labour-based approach to development had to overcome ingrained negative perceptions.

In October 1991 the Paris Peace Agreement was signed and a Supreme National Council was established to share power with the UN until elections. Under UN supervision, elections were held in 1993, which resulted in a coalition Government, a new Constitution, a pluralistic democratic government and a constitutional monarchy. At the same time, Cambodia was facing the challenge of resettling around 770,000 persons. The resettlement of such a large number of people, and the need for jobs and thus income for them, was an immense task for the Government and the international community.

The ILO response

ILO within the framework of a major resettlement programme initiated by the United Nations and donor countries was requested to prepare a comprehensive employment generation programme (EGP) in 1990. The programme focused on the northwestern provinces where the majority of the returning refugees and internally displaced people (IDPs) were expected to settle and was designed to provide immediate employment and to contribute to the socio-economic development of the targeted rural communities.

The resulting programme comprised three essential components:

- Labour-Based Infrastructure Rehabilitation Project (1st phase from May 1992 to November 1993) with 4,000 beneficiaries
- Vocational Training for Employment Project (May 1992 to October 1994) with 3,000 beneficiaries
- Small Enterprise and Informal Sector Promotion (May 1992 to October 1994) with 1,340 beneficiaries

Over the period 1990 to 2000 the nature of the programme’s work has evolved from emergency to rehabilitation to development, and it is now the main programme of the Government’s Royal Rural Development Programme.

During these years ILO has promoted labour-based appropriate technologies as effective means to generate employment by improving and maintaining essential rural infrastructure. The ILO programme has generated more than 3.2 million workdays of rural employment; trained over 300 Cambodian technical personnel; constructed/maintained 550kms of rural roads; rehabilitated 96km of secondary irrigation canals; cleared and cleaned the environs of Angkor Park; translated and developed technical training materials.
The ILO, having demonstrated the viability of this approach, has convinced the Royal Government of Cambodia to endorse the labour-based approach as the preferred method to rehabilitate and maintain rural infrastructure. In support of this decision, the project ILO Technical Assistance to the Labour-Based Rural Infrastructure Works Programme, known as the 'Upstream Project', was formulated. This project is funded by SIDA with technical assistance support from the Netherlands became operational on 1st July 1998. This three-year project is significantly contributing to the Royal Government of Cambodia’s rural infrastructure and employment generation programme.
Central Africa

It is estimated that 120,000 children between 7 and 18 are currently fighting or working in other ways in wars across Africa. They are used as porters, messengers, spies or armed combatants. Girls are extremely vulnerable: they are kidnapped and used as "wives" and can also end up on the front lines. These children suffer physical, social and psychological abuse.

They are often orphans or their family ties were destroyed: they commit atrocities in their home villages as part of their “training”. The Great Lakes region is particularly affected by war and civil unrest. Most of the wars in the region cut across borders. Children move from one country to another to fight. They are recruited both by national armies and rebel groups. The regional dimension of conflicts must be addressed in order to tackle this issue, if integrated projects are to have significant impact.

The ILO response

Following the recent incorporation of the issue of child soldiers into ILO’s mandate, and the adoption of the ILO Worst Forms of Child Labour Convention, IPEC and IFC/CRISIS have jointly proposed a Regional Programme on Prevention and Reintegration of Children in Armed Conflicts in Central Africa, with a budget estimate of US$350,000 for the first phase for the 2001 financial year, which the United States Government has agreed to fund. The project will focus on Burundi, Congo, Democratic Republic of Congo, Rwanda and will be conducted in two phases. The first phase will be of 12 months’ duration and will aim at the development of strategy including:

* Appraisal of the problem and existing responses. Preparatory activities will include: (i) rapid assessment surveys in the four countries which provide an analysis of the problem, the scope and current trends of the “Child soldiers” issue. The analyses will review the existing responses to the problem, as well as their strengths and weaknesses; (ii) workshops at the national levelings; (iii) compilation of a sub-regional synthesis report summarizing the main findings of the four surveys and setting out strategies for action at the national and sub-regional levels. While the surveys are being carried out, an effort will be made to refer identified children to organizations which already provide support services to ex-child combatants or children in similar circumstances.

* Identification of a strategy for concerted action. This will include: (i) the organization of a sub-regional consultation to discuss the findings of the synthesis report and adopt a strategy for action by mobilizing key governmental and non-governmental organisations to jointly prevent the problem and complement ongoing initiatives to reintegrate child victims; and (ii) wide dissemination of the strategy among policy-makers, practitioners, target groups at risk, and the public in general, through the print media, radio, television and meetings in order to prepare for phase II.

Also during the first phase, a premium will be put on identifying key actors and set, strengthen or integrate national and regional networks active on this issue and develop a coordinated approach.

Due to the sensitivity of the issue of child
soldiers to national governments, strong commitment from the Governments to the project would have to be obtained before activities start.

The intended beneficiaries of the programme are children under the age of 18 who are at risk and those who were recruited into the armed forces in the 4 countries of the region. Priority target groups will be the most vulnerable children, i.e. children with disabilities and girls. Their families will also be targeted to help them develop income generation activities for instance.
In Colombia one the longest armed conflicts in Latin American history is affecting the country. Two different guerrilla groups (ELN\(^5\) and FARC\(^6\)), national army and right winged paramilitary troops fight each other. Central government has difficulties in controlling parts of the country, which are being virtually occupied by the guerrillas.

The conflict forces large parts of the rural population out of the countryside into the cities, where they settle down in shanty towns where they lack social safety nets and family ties to guarantee a minimal support.

Civil society suffers from constant attacks on human rights: each year the number of assassinations among journalists, union leaders and other persons active in social and peace movements rises. Massacres carried out by the paramilitary troops are rising. Apart from that, social partners are weakened by the constant threat of their leaders’ and members’ lives. Assassinations prevail especially among members of workers’ organizations. Fifty-five union members were killed in 1999 and in 2000 the number rose to 112.

The ILO response

In this context, the ILO is supporting the efforts to strengthen the social partners and promote social dialogue as a means of consolidating democratic processes and as a contribution to a culture of conflict resolution by dialogue. All involved parties (Government and social partners) have positively reacted. Since August 2000, an unprecedented process of social dialogue is going on, with active participation of the ILO.

\(^5\) Ejército de Liberación Nacional/National Liberation Army.
\(^6\) FARC: Fuerzas Armadas Revolucionarias de Colombia/Colombian Revolutionary Armed Forces.
Since its independence on 15 August 1960, the Republic of Congo has experienced several periods of instability marked by attempted coups d’etat. In 1992 (15 March), the country adopted by referendum a new Constitution and new institutions were progressively being established but this process was quickly brought to an end.

In fact, from November 1993 to December 1999, the Republic of Congo experienced three armed conflicts, (1993-94, 1997, 1998-99) including those of June 1997 and 1998-99, which were particularly devastating for the capital, Brazzaville. An agreement for ceasefire and an end to hostilities was signed in December 1999. The country is now in a post-conflict situation. A committee has been established to pursue the peace process and a “national dialogue without exclusion” has recently been organized with the participation of the different national groups.

The country is facing a serious employment crisis which particularly affects young people. The number of 15 to 34 year olds is estimated at around 965,000, of which less than 20,000 hold a job in the formal sector. The total population of the country was estimated at 2.9 million in 2000.

The ILO response

The ILO has proposed a variety of projects for the Congo, some of which are in collaboration with other development partners. In every case, the objective has been to reconcile the immediate goals of crisis response with those of reconstruction by promoting employment-generating activities or training for self-employment.

In November 1998, a multi-agency mission, led by the ILO, was undertaken in Brazzaville to formulate a comprehensive programme for “the social and economic reintegration of young people aged 15 to 35, with a view to promoting their participation in the reconstruction of the economy and the social fabric, and thereby in peace”. This programme involves a wide area of intervention in both urban and rural communities and includes a number of components such as:

- education for all and development of a peace culture
- professional skills training and apprenticeships
- promotion of micro-enterprises, small businesses and cooperatives
- micro-finance
- labour intensive public works
- health and social protection

The launch of this programme was compromised by the renewal of hostilities just as the start of a pilot phase and a labour intensive public works project were about to take place.

At the current stage (2001), a UNDP-IOM programme for economic reintegration of young ex-combatants is being carried out. This project initially involves approximately 3,500 young ex-combatants. Progressively and according to the evolution of the files being examined, the number of young people involved could increase at a monthly pace of about 1000 individuals to address the reintegration of up to 12,000 young people. ILO support for this project is directed to the management training of the young ex-combatants.

To contribute to poverty reduction in the community, which suffered greatly from the war, the civil administration of Poto-Poto has developed
a project for the reintegration of demilitarised and unemployed youth. This project seeks to create income-generating activities through the promotion of self-employment. The ILO, with the support of the United Nations System Agencies and the World Bank, is participating in this pilot project.

The ILO and the World Bank recently led an assessment mission to Brazzaville within the framework of a “project to improve the infrastructure and living conditions of the population”. This mission was undertaken in response to a request from the Government for the financing of its programme for the rehabilitation and reconstruction of infrastructure destroyed in the course of the different armed conflicts which marked the years from 1997 to 1999. The project, which could be launched in June 2002, had three main elements: (i) primary infrastructure, (ii) job creation, and (iii) institutional reinforcement and capacity building. The labour intensive public works approach will be used in this project in order to create a maximum number of employment opportunities.

The ILO has also formulated a sub-regional reintegration programme for child soldiers in the four Great Lakes countries, including Congo (cf. Central Africa below).
The Republic of Croatia declared its independence in 1991. Almost immediately after, war broke out and lasted until 1995. Four years after the war, Croatia is still dealing with extensive reconstruction, reintegration of displaced people, de-mining and the effects of the breakdown of the economic partnership with the former Yugoslavia. Private and semi-private companies have been unable to compensate for employment losses in the public sector. Today, Croatia is faced with major economic, political and social changes.

The ILO response

The ILO, in collaboration with the United Nations Office for Project Services (UNOPS) and with the financial support of the European Union, is assisting local development with the full participation of the local community to strengthen decentralization and democratization in Croatia.

The programme for “Reconstruction and Social Development in War-Torn Areas” promotes the establishment of local development councils in villages, enabling farmers, returnees, unemployed and other groups to contribute to development plans for their region. During the last three years, the main activity of the project was the rebuilding of houses, schools and water supply systems and other relief assistance.

The focus on humanitarian assistance has shifted towards long-term development. ILO, with the financial support of the EU, has assisted the setting up of three guarantee funds with Croatian banks in Sibenik-Kinin and Pakrac. Small credits were made available to vulnerable and low-income families to revitalize the economy, particularly in agriculture or small handicrafts. The involvement of Croatian banks will support their interest in micro and small entrepreneurs and reinforce the private sector. This is important where lack of credit is one of the main obstacles for new entrepreneurs.

At the regional level, ILO is promoting public-private partnerships in order to support local economic development. In Sibenik-Kinin County and in Western Slavonia, the different stakeholders of the local economy have created forums to discuss the possibility of setting up local economic development agencies (LEDA) in Croatia.

In Autumn 1999, the Croatian stakeholders participated in study tours to local development agencies in Italy, Portugal, Germany and Bulgaria. After the tours, two forums were organized to discuss proposals to set up LEDAs in their region.

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1 The stakeholders include chambers of commerce and associations of handicraft, centres for small and medium sized enterprises (Sibenik), centres for technology development (Slavonski Brot), business incubators (Pakrac), producers associations, and local government structures and development councils.
Democratic Republic

After eight years of unrest and civil war involving foreign troops as well as rebel factions from some countries in the region, the Democratic Republic of Congo faces extreme poverty, unemployment and an unstable political situation – rebel militias proliferate and the recruitment of child soldiers continues. Some of the more vulnerable groups affected are: child soldiers (girls and boys), older ex-combatants, disabled and traumatized people, internally displaced people and female heads of households. Following the signing of the Lusaka Protocol, foreign armies are beginning to retreat and troops of the UN Mission in the Democratic Republic of Congo (MONUC) are in position. A State Decree has been promulgated establishing the “Bureau National de Demobilisation et de Reintegra­tion” (BUNADER). The apparent intention of DRC’s recently appointed President to abide by the Lusaka Protocol creates an opportunity to build upon and expand existing programmes for the reintegration of demobilized soldiers.

The ILO response

On July 1999, at the request of the government, the Director of the ILO Area Office in Kinshasa organized a mission to discuss ILO’s approaches and experience in the reintegration of demobilized soldiers. The discussions involved ministries, NGOs, UN agencies, World Bank and other donors.

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1 A ceasefire agreement, the Lusaka Agreement, signed in July 1999, foresaw the demobilization of all active army groups around 75,000 people in all.
1. In November 1999, an ILO project entitled, “Preparatory phase for a reintegration programme for demobilized soldiers in DRC”, was submitted to the World Bank Post-conflict Fund requesting a grant of US$700,000. The World Bank and the Government approved the project, and ILO Kinshasa has been responsible for its management and implementation, backstopped by the IFP/CRISIS.

The preparatory phase focused on the demobilization and reintegration of child soldiers and other vulnerable groups. It included studies on the social and economic profile of ex-combatants, special problems of child soldiers; health aspects including drug misuse and HIV; social and economic reintegration; and the management systems needed for such a programme. It also incorporated capacity building of national stakeholders, advocacy, awareness raising and information dissemination, and the establishment of pilot interventions to support the social and economic reintegration of vulnerable ex-combatants.

2. In the apparently more favourable conditions developing in the DRC, the Congolese Government and the International Community have invited the ILO and IOM, in partnership with BUNADER, UNDP, OCHA, MONUC, UNICEF, WHO and the World Bank and other national and international stakeholders, to join forces with the Presidency, the Ministries of Human Rights, Labour, Reconstruction Regeneration in the planning and implementation of conflict-resolution and confidence building measures and activities to facilitate the future reintegration of all former combatants and enhance the socio-economic conditions of the communities and regions to which they return.

The reintegration strategy proposed by ILO and IOM, with the cooperation of other concerned stakeholders, has been tested previously in similar situations, and rests on the three pillars of capacity building; information, counseling and referral service; and reintegration. The first phase will concentrate on building the capacity of high-level technicians of DRC, including the conflicting parties, Ministries of State, institutions and civil society to conceptualize, develop, endorse and implement a Disarmament, Demobilization and Reintegration Plan for DRC. The process will be facilitated through four specialized regional and one national workshop.
The objectives of the workshops are to:

* **Develop a national Master Plan for the Disarmament, Demobilization and Reintegration** of all Congolese former combatants and related categories, assuring the contribution, endorsement and ownership of all concerned parties to the strategy, methodology and timing of the process;

* **Identify needs**, lacunae and related inputs, training and coordination to assure performance in the course of the implementation of the Disarmament, Demobilization and Reintegration Plan.

This development phase of the project will be of 3 months duration (15 March – 14 June), and has an estimated budget of US$483,000. Phases II and III will be firmed up during the course of the first phase and will require the manifest political will of the DRC Government and all other parties to the conflict, the cease-fire and the improvement of the overall security conditions in DRC for implementation.
In August 1999 the people of East Timor voted for their Independence, after 25 years of Indonesian occupation. But militias allied to the Jakarta government launched a series of attacks on the local people and caused extensive physical destruction. Some 75 per cent of East Timor’s people were displaced and more than 70 per cent of the private houses, public buildings and utilities were destroyed.

In September 1999 a multinational force was deployed to restore peace and security. The following month, the UN Security Council created a United Nations Transitional Administration for East Timor (UNTAET), to administer East Timor in consultation with representatives of East Timorese people (National Consultative Council). The major problem in East Timor, identified by the UNTAET, the National Council for East Timorese Resistance (CNRT) and others, is underemployment, estimated at over 90 per cent in this largely rural subsistence economy.

The ILO response

Immediately after the creation of UNTAET, ILO organized two needs assessment missions (at the request of OCHA) to identify relevant training and reconstruction needs. The ILO missions (led by IFP/CRISIS and the Regional Office for Asia and the Pacific) stressed the urgent need to address the unemployment situation, which is resulting in social unrest. At the same time, ILO was requested by UNTAET to support the development of emergency employment schemes and designed an integrated programme entitled, “Promotion of emergency employment, skills training and reconstruction in East Timor”, which was endorsed by the East Timorese political leaders and organizations. While funding was requested for this comprehensive programme, some short-term specialist inputs were provided from the ILO regional Multi-disciplinary team. The objective of these actions was to create emergency employment opportunities and put in place conditions for the implementation of the ILO integrated programme.

The main components of the “Promotion of emergency employment, skills training and reconstruction in East Timor” are: (i) training of unemployed and underemployed for self-employment and micro enterprise development (8,000 beneficiaries); (ii) supporting East Timor reconstruction activities through labour intensive schemes and on-the job training (2,000); and (iii) development of a national employment and vocational training service.

ILO’S continued efforts to mobilize funds to support the proposed projects are beginning to bear
The Government of Portugal has recently approved funding of US$892,500 for the project “Promotion of East Timorese Employability through the development of Vocational Training and Employment system”, which will begin in 2001. The Government of the United States has indicated an interest in supporting the project “Strengthening and improving labour relations in East Timor” in the amount of US$735,000; and the Government of New Zealand has agreed to fund the technical advisory inputs for an Occupational Safety and Health review in the construction sector.

ILO is also working closely with the Trust Fund rehabilitation programme of UNTAET on labour issues, and, (although not a donor agency) from late 1999 through 2000 provided direct, albeit modest, funding for capacity building for civil servants within the Division of Labour and Social Affairs and for employers’ and workers’ groups with whom ILO has developed close links.

In early 2000 the Special Representative of the Secretary General of the United Nations requested ILO to second two specialists to UNTAET. ILO was able to respond promptly by seconding one labour specialist for a short period, in the first instance, and has given high priority to the mobilization of funding for the two posts. IFP/CRISIS participated in the East Timor Donors’ Conference in Brussels, Belgium, December 2-7, 2000. Several follow-up actions are planned by IFP/CRISIS and other ILO headquarters units, as well as by ILO/EASMAT, which now manages the ILO East Timor programme.
Eritrea fought a 30-year war with Ethiopia before becoming an independent state in 1991. However, the two countries restarted the war in 1998: this time over border demarcation. This latest war hit social development efforts, jobs and the economy as a whole. The regional drought also affected Eritrea in 2000. Accordingly, Eritreans face humanitarian, reintegration, reconstruction and development challenges from war and natural disaster. A ceasefire accord was signed with Ethiopia in late 2000 under the auspices of the Organization for African Unity and the UN.

The ILO response

During the International Labour Conference in June 2000 in Geneva, the Eritrean delegation presented a tripartite appeal to the ILO Director-General concerning the sending of an ILO mission to Eritrea to assess the impact of the crisis. In response, the ILO Multidisciplinary Team for East Africa proposed to the Eritrean Government to provide a specialist to prepare the Terms of Reference for the requested ILO assessment mission whose objective would be to support in-country efforts to identify solutions to the war affected businesses, and to revive productive activities and livelihoods.
Kosovo

Kosovo has experienced over the last decade a dramatic deterioration of its political and socio-economic situation. Until 1990, industry and agriculture were the two main sectors of the economy followed by trade, construction and services. The enactment of the 1990 “Labour Act for Extraordinary Circumstances” and other discriminatory legislation and practices adversely affected the majority ethnic Albanian workers and public servants and exacerbated the inter-ethnic conflict. The conflict intensified when the Serbian Government promoted the policy of “ethnic cleansing”. In response, in March 1999 NATO forces launched a bombing campaign to halt the cleansing operation. The conflict caused widespread destruction of commercial activities and large industrial complexes and houses. Massive population displacements were generated, forcing some 850,000 ethnic Albanians to leave Kosovo.

Eighteen months of internal fighting destroyed economic assets and the undermined the social fabric. Even before the conflict, the transition from a centrally planned to a market-oriented economy had severely increased the employment problems of the people.

The ILO response

Because of the deteriorating humanitarian situation, the UN Secretary General sent an inter-agency emergency needs assessment mission to the Federal Republic of Yugoslavia and Kosovo in May 1999. ILO was part of this mission, whose main purpose was to evaluate the impact of the conflict on the civilian population and to identify the immediate and medium-term humanitarian and other needs.

An additional report on issues of ILO concern drew attention to the employment crisis resulting from the war; the collapse of the social insurance system; the problems of refugees and internally displaced persons; the absence of dialogue with the independent trade union movement; and the diverse gender impacts of the conflict. It recommended several measures to tackle the employment problems including: emergency employment programmes; employment-intensive assistance in rebuilding the infrastructure; microfinance; local economic development; strengthening institutional capacity at national, provincial and local levels; social assistance and other social protection schemes for the most vulnerable groups; business identification, training and income-generating schemes for conflict-affected groups; the promotion of social dialogue; and special measures to combat the adverse gender impacts of the conflict.

9 Ethnic Albanians represent 90 per cent of Kosovo’s population.
10 See the report of the inter-agency mission, submitted by the UN Secretary-General to the Security Council, 1999. Documents/1999/662.
An important follow-up was the setting up of an ILO presence in Pristina, in August 1999. The ILO worked with the International Organization for Migration (IOM) and other institutions to run a training workshop on skills training and employment for the reintegration of demobilized soldiers in Kosovo. An ILO mission then formulated a project proposal for the training of demobilized KLA soldiers and unemployed youth for employment, self-employment, and micro- and small enterprise development. A technical paper on the current employment situation in Kosovo was also prepared by an ILO consultant.12

The ILO Regional Department for Europe set up a task force to develop a package of strategies and programmes for the socio-economic reconstruction of Kosovo, for submission to potential donors. So far, funding has been secured for the following projects:

* Creation of Integrated Economic Development Zones including enterprise development agencies (EDA), SYB training, business incubator and a communication centre.

* A Training of trainers on “Start your business” was organized in March 2000 to strengthen the capacity of some NGOs active in the implementation of micro-credit and enterprise development schemes. With funds from the Belgium Government, twenty participants were trained as trainers in business development, targeting in particular the promotion of women’s entrepreneurship. The training will multiply at the local level.

* Other projects will promote the development of small and medium enterprises. The French Government has provided funds to establish a mobile training unit on “start your own business” with a core of three trainers. The unit will be attached to an Enterprise Development Agency, an NGO that will provide counseling, information, training and facilitate access to micro credit to new entrepreneurs.13

* A project on “Skills development for the reconstruction and recovery of Kosovo”, has been funded by the Italian Government (US$2 million). The project aims at strengthening the capacity of the employment services at the local, regional and central level to provide tools to the unemployed to increased their employability. It has three main components: counseling and guidance, vocational training and self-employment. A network of adult vocational training and retraining will be established with three training centres and the Employment Office as core structure. Trainers will receive technical skills upgrading for the implementation of a modular training programme covering a large number of jobs. The project will tackle issues related to the reintegration of demobilized soldiers, the promotion of gender equality at training and at work, and the special needs of youth that comprise the great majority of the unemployed.14

* The French Government is funding the first phase of a project on the reconstruction and extension of social protection. Under this project, ILO’s Social Security Department will assist the United Nations Interim Administration Mission in Kosovo (UNMIK) to reconstruct and renovate the social insurance schemes (pensions, health and family benefits) that were in place before the crisis. Four pilot projects that will provide new options for extending social protection to workers in the informal and rural sectors will be set up.

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13 In this pilot phase of 12 months, it is expected that 240 people will be trained and 40 enterprises will be created.
14 Half of the Kosovar population is under the age of 25.
Finally, it will assist with the development of a social assistance scheme.

In addition to these currently funded projects, the ILO has a number of other programs and initiatives under development which are aimed to facilitate the re-employment effort in Kosovo.

* One is a plan to promote the development of social dialogue and to improve the capacity of trade unions and employers’ organizations to participate in social and economic decision-making. After years of exclusion from all aspects of government operations, employers and workers are unaccustomed to engaging in the dialogue, and are unsure of how to make their voices and concerns heard. This project would expose tripartite constituents to the workings of social dialogue systems and practices in other European countries, with a view to laying the foundation for building ongoing, participatory dialogue on employment-related issues in Kosovo.

* The ILO is also proposing an initiative to provide vocational training and retraining to workers at the large mining complex known as Trepca. Reputed to be the most mineral rich area in Europe, Trepca also holds symbolic importance for the people of Kosovo. An international consortium has begun to invest in refurbishing and modernizing the sprawling mining complex, and workers need to be trained on how to operate the new machinery and equipment. The ILO project would place particular emphasis on mine safety and health.
The ILO maintains an active presence in Kosovo, particularly in terms of personnel and technical support to the Administrative Department of Labour and Employment of UNMIK, which is responsible for Kosovo’s governance. The following are some of the initiatives advanced in coordination with UNMIK.

* The ILO has played a major role in formulating a new labour law for Kosovo. The existing labour law, the Act on Labour Relations, 1984, was designed for a system of worker self-management. It also contained a level of benefits too generous to be supported by the post-war economy. Rather than attempt to reform the current law, it was evident that a completely new law had to be devised. In coordination with an expert from the French Ministry of Labour, the ILO helped to devise a new labour law, using the eight Fundamental Conventions and four Priority Conventions of the ILO as its foundation. A series of tripartite seminars were organized by ILO staff to allow open discussion and debate on the terms of the proposed law, and to provide an opportunity to educate the social partners on the functioning of labour law in a market economy.

* Efforts continue by the ILO to help re-establish a network of employment offices throughout Kosovo. Following an assessment of the training needs of employment service staff, the ILO is assisting in the effort to build a modern labour exchange service that will help employers to find the best qualified workers and workers to find the most suitable jobs.

The coordination between ILO staff stationed in Kosovo and those in the Budapest MDT and at Headquarters has created a dynamic synergy, one which is helping to rebuild and unify this region torn apart by conflict.

* Introductory surveys on wage and employment levels in Kosovo were carried out by ILO staff in the Department of Labour and Employment. While intended to provide merely a snapshot of the current employment situation, initial results were quite promising. Although unemployment remains at extremely high levels, employment growth has now surpassed pre-war levels. Wages paid in the private sector are nearly twice that of those paid in the public sector, encouraging further expansion and development of the private sector.

* ILO staff working in the Department of Labour and Employment have also worked to establish constructive relations with the employers’ organizations and trade unions, as well as opening the way for social dialogue between various departments in UNMIK and the social partners.
Due to its heavy dependence on Israel for employment, the Palestinian economy, on the West Bank and Gaza, has been highly vulnerable to economic and political shocks. Past experience has shown that border closures can double the unemployment rate, drastically reduce economic growth and significantly increase the numbers or people under the poverty line. In September 1993, a Declaration of Principles was signed between Israel and the Palestinians, providing a framework for social, economic and political issues that needed to be addressed for the development of the West Bank and Gaza. Within this context, ILO signed a Memorandum of Understanding on an agreed programme of action in the labour and social sectors.

The rehabilitation and reintegration of Palestinian ex-detainees was identified as a priority. Both their economic rehabilitation and social reintegration through employment can help national reconciliation and the rebuilding of the Palestinian economy.

The ILO response

The ILO has had a programme of cooperation over the period 1994-1999, with several projects, including a very successful one on the rehabilitation and reintegration of ex-detainees. A high level ILO multi-disciplinary mission visited the West Bank and Gaza from 31 January to 11 February 2000 to develop a new, coherent and cohesive programme with ILO’s tripartite partners. The mission concluded that the central problem faced by the Palestine economy was high unemployment (accounting for 12 per cent of the labour force) and
rapid labour force growth (about 5.3 per cent per annum). As a response to this situation, the mission developed several projects on institutional strengthening, social security, training, gender and development, child labour elimination, enterprise development and occupational safety. An important thrust in the proposals was to promote employment opportunities for youth and women, focusing on sectors where new information technologies can be developed to create job opportunities.

In collaboration with the Palestinian Authority, ILO designed the Programme on the Rehabilitation and Reintegration of Ex-detainees in the West Bank and Gaza (1996-1999). It assisted in mobilizing the external financial resources required. ILO also provided technical assistance in project development, setting up of the management unit and the initial staff training. The programme is being implemented by the Palestinian Authority with ILO technical assistance (ROAS/ARMAT) and the financial support of the European Union and Switzerland.

With the financial support of Italy, ILO is strengthening the capacity of the Palestinian Authority and providing assistance to ex-detainees.

The above two activities were developed to accommodate the rehabilitation needs of 5,000 ex-detainees released from Israel prisons before April 1995. These primary needs were focused on: employment; counselling and research assistance; education; training and retraining; provision of medical services and health insurance; small business start-up training, support and services; and family support. The programme provided beneficiaries with services that are expected to improve their employability and increase the probability of their long-term non-subsidized employment at reasonable wages within Palestinian society.

The programme helped the beneficiaries’ economic situation and has improved their self-esteem and their feelings of belonging to the community. It has been seen as a social and economic healing process. The two activities have been highly appreciated by the Palestinian society and the donor community.

Based on its success, the horizons of the programme have been extended, as it became clear that the need of ex-detainees for rehabilitation and reintegration requires a more long-term approach than originally conceived. Despite external constraints (e.g. a downturn in the economic situation and the consequent rise in unemployment), the programme is providing a valuable service to Palestinian ex-detainees. In the first place job creation was perceived as an immediate need - less for reasons of economic independence and more to encourage support for the peace process by providing tangible gains for Palestinians. The programme remains a top priority in employment generation by Palestinian Authority because rehabilitating ex-detainees and socio-economic stability are indivisible in Palestinian society.

Having secured sustainability through the strengthened national capacity, it was decided to gradually withdraw ILO’s support from this programme as of 1999. Unfortunately however, the political situation suddenly changed for the worse and the situation of the labour market has, since September 2000, seriously deteriorated following the closure of the border and the restrictions applied to Palestinian workers by the Israelis. The crisis continues.
The ILO Director General established a Task Force on Palestine in response to this newest crisis; and following the visit of a high-level tripartite Palestinian delegation to ILO headquarters, an ILO mission was fielded to the Palestinian territories from 12th to 15th March 2001. The mission was composed of senior representatives of IFP/CRISIS, CODEV, ARMAT and ROAS. Its objectives were to: (a) assess the priority needs in the current situation, (b) in consultation with the national authorities, social partners and representatives of the UN system and international community, ascertain the relevance of the package of proposals recently prepared by the ILO for an Emergency Programme and (c) explore the prospects for funding as well as for partnerships with other EmergencyProgrammes under way.

The mission found alarming levels of unemployment, underemployment, income loss and rapidly accelerating poverty. The assessment report of the UN Special Coordinator for the Middle East Peace Process, for the period ending 31st January 2001, estimated the unemployment level at 38 per cent of the economically active population. In addition to border closures, strict road blockades, including blockage of vehicular access into small villages and private properties along main roads seriously affect the circulation of goods, services and labour inside the various parts of the territories. These measures have resulted in the suspension or significant slowdown of all development projects and are affecting the emergency Employment creation programmes undertaken by World Bank, UNDP, PEC DAR in the construction sector.

A package of proposals prepared by the ILO prior to the mission, with an estimated budget of US$8 million, was strongly endorsed by ILO counterparts. The main focus of the proposals are:

- Employment creation and income generation through a multi-component support programme at the community level;
- Vocational Rehabilitation of the disabled and youth with special needs;
- Vocational Training and skills enhancement for a better future;
- Combating of child labour;
- Employment mapping and monitoring of the situation through employment services;
- Capacity-building for social partners to better respond to crisis.

ILO’s role at the policy and programme level on the issues of employment promotion and job creation was reinstated during the mission and ILO was included in the recently re-established Sectoral Working Group on Job Creation. UNDP and PEC DAR (which is responsible for the implementation of the major works of the World Bank) have both invited the ILO to provide specialist assistance to add job value to their existing and planned works programmes; and possibilities of collaboration with the World Bank administered projects are to be quickly followed up. Partnerships with other bilateral donors are also anticipated.

The Task Force will now concentrate on the completion of the Emergency Employment Programme package. Funding will then be sought from already identified donors, and from development banks which have recently been entrusted by regional and international donors with the responsibility of managing the delivery of both development and emergency programmes in Palestine.
Mindanao, an island located in the Southern Philippines, has seen almost three decades of civil war provoked by the discrimination and social exclusion of the Moro people who were the original settlers of Mindanao. The civil war between the Moro National Liberation Front (MNLF) and the Philippine Government has caused deaths and displacement of thousands of civilians. Communities were destroyed, thus causing underdevelopment and deprivation, and stunting the growth of Mindanao in spite of its vast agricultural resources. In September 1996, a 3-year Peace Agreement was signed between the Philippine government and the MNLF.

The ILO response

As part of an assistance programme bringing together six UN agencies (UNDP, ILO, FAO, UNICEF, UNFPA and IOM), ILO Manila has the responsibility for vocational training and enterprise development. The project (June 24 1999-June 23 2000) was designed to support the peace and the development initiatives in Southern Philippines. It covers the Special Zone for Peace and Development (SZOPAD) in Mindanao, which includes 14 provinces and 10 cities, essentially the whole of central and western Mindanao, including Palawan. The project is funded by a US$1.3 million contribution from the governments of Spain and Belgium.

The ILO project identified three distinct training designs and delivery systems:

- community-based training programme utilizes local trainers, NGOs, and local training centres. It targets women and provides them opportunities to start or enhance their existing (non-farm) enterprises. It also aims to enhance the capability of the MNLF State Cooperatives.

* establishment of training centres of TESDA targets male cadres by providing them opportunities to acquire vocational skills to increase their employability or their prospects in self-employment through skills-based entrepreneurship.

* training-cum-production (or on-the-job training scheme) using local experts to work with the youth of the MNLF to develop career plans and to facilitate the construction of Community Enterprise Centres.

So far the project was able to reach its social target – the poorest segment of the MNLF in the 16 states of the SZOPAD. It has produced trained persons and established community enterprises. Partners have been trained and local institutions and NGOs have been involved in its community-based programmes. The project was able to catalyze partner agencies to work with the ILO for SZOPAD-wide cooperation, not only for MNLF but also for other target groups.

The project addresses the needs of three major sectors of the rural MNLF: the state-based cadres, women and youth in the areas of non-farm vocational skills and community enterprise development. It is expanding its activities on enterprise development projects to cover indigenous peoples and communities directly affected by the armed struggle, persons with disabilities as a result of the war, and out-of-school youths.

15 The SZOPAD area is conceptually divided into 16 MNLF States based on the location of MNLF military camps and the concentration of their memberships.
The civil war in Sierra Leone, which started in 1991, is a human and economic tragedy. More than 50,000 people have been killed and thousands mutilated. Since it started over 2 million people have been displaced internally or to neighbouring countries. At least 45,000 ex-combatants have to be demobilized and reintegrated. Many villages, public buildings, workplaces, and houses have been burnt down or destroyed, including some 6,000 homes in Freetown alone. In January 1999 the rebel Revolutionary United Front invaded Freetown and some 5,000 civilians were killed and several public buildings were looted and destroyed. In July 1999 the parties signed the Lomé Peace Agreement and some reconstruction work started. Sierra Leone’s government offers scope for ILO technical support in the development of longer-term national development policies and strategies.

Currently, international funding and the presence of a UN peacekeeping force provide humanitarian emergency support and a security base for economic and social development. But the peace is fragile: infrastructure has been badly damaged, the private sector, particularly the mining industry, is badly damaged, and social protection systems, both formal and traditional, are much weakened and most of the combatants are yet to be demobilized and reintegrated into society.

The ILO response

Since the 1980’s, ILO has been the executing agency for labour-based multi-sectoral projects in Sierra Leone. With its assistance and the financial support of UNDP, DANIDA, EU, Italy and UNDCF, about 200 km of feeder roads have been improved.
During the war, the infrastructure and logistical capacity were damaged, creating serious problems for the delivery of emergency supplies. Access to rich agricultural areas and to markets was also disrupted. Therefore, the improvement of roads and bridges was imperative both for the delivery of emergency supplies and for agriculture extension work.

During 1994-1999 ILO’s project focused on labour-intensive rural works programme with the financial support of UNDP, UNCDF and the World Bank in the framework of the Agriculture Sector Support Project (ASSP). The programme had to be closed in July 1999 due to continued security constraints in Sierra Leone. The programme focused on the rehabilitation and maintenance of rural infrastructure (e.g. feeder roads, health centres, water wells and jetties using employment-intensive methods through small-scale labour-based contractors and on strengthening the capacity of the Department of Feeder Roads within the Sierra Leone Roads Authority (SLRA).

During this period the ILO project trained 50 contractors and rehabilitated 700 kms of feeder roads. In total, around one million workdays of short-term employment were created for the target beneficiaries in the districts of Portloko, Kambia, Moyamba, Tonkolili and Koinadugu. Labour-intensive methods of routine road maintenance were successfully introduced by the SLRA. The road rehabilitation prompted higher agricultural production and other economic production, reflected in increased passenger and freight traffic. In addition, new local road construction operations started up. These employment-intensive investments by ILO gave preference to the unemployed rural population especially youth and women (the percentage of women’s participation increased to 20-25 percent), internally displaced people, demobilized soldiers and ex-combatants.

In December 1999, following the peace agreement, IFP/CRISIS in collaboration with MDT in Dakar and the Regional Office in Abidjan organized an ILO needs assessment mission. The aim was to help plan ILO’s response to the employment challenge faced by Sierra Leone where the unemployment rate was estimated to be over 75 per cent.

ILO’s mission defined a comprehensive package of measures for the Employment for Peace Programme to create jobs and help consolidate peace.

ILO seed money is being provided to enable an immediate start to the first phase of activities including capacity-building for a national programme to respond to the employment needs of large numbers of returning refugees, internally displaced people and ex-combatants. Special attention will also be given to disabled persons and women heads households.

The national programme will work with all stakeholders to define a national employment programme and to train the staff of the Ministry of
Labour to implement it. A quick assessment of job opportunities in the labour market will be conducted. Two employment offices will be rehabilitated and staff trained in the basics of market-oriented services, registration and job counseling.

A second mission to Sierra Leone was organized by the IFP/CRISIS and the Area Office in Dakar in early March 2000. The aim was to assess the needs in terms of social protection, social dialogue, social partners’ capacity and reporting on international labour standards.

The Government of Sierra Leone considers it essential to emphasize national reconstruction by developing a social protection system within the scope of available resources. In this context, the focus is on the development of systems that will ensure income security and support, and adequate health care. Special attention will be given to people who are without family support, unable to help themselves. It is envisaged that a social protection safety net should ensure that this group has adequate shelter, basic income support or food, access to basic health care, access to rehabilitation (in the case of the disabled) and some prospect of reintegration into the community.

A project proposal identified three aspects for immediate action: (i) the preparation of the foundation for a national social security scheme for formal sector workers including public servants; (ii) the development of community based health care and social protection for those beyond the formal sector and, (iii) the establishment of a social safety net for the most vulnerable affected by the crisis. Technical assistance will be provided by ILO’S Social Security Department.
On 15 October 2000, a Peace Agreement was signed in Townsville between militant groups from Guadalcanal and Malaita provinces, bringing to an end 18 months of social conflict in the Solomon Islands, a country comprising a group of Pacific islands. The economy is devastated; major enterprises remain shut down, and a contraction in the economy in real terms of about 10-15 per cent is expected for 2000. Around 8,000 workers (15 per cent of the labour force) lost jobs or were placed on indefinite leave during the crisis and the major industries of fishing, forestry and plantations remain closed. Some 30,000 people abandoned their homes in Guadalcanal province and relocated to other provinces.

In refugee communities, many are without access to basic social services. Guadalcanal province, in particular, suffered extensive damage to infrastructure and facilities. Roads and bridges were destroyed; water supplies were cut, vehicles and equipment were stolen or rendered inoperable; and schools, clinics and government offices were ransacked or demolished. Other provinces were severely burdened by the influx of displaced people. Honiara, the capital, is still under the control of one of the warring factions, the Malaita Eagle Force (MEF), who remain armed, are in control of police vehicles and roam the streets touting their weapons as the de-facto “law”. The general security situation in Honiara remains extremely tenuous with the disarmament deadline having had to be extended.

In the wake of this conflict, considerable economic and social rebuilding is required. The Peace Accord envisages the demobilization of between 3,000 and 5,000 combatants, mainly youths. For the peace process to succeed opportunities must be provided to enable ex-combatants and displaced youth to undertake gainful employment providing the necessary incentives to surrender their weapons.

The ILO response

On 22 October 2000 ILO received an urgent request from UNDP to rapidly deploy two employment specialists to Solomon Islands as part of a UN team for Disarmament and Reintegration. Rapid action taken by ILO IFP/CRISIS meant that by 18 November two ILO consultants and one IFP/CRISIS team member were in Honiara for the start-up activities. The UNDP invitation followed immediately after an Experts Group Meeting (EGM) organized by the ILO and held in Australia shortly after the signing of the Peace agreement between the warring factions. The EGM
discussed the root causes of the conflict and developed an outline of recommendations for the demobilization and reintegration process as well as an return to development.

The EGM was followed by the preparation of a UN Joint Framework of Action by an IFP/CRISIS staff member in consultation with UNDP and other partner agencies in Suva. It highlights proposed joint activities by the UN system partners relating to the following areas: governance, rehabilitation of economic and social infrastructure, peace-building, reintegration of ex-combatants and other conflict affected groups, and promoting a return to the path of development. The ILO is expected to be involved in several of these activities.

In this fragile environment, the ILO team quickly set out to consult widely with Government officials, advisers and consultants, UNDP specialists, employers and workers organizations, major donors, and key civil society organizations. The ILO position is that the opportunity to return to work and or to have access to some legitimate form of income generation is key to the peace process.

Within one week of arrival, the ILO team prepared employment programme outlines for two major programmes. One involves labour-based infrastructure rehabilitation and maintenance works costing some US$1.6 million and which focuses on the islands of Guadalcanal and Malaita with a mobile equipment support unit able to serve the outer islands. The infrastructure works include roads, water and sanitation and garbage collection and disposal. Up to 2,000 workers are expected to benefit directly from this programme and an additional 2,000 are expected to benefit as a result of the wider and improved use of labour-based elements being introduced into other major infrastructural programmes of other donors.

Major likely donors for this employment programme component include Japan, the European Union and the Asian Development Bank.

The other employment programme component involves Vocational Education and Training (VET) and Local Economic Development Agency (LEDA) activities in the order of US$1.3 million, with a evolving credit facility. An essential sub-component of the VET programme will involve facilitating the reopening of the existing major business including fishing and forestry industries. The ILO will endeavour to secure support focus from AusAID for the funding on self-employment and target more than 2,000 person.

The ILO will work together with UNDP to endeavour to mobilize support for the various programme components. While both components of the employment programme are being designed to be fully integrated into regular or planned programmes of Government and major donors, none of this work, however, will be possible unless the disarmament process proceeds to plan. The pre-requisite for the commencement of these programmes must be complete and effective disarmament and at the present time, sadly only 10 per cent of the estimated arms have been surrendered.
The emergence of Abdulkassim Salat Hassan as President of a new Somalia in August 2000 marked a qualified success for peacemaking efforts in the decade-long conflict precipitated by the fall of the government of Siad Barre in 1991. Despite continued dissatisfaction among some factions and the authorities in Puntland (in the north-east) and Somali-land (in the north) about the Djibouti Accord which endorsed the new leadership, in 2000 there was a significant decrease in fighting between militias and factions and other violence. A provisional government and a political transition programme have now been established, for which financial support is sought from the UN system, the EU and other international donors.

The ILO response

The ILO InFocus Programme on Crisis Response and Reconstruction undertook a project formulation mission in Somalia from 17 February to 6 March 2001, following a request from the Government of Italy. The latter, from the gradual growing stability and peace in many parts of Somalia, observed that it was timely for a programme for economic (cum employment) recovery to be put in place on a nationwide basis.

The mission met with Somali representatives including the new official Prime Minister, UN agencies and NGOs. The mission visited Somali-land, Puntland and Mogadishu to gather up to date information on employment and income generation opportunities. The mission found that there is indeed improving peace and stability in Puntland and Somali-land generally. However heavily armed escorts are necessary for movement in Mogadishu,
still largely in ruins and under the control of various clans and warlords who clash frequently. Nevertheless, there are some parts of the central and south regions such as Hiraam, Bay and Bakool, where some employment generation activities may be able to be initiated on a very limited scale.

With some 300,000 refugees, ready for repatriation, 40,000 militia awaiting demobilization and thousands more internally displaced persons and retrenched civil servants seeking work, the ILO mission proposes a major phased programme for economic recovery. The mission team is now working on the first phase of a US$12 million ILO Programme which will be included in the UN Consolidated Appeal (CAP) for Somalia to be launched during March this year. While focusing on employment creation and income generation, the ILO programme will also endeavour to pay particular attention to pressing social and human rights challenges facing Somalia by incorporating the ILO vision and principles of Decent Work into all aspects of the programme.

Included in the ILO Programme are: infrastructure improvement and maintenance works using labour-based technology, (targeting 1 million workdays of employment and involving the private sector); vocational training and education for prior-identified employment needs in the labour market; local economic development through strengthening local small and medium enterprises and with linkages to micro-finance; and, most importantly, institutional capacity-building support to the Somali authorities to facilitate planned decentralization and reintegration policies.

The ILO Programme is planned to operate in close collaboration with UNDP, UNHCR, HABITAT and UNOPS. In addition to the direct
support envisaged, the ILO project team will also provide a services which could “add employment value” to other related programmes of both the UN and other agencies including those of the European Union.

As a first step, the ILO will undertake a rapid regional labour market assessment and establish a close working arrangement with UNOPS, UNHCR and UNDP. It will also endeavour to secure initial seed funding for Phase I involving extensive training of Somalis for the intended major labour-based works in the roads, irrigation, water and reforestation sectors.

Furthermore, initial works are likely to involve basic capacity building for local, regional and nationwide development planning and the early identification and prioritization of infrastructure works. Training needs will also need to be assessed for the broader workplace and existing enterprises needing support or new enterprises able to be established will be identified.
South Lebanon

South Lebanon has been adversely affected by more than 33 years of military conflict, which were accentuated by the Israeli occupation of the borderline zone in March 1978. The South was divided into two zones: cities (namely Saida, Tyre and Nabatieh) and non-occupied villages which were affected by the conflict, and the occupied villages. Many of the region’s inhabitants had been displaced in successive waves and settled mostly in the suburbs of Beirut.

The long period of Israeli occupation and the policies pursued by the Israeli authorities during this period accentuated the dependence of the South on Israel, impeded its economic development and sharpened the socio-economic inequalities and dichotomy between the South and the rest of Lebanon. Following the Israeli withdrawal from the South in May 2000, the consequences of conflict have become more apparent. Many inhabitants live under precarious socio-economic conditions. There are a disproportionate number of female-headed households, a typical characteristic of post-conflict situations. Other vulnerable groups, including the displaced, orphans, the disabled, ex-detainees and ex-workers in Israel, have added to the problem. The Lebanese Government is repairing and maintaining public networks and has launched development infrastructure projects.

The major challenge for South Lebanon is job creation. It is critical to the economic rehabilitation, reintegration and development of the region. Underdevelopment of economy and the ending of the long conflict have led to high unemployment, especially amongst the youth and women and an even higher level of underemployment. Child labour seen, for example, in tobacco farms during the occupation, is increasing again to supplement falling household incomes. Prior to the Israeli withdrawal, it was estimated that up to one third of people living in the region derived their main income from conflict-related activities. Following the withdrawal, the region of South Lebanon is expected to see significant demographic growth because many displaced persons (including those who have voluntarily migrated) are expected to return. It will be necessary to create jobs for the return of a significant population of displaced people, and to accommodate people who used to live on the war economy, as well as new young entrants into the labour market. This will not only contribute to the economic recovery of the region, but also guarantee social and political stability in the short and medium term.

The Government of Lebanon submitted, in June 2000, a request to the Director General, for ILO’s assistance to the recovery and development efforts of the South, emphasizing the fight against poverty and the need for employment promotion.

The ILO response

A joint mission by the ILO InFocus Programme on Crisis Response and Reconstruction (IFP/CRISIS) and the Regional Office for Arab States (ROAS) to South Lebanon together with the local people, took place from 17-25 July 2000. The mission identified a slump in economic activities in Southern Lebanon and the need to address the serious employment, social dialogue, socio-economic integration and institutional capacity building challenges as urgent priorities.
According to their analysis, the ILO’s response to the situation should have the following objectives:

* Saving and improving jobs and livelihoods in the South;
* Creating new employment opportunities;
* Promoting social dialogue and socio-economic integration of the affected groups and of Southern Lebanon;
* Building and strengthening institutional capacities of the Government, Employers, and Workers Organizations in South Lebanon.

A number of technical assistance proposals emanated from the mission within the framework of a comprehensive strategy consisting of short- and medium-/long-term measures at the local, regional and national levels. The serious gender problems are mainstreamed in all the proposals and also constitute the focus of a specific project proposal. The critical issue of social protection (including occupational safety and health and other working conditions) is also covered.
Decades of civil war in Sudan destroyed the basic infrastructure services in rural and urban areas. Hundreds of thousands of people have been displaced and have since been dependent on emergency relief assistance provided by the international donor agencies and NGOs. The war has torn the social fabric of the country and damaged the economy in most areas.

Adult women outnumber men by two to one. Many men have either been killed in fighting or migrated. Most women live below the poverty line; their economic desperation forces them to take the low paying traditional “female occupations”.

The ILO response

ILO has been active in Sudan since 1975. ILO’s areas of operations are mainly focused on vocational training, labour standards and special public works programme (SPWP). Since 1997, the ILO has also been involved in the rehabilitation of Nyala-Idd Elfursan Road in Sudan. This road is being rehabilitated using labour-based methods and the deployment of small-scale labour-based contractors.

In August-September 1999 ILO and UNDP fielded a team of consultants to formulate an employment strategy for the large number of unemployed youth and war widows in the Southern Sudan. Employment opportunities are few for even better qualified persons. Many indigenous able-bodied youths have neither access to income generating activities nor the means to acquire employable skills. Prospects for internally displaced and physically handicapped youths are even dimmer.

The employment strategy encompassed interventions that focused on improvement of rural roads using labour-intensive methodologies, skills development through vocational training and access to micro credits to start or expand income generating activities, access to banking services for small enterprises and cooperatives.

In a situation where very few people are able to escape poverty, any programme that exclusively focuses on narrowly defined target-groups is bound to face resistance. Therefore, the proposed programme interventions for employment creation and training have an inclusive approach. Although no poor person would be a priori excluded as beneficiary, the programme focuses on women, internally displaced people, and people with disabilities.
Shortly after its Independence from the Soviet Union in late 1991, Tajikistan plunged into a civil war that led to the deaths of more than 50,000 and the displacement of 100,000 to neighbouring countries. Between 600,000 and 700,000 persons were internally displaced. The war continued for four years and at the end of the major hostilities, the economic and social infrastructures of the country had collapsed. Such was the situation that greeted the voluntary return of hundreds of thousands of IDPs. In June 1997, a General Agreement on the Establishment of Peace and National Accord in Tajikistan was signed between the Government and the United Tajik Opposition (UTO).

The ILO response

A programme to promote the integrated economic and social development in four regions of the country was developed. Funded by UNDP, the Rehabilitation, Reconstruction and Development Programme for Tajikistan (RRDP) promotes integrated economic and social development in four regions of the country. The programme focuses on income-generation activities and strengthening physical and social infrastructures and social services. It is being implemented by the UN Office for Project Services (UNOPS/RRDP).
ILO joined with UNOPS/RRDP to implement the different components of the local economic development approach (LED). In 1998 ILO Moscow organized a workshop on employment promotion and income generation for vulnerable groups in war-affected areas. Hundreds of participants from NGOs, government donors and national experts participated.

In November 1999, following the request of UNOPS/UNDP to strengthen collaboration, ILO participated in a joint mission to review projects for the reintegration of ex-combatants within the framework of RRDP. One of the priorities addressed was the formulation of long-term strategies for the reintegration and demobilization of combatants. Among the strategies considered was the provision of immediate income and vocational skills and the improvement of local conditions to facilitate the return of former combatants.

Two approaches have been proposed: (i) creation of an association of ex-combatants that will run a number of business ventures, taking into account the socio-economic reality of the districts, and (ii) continuation of the rehabilitation works through employment intensive methods. The project will be implemented in the five districts of the Karategin Valley. The former combatants will receive income and vocational skills training and participate in the repair of infrastructures\(^{16}\).

\(^{16}\) Within two years, long-term employment would have been provided for 1,225 ex-combatants through their own associations and short-term employment for 700 ex-combatants. Fifty contractors and 300 skilled workers/trainers would have been trained through capacity building activities. Indirectly, 250,000 people from the target areas will benefit from the project.
3. NATURAL DISASTERS

Disasters come in many forms: earthquakes, cyclones, hurricanes, tropical storms, typhoon, tornadoes, landslides and mudflows, floods, tsunamis, volcanic eruptions, droughts, and wild fires. Some regions are more exposed due to their geographical location and physical environment\(^\text{17}\).

Natural disasters can kill thousands of people and destroy social and economic infrastructures, productive assets and livelihoods. It can leave many people homeless and jobless, and yet the political system and the social fabric may remain intact. Natural disasters cannot be avoided; however, the damage can be much reduced by disaster-preparedness strategies.

In 1999 more than 105,000 people died due to catastrophes and 90 per cent of these deaths were caused by natural disasters. The landslide in Venezuela was the biggest killer with around 50,000 victims. The earthquake in Turkey killed around 20,000 and the tropical cyclone in the state of Orissa in India killed about 15,000\(^\text{18}\). More recently, the earthquake in January 2001 in Gujarat (India) killed about 30,000 people.

The experiences of countries recently affected by natural disasters show that decades of development efforts can be erased by the wind. When Hurricane Mitch hit Central America, it practically destroyed 20 years of national development efforts in Honduras and Nicaragua. Early in 2000, the floods in Mozambique washed away many of the country’s post-war reconstruction efforts.

The consequences of the crisis in a selected number of countries affected by natural disasters and where ILO has provided its technical assistance is presented below.

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\(^{17}\) In 1999 it was estimated that 105,000 people died due to catastrophes, 90 per cent of them from natural disasters (Swiss Re Sigma Study, 7 March 2000).

\(^{18}\) Countries such as Colombia, Turkey, India and Venezuela were affected.

\(^{19}\) Swiss Re Sigma study, 7 March 2000.
For Honduras and Nicaragua, Hurricane Mitch that swept through the Central America region from 23 to 28 October 1998 was by far the worst natural disaster of the 20th century. It caused extensive damage in El Salvador and Guatemala. According to figures provided by the UN system, it was estimated that around 2.4 million people were affected by the disaster and about 10,000 were killed. Some 124,000 houses were destroyed or damaged and the economic damage to the banana crop, coffee plantations and agricultural exports was enormous. Early estimates suggested that Honduras and Nicaragua suffered losses equivalent to nearly half their gross national product (US$5 billion).

It has been recognized that once the immediate emergency phase was over the main impact of the disaster was to exacerbate already existing problems in particular in the poorest countries of the region, Honduras and Nicaragua, which were already affected by weak infrastructure, widespread poverty and very high level of unemployment.

**The ILO response**

“Mitch: Programme for the Reconstruction and Transformation of Central America” was implemented through ILO’s Area Office in San Jose, Costa Rica. ILO provided technical assistance to counter the consequences of the hurricane at the municipal and local levels in Nicaragua and Honduras.

During 1999 satisfactory progress was made not only in terms of proposals submitted and implemented, but also in sensitizing and training major and municipal/local leaders in Honduras and Nicaragua. Resources were also mobilized with other agencies. Two project proposals of investment and employment generation at medium term were developed. They involved 3,200 temporary jobs and 500 fixed-jobs for an amount of US$7 millions. The different sectors of ILO intervention are described below.

**Employment generation through labour-intensive works.** ILO led efforts in the reconstruction of riverbank defences in various vulnerable parts of Nicaragua. ILO consultants prepared comprehensive mapping of such areas and gave instructions of where the works should be conducted. The International Decade for the Reduction of Natural Disasters (IDRND) will collaborate in this proposal, which will ensure both risk reducing and employment-generating activities for the local population.

During 1999, four demonstrative projects for the river defense system (gabions and land protection) through employment intensive public works were conducted in Nicaragua. These projects highlighted the priority of intervention in terms of employment, gender approach and prevention of future disasters.

In Honduras, extensive mapping of hydrological risk areas was undertaken and further labour-intensive river-defense work will be undertaken as soon as funding is available.

Efforts have been concentrated on local capacity building in the execution of infrastructure programme by local small contractors. A short-term Dutch-funded project in Nicaragua (operational...
since August 1999) intervenes on three levels: (i) the macro level to influence investment policies, (ii) the ‘meso’ level to develop training programmes for both private small contractors and decentralized government agencies which prepare the tenders, and (iii) the micro community level to support pilot demonstration through employment intensive techniques. There are negotiations with potential donors to guarantee the continuation of some of the components of this project.

Sustainable employment generation through micro-enterprises. The development of micro-enterprises in the public works sector has been suggested as a way to provide sustainable development in Central America. The post-Mitch programme is establishing inventories of local resource and service-based economic activities, and how these could be used provide access to resources and training.

Micro-enterprises in the public works sector have the potential not only to provide many jobs and income-generating opportunities at the local level but also could improve the resource base of local governments and open the way for a participative local development process.

Existing Local economic development agencies (LEDA) have been useful partners in the implementation of these programmes. Some LEDAs are dynamizing local economies in clustered municipal areas. Although LEDAs were created in a post-conflict context their objectives remain entirely valid in the post-Mitch reconstruction efforts.

ILO has planned extensive programmes of urban renewal and transformation. In Managua, thousands of Mitch victims are in temporary shelters some 14 months after the disaster.

Collaboration with HABITAT continues. Housing is the area of major donor investment. HABITAT has provided support to individuals
and families to build their own dwellings. ILO has encouraged HABITAT to give more attention to the creation of small, specialized construction enterprises (e.g. plumbing, carpentry, electrical wiring, etc.) since this can have more extensive employment benefits. IDRND is also interested, given the potential for risk-reducing building techniques.

Training for employment. CINTERFOR has expressed interest in working with ILO to increase the capacity of its members to address the training needs of the population in relation to reconstruction and economic regeneration. PROMICRO will consider how to develop specific micro-entrepreneurial training packages to be best deliver by mobile training units.

Strengthening municipal and other local capacity to manage reconstruction and transformation. Very early in the post-Mitch process, ILO recognized that local government would be the key counterpart; however, its institutional capacities had to be strengthened. A pilot project was undertaken with IDRND to investigate the possibilities of support to these municipalities from their European counterparts. The project “Towns helping towns: Strengthening Central American local capacities to prevent disasters” will be implemented by the ILO and UNOPS, with the participation of SICA (Central American Integration System), CEPREDENAC (Coordination Centre for the Prevention of natural disasters in Central America), IDRND, and the World Federation of United Cities.

Trade Union Proposals. A set of technical cooperation proposals has been formulated to strengthen rural workers’ organizations. A request to support some of these proposals has been submitted to Scandinavian trade unions.

A follow-up package of measures developed by ILO for post-Mitch reconstruction in Central America will be presented to different donors. These measures aim at generating employment, alleviating poverty and generating economic development through the usage of local resources in post-Mitch programmes and in public investment in general.
Two successive earthquakes hit El Salvador on 13 January and 13 February 2001. They measured 7.9 and 6.6 respectively on the Richter scale. They caused extensive destruction and loss of human life, particularly in the impoverished areas of the interior. The following maps show the location of the earthquakes and the spread of their effects:

The cumulative effects of a protracted period of armed conflict (1971-91), an earlier earthquake in 1986 and Hurricane Mitch in 1998 had already taken their toll on the economic infrastructures of El Salvador. In reconstruction efforts which took place throughout the 1990s, many of the poorer communities of the interior which were worst affected by the recent earthquakes were marginalized and rendered even more fragile economically.

The conditions necessary for the generation of Decent Work were therefore already lacking in these areas at the time of the 2001 earthquakes.

**The ILO response**

In response to this emergency, a joint team comprising specialists from the ILO Area Office in San Jose, professionals from ILO projects in El Salvador and the Central American Region and the IFP/CRISIS arrived in El Salvador on February 1st for two weeks. This team focused on the following activities:

1. Measurement of the impact on employment and elaboration of a national strategy for recovery (in coordination with the Ministry of Labour and Social Welfare (MLSW).
2. Estimation of the direct and indirect economic impacts of the earthquake, led by the special mission of the Economic Commission for Latin America.
3. Definition of an interagency support strategy by the United Nations system in reconstruction efforts in El Salvador, under the auspices of the United Nations Development Program in El Salvador.
4. Development a proposal for a national strategy for reconstruction and identification of projects to be presented by the Government of El Salvador to a Donors’ Conference to be held in Madrid, from 7 to 9 March.

The mission contributed to a rapid assessment of the impact of the disaster on employment, and based on available secondary information about the employment situation in the pre-crisis period, made proposals which emphasised building upon local knowledge and economic activities and using local materials to generate new jobs and strengthen existing ones.

Proposals developed by the ILO mission were incorporated into the Economic Commission for Latin America (ECLA) Report and Recommendations for El Salvador Reconstruction, the Common UN Framework to Support the Reconstruction Process in El Salvador, and “United for El Salvador” - the Government of El Salvador’s strategic framework for economic and employment recovery.

* The government considered employment recovery one of the five pillars of the reconstruction.
Diagram No 1: Destroyed Houses

Diagram No 2: Affected population
Among the consequences of the earthquake, the curtailment of commercial activities, the reduced purchasing capacity in local markets, the loss of productive assets and the damage to infrastructure will pose the greatest obstacles to the recovery process at the local level.

The proposed strategy identifies two areas of intervention:

The first is the reversal of the depression in the local economies, which is the result of the loss of productive resources, the reduction of economic efficiency by damage to infrastructure and support services and the loss of working capital. It is proposed to decentralise investment in reconstruction to local government and increase economic inputs and resources for reconstruction.

This will be achieved by (a) stimulating local labour demands by introducing employment-intensive methods into infrastructure reconstruction, and (b) prioritising the participation of the affected population in the potential labour force, thus improving their purchasing capacity through the earning of wages and enabling them to take responsibility for their own rehabilitation.

Decentralisation of the hiring for small and medium reconstruction contracts will be one way of stimulating local markets and boosting the supply of goods. This needs to be accompanied by a reform of the administrative and regulatory framework for investment, and an overhaul of the system of contract tendering, sub-contracting and related procedures at the regional and local levels in order to improve economic efficiency.
Secondly, building upon the first set of interventions, new investment initiatives will be introduced to support sustainable employment recovery. Activities will include the restoration of commercial buildings, capacity building for local construction enterprises and boosting the production and supply of goods and services to meet the short- and medium-term needs of the affected communities and strengthen their capacity to determine and execute their own priorities in reconstruction.

In order to reduce economic vulnerability, it is essential to break the vicious cycle of disaster and reconstruction by introducing criteria for risk management into reconstruction and development programmes, by local authorities improving regulatory frameworks and by small businesses adopting best practices.
Ethiopia

Ethiopia’s 30-year war with Eritrea and recurrent drought in the Horn of Africa have had dire consequences on its people and economy. The largest famine to hit Ethiopia killed almost a million people between 1984 and 1985. In 1988, six million Ethiopians were at risk of starvation. The latest drought to hit Ethiopia was in 1999-2000, taking the country to the brink of its third famine crisis in less than two decades. Over 10 million of its 62 million people were affected. Concerted international action appears to have helped avert the immediate threat of famine, and the focus has now turned to the long-term question of how the vulnerability of the people to threats posed by these droughts can be reduced.

The ILO response

In the aftermath of the 1984-85 famine in Ethiopia, the ILO fielded a multi-disciplinary mission in 1986 to investigate and analyze the country’s response to the famine crisis, the limitations in national capabilities and in existing sectoral development programmes, and the impact of the crisis on individual household livelihoods, and to identify a comprehensive package of projects in fields of ILO competence. The ILO’s response considered short-term action to complement existing relief work and medium- and longer-term requirements at the national and household levels to enhance opportunities for sustained growth.

Following the 1999-2000 droughts, discussions were held between the ILO and the Ethiopian government’s Disaster Prevention and Preparedness Commission (DPPC) task force to define areas for ILO’s intervention. Following the 1999-2000 droughts, discussions were held between the ILO and the Ethiopian government’s Disaster Prevention and Preparedness Commission (DPPC) task force to define areas for ILO’s intervention. One of the activities which followed from this was the development of a proposal for a pilot project entitled “Development of a strategy for the social and economic reintegration of internally displaced persons”, which was submitted to donors at the end of 1999.

During September-October 2000 ILO/EAMA T, after preparatory activities undertaken by ILO/EAMA T in collaboration with DPPC, a full-fledged ILO mission visited Ethiopia between 29 November and 7 December 2000 to prepare ILO’s comprehensive response to the crisis. It comprised officials from ILO’s Recovery and Reconstruction Department in Geneva and EAMA T. It held consultations with the Ethiopian Government, including the Minister of Labour and Social Affairs and the Commissioner of DPPC, Employers’ and Workers’ representatives, other agencies within the UN system and representatives of donor countries.

The mission considered that a longer-term solution to the crisis is to reduce vulnerability of the poor to situations caused by drought. It proposed a strategy for reducing vulnerability based on three essential elements: diversifying the sources of employment and livelihoods; investment in infrastructure; and strengthening the information base on livelihoods and labour markets. It proposed a comprehensive action programme including the following projects to be executed by the ILO and its partners and implemented by Ethiopian Government agencies and its collaborators:
* The Diversification of Rural Production Through the Promotion of Rural Non Farm Activities (project sites: two drought prone regions of the country; duration 3 year, estimated budget US$2,500,000), to strengthen regional government and private sector capacities to provide an enabling environment for micro, small-scale and informal sector enterprises focusing on legal and regulatory framework and strengthening institutions which assist rural non-farm activities.

* Restructuring Cooperatives and Promoting Rural Savings and Credit Cooperatives (project site: Addis Ababa; duration 4 years, estimated budget of US$1,000,000), to create employment, generate income and increase food security by implementing a sound policy promotion policy for cooperatives and a better access for the rural poor, especially, to saving and credit services.

* Support to Employment Generation Schemes (EGS) and the Integrated Food Security Programme (IFSP) for the Development of labour-intensive infrastructure and rural works (project site: Addis Ababa and selected regional locations; duration 24 months, estimated budget US$1,000,000), to build the technical and managerial capacity of the various actors involved in the design and implementation of labour-intensive Food-for-Work relief activities and to reduce people’s vulnerability to drought while achieving more sustained development in various short-term schemes.

* Technical Advisory Services to the mainstreaming of labour-intensive approaches to infrastructure and rural works (duration 24 months, budget estimate of US$650,000), to support government efforts towards a consolidated and coordinated policy approach to the promotion of labour-intensive approaches in infrastructure and rural works.

* Labour Based Road Maintenance by Contract for the Southern Nations Nationalities Peoples State (project site: Awassa; duration 24 months, estimated budget US$1,200,000), to improve the living standards of the rural population in the drought prone areas by providing improved access to markets, agricultural inputs, healthcare, education and other social services.

* Strengthening of Livelihood and Labour Market Information Responses to Drought (duration two years, estimated budget US$800,000), to develop livelihood and labour market information (LLMI) for providing early warning of the impact of drought and for monitoring access to food.
* Review of Investment and Employment Policies for Poverty Reduction (duration one year, with an estimated budget of US$250,000), to bring out the employment implications of current government policies and the public investment programme, and assist government in formulating alternative policies in general and public investment.

**India (Orissa)**

The State of Orissa, on the eastern coast of India, along with its neighbours Andhra Pradesh and West Bengal, experienced some of India’s worst cyclones. In 1999 Orissa was hit by a cyclone twice, once on 18 October and, while still recovering from the first destruction, Orissa was struck again by a second more powerful ‘super cyclone’ on 29 October. It hit the coastal districts of Kendrapada, Jagatsinghpur, Bhadrak, Bhubaneswar, Puri, Cuttack, Khurda and Jajpur. Winds of 250 km/h and tidal waves rising 20 feet high followed by torrential rains caused massive destruction and forced the evacuation of thousands of families.

The super cyclone affected over 15 million people, around 15,000 people died and over 2 million houses were severely damaged. The rural habitats suffered extensive damage: 80 per cent of the standing crops were destroyed, almost half a million heads of cattle were lost. In addition, agricultural lands, irrigation canals and channels, plantations, water supply sources, rural health centres, school buildings, government offices and the transport network were severely affected.
Over 16,000 fishing boats were lost or damaged and 33,000 fishing nets were lost.

The super cyclone also damaged milk chilling and storage centres, fish processing and storage units in the coastal districts and a whole range of rural industries and handicrafts.

The ILO response

Orissa authorities requested UN assistance in specific areas. A needs assessment mission to the cyclone-stricken area was organized by the Area Office in New Delhi to prepare ILO’s participation in the rehabilitation phase and in the long-term development process.

The ILO developed proposals for the reconstruction of rural communities and habitats, the revival of the production process in farm and non-farm sectors, and the socio-economic reintegration of the crisis affected-groups.

ILO proposed an integrated project to improve rural accessibility and restore sustainable livelihoods in 10 cyclone-affected villages using local labour. The project will focus on rural households and their access to basic needs (food, water and energy), social needs (education and primary health care), and economic needs (access to markets, shops and to the transport system). Funding has not been secured so far.

The immediate beneficiaries of the project will be the agricultural labourers and their families (including fishermen and plantation workers) and marginal farming families (including cattle breeders and female-headed households and their children).
3. Natural Disasters

**India (Gujarat)**

An earthquake of 7.7 on the Richter scale hit the state of Gujarat in India on 26 January 2001 causing severe damage. This earthquake hit a region already affected by successive years of drought. About 30,000 people lost their lives and the loss to property was around US$6 billion. A population of about 16 million was affected. The loss of livelihoods was also very large, given that whole villages and towns were destroyed and many families lost all that they had owned.

*The ILO response*

Following a request from the ILO Area Office in New Delhi, the IFP/CRISIS developed a joint response strategy. National consultants were despatched to the area within days of the disaster to assess the situation from the ILO perspective and to come up with proposals for a package of interventions. Based on this assessment and headquarters missions from IFP/CRISIS and the Employment Sector’s Gender Promotion Programme (GENPROM), a model programme was developed for social reconstruction in 10 villages of the Kutch district. This project, estimated to cost $101,000, is funded jointly by the IFP/CRISIS from its Rapid Response Fund, GENPROM and the Regional Office for Asia and the Pacific. It will comprise a set of interrelated activities to provide temporary cottage industry production cum training centres; community fodder banks; skills training, including both craft and construction skills, and a model training cum demonstration site for earthquake resistant housing.

The project is being implemented through the Self Employed Women’s Association SEWA, a well known membership organization and registered trade union. The presence and strength of SEWA on the spot, implementing a project for recording traditional crafts in the same location just before the earthquake, was a strong reason for the choice of the intervention. This meant that response could be rapid and effective, that gender concerns could easily be incorporated, and that the craftswomen had a chance to recover their livelihoods, using the designs that had been preserved.

Apart from this, a study is being undertaken of the response of the corporate sector to the disaster. This is important because there are few studies of the private response to disasters and because the response in Gujarat has been very significant. It is hoped that this will contribute to the work of the UN Global Compact of which the ILO is a member.

Another study is being undertaken to estimate the employment impacts of the earthquake, both immediately and over the current year. This is a priority area of study as there is little by way of methodology or estimates relating to the impact of natural disasters. This is a priority area of study as
there is little by way of methodology or estimates relating to the impact of natural disasters. It is hoped that this and other studies in other countries will help the IFP/CRISIS to develop a set of methodologies to measure the employment impacts and thereby to focus greater attention on the employment dimensions of natural disasters. The study may also help to highlight the situation of different groups in the labour market in terms of their vulnerability to disasters.

Finally, the ILO is working with the government and other national and international agencies to promote the use of labour-based approaches in the reconstruction of infrastructure and housing.

Natural disasters generally hit excluded social groups, such as indigenous and tribal peoples (ITPs), harder than the rest of the population. Their higher levels of dependence on natural resources and close linkages with natural environments makes them more vulnerable to ecological changes which can lead to dislocation and socio-economic disintegration. This is further accentuated by the working of socio-political processes. ITPs are often the last to learn about government warnings, or benefit from government-sponsored support arrangements and post-crisis assistance. Hence, they are highly dependent upon their own coping strategies and resources.

Natural calamities such as flooding, earthquakes, landslides and drought hit various regions of India every year. Disasters attract both national and international attention, bringing aid agencies and voluntary agencies together with different methodologies, agendas and outreach. Assistance is generally criticized as being slow and sporadic, chaotic, relief-oriented and with little effort at promoting long-term disaster management. Local disaster management committees often lack the skills to actively address disaster impacts especially when it comes to meeting the specific requirements of ITPs.

More remote areas, especially those inhabited by ITPs, tend to receive less attention, as they are not mentioned in headlines, are more difficult to
reach and serve, and their inhabitants lack political influence. Special strategies to meet the needs of ITPs in situations of natural disasters and other crises are urgently needed.

**The ILO response**

INDISCO and IFP/CRISIS have initiated a process of collaboration to address the difficult, and often unique, problems faced by ITPs in the context of natural disasters and other types of crises. The first phase of this collaboration involves field work, situational analysis and needs identification in two selected sites in India, where recent events have highlighted the problem.

Its objectives are:

(a) To have strengthened knowledge and understanding of the coping strategies of ITPs in 2 selected States in the context of existing policies and programmes to assist populations (including ITPs) affected by natural disasters.

(b) To develop preliminary guidelines on natural disaster management policies directed at ITPs.

(c) To identify areas for technical assistance at grassroots, policy and programme levels to strengthen ITPs coping strategies and the capacity of government and non-government programmes to respond more effectively to their needs.

**Strategy.** Two case studies have been initiated in specially selected locations in India where natural disasters have severely affected indigenous and tribal peoples.

Particular attention is being paid to:

* Assessing the levels and kinds of effects, and the processes through which natural disasters have impacted on indigenous and tribal peoples.
* Assessing government and NGO support to indigenous and tribal peoples affected by natural disasters as well as needs for technical assistance.
* Assessing ITPs perceptions of assistance/support they have received or can obtain.
* Examining the nature and pattern of information flows, knowledge dissemination to, and within, ITPs (including their own early warning systems).
* Assessing the coping strategies, further needs and possible support modalities for indigenous and tribal peoples affected by natural disasters.

This would create substantial baseline data and analysis facilitating:

* the development of guidelines on rapid response approaches and longer-term prevention and rehabilitation strategies relating to ITPs and natural disaster management; and,
* the next phase of collaboration between IFP/CRISIS and INDISCO, which may cover the formulation of joint activities in India and elsewhere to support indigenous and tribal peoples facing natural disasters and other kinds of crises, as well as support to governmental and non-governmental institutions in providing appropriate forms of assistance.

The two studies in Orissa, which was hit by the super-cyclone, and Rajasthan, which is suffering from drought, are being carried out through external collaboration contracts. A synthesis report will be prepared by a consultant. The total budget of $15,000 is being met by contributions by IFP/CRISIS, INDISCO, the New Delhi Area Office and the Employment Sector.
Madagascar

Madagascar was hit by cyclones in 2000 with the successive passage of Eline, Gloria and Huddah. They destroyed many houses and public buildings, constructed with local materials like mud, which could not resist the high speed wind and the rain.

The ILO response

As part of the UN response to the disasters, the ILO Office in Antananarivo reacted immediately after cyclone Gloria and offered to contribute expertise for evaluating damage to public buildings. An ILO assessment mission was organized to three affected areas and national consultants described in great detail the damage to buildings and infrastructure. These reports have been well appreciated by national and international partners.

Furthermore, the Area Office is participating in meetings with the World Bank and other key-players in the reconstruction process to ensure that employment creation and a labour-intensive approach are incorporated into recommendations and proposals.
A month of rainfall higher than average, coupled with four days of torrential rains (4-7 February 2000), resulted in severe floods in Mozambique. The floods were the worst in Southern Africa in the last century. The disaster affected directly more than 800,000 people who lost practically everything: shelter, household possessions, jobs, crops, and relatives. In addition, Mozambique’s post-war recovery efforts accomplished in the past eight years were erased, which threatens the political equilibrium that had been achieved. Efforts to improve safety and attract investors by removing the estimated 5 million anti-personnel landmines that remain from the civil war have been set back. Years of work identifying the location of mines have been washed away21.

Planning and urgent reconstruction efforts were carried out promptly, to prevent a massive migration of impoverished victims towards Maputo and thus compound the existing extreme poverty settlements, and to address the already fragile social stability of some communities in the country. These efforts were made through the rehabilitation of basic services, improvement of accessibility to the damaged area and offering new options for decent jobs.

In late March a mission was organized by the IFP/CRISIS in collaboration with the Dakar ILO Office with the purpose to strengthen the capacity of the Ministry of Labour, in Mozambique.

The ILO response focused on:

* **Local economic development (LED)** approach, which offers a package of measures of employment promotion through enterprise and cooperative development, highlighting elements of social dialogue and harmonizing economic criteria with social priorities and involving different actors at the local level. It involves different ILO technical areas such as vocational and managerial training, social finances, micro-enterprise, cooperative development, and development of business services.

* **Employment intensive infrastructure investment (EII)** of infrastructure of local or community interest could help both the reconstruction processes in favour of urban and rural population affected by the disaster and in the social and economic reintegration of the uprooted populations. Such programmes include productive infrastructures reconstruction (e.g. access to roads, land protection, irrigation schemes, storage facilities) and social infrastructures (schools, health centres, water supply systems). It should use labour-based techniques to provide immediate employment and income generation. The investment schemes should improve the access of the floods affected people to productive resources and to basic social services.

* **Social safety nets and social protection mechanisms** are vital for the reconstruction process. The Italian Government has agreed to sponsor a 3-year MFI programme to be implemented in the provinces affected by the 2000 floods. IFP/CRISIS undertook an assessment mission in

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March 2001, to formulate and develop interventions that will benefit people greatly affected by the crisis. These interventions are intended to support local structures working with vulnerable people to promote their inclusion and social security schemes.

Following the 2001 floods IFP/CRISIS will be sending an assessment mission to Mozambique in May to identify the scope for a possible further ILO intervention and explore the possible expansion of the current Italian government funded Micro Finance programme into the areas affected by the 2001 floods.
In the late 1960s, the Sahelian countries in West Africa experienced serious rain shortages. Drought became endemic and began to be manifested in environmental deterioration and food deficits. Devastating droughts in 1997/74 and 1984/85 affected the entire Sahel region, and pointed up the vulnerability of the rural production systems in this region. Such vulnerability stemmed from the following:

› agriculture and animal husbandry methods and techniques were highly dependent on the amount of rainfall which varies considerably from year to year;

› desertification was progressing continuously;

› the marketing of cash crops was not generating enough financial resources to cover the basic needs of the rural poor, who make up the majority of the population in the Sahel;

› the population was growing at a faster rate than the increase in domestic food production.

In 1974, the Sahelian countries addressed a joint special appeal to the international community to help them boost food production and to fight against desertification. The World Food Conference, held in Rome in the same year, decided to establish the World Food Council and the International Fund for Agricultural Development (IFAD). One of the main recommendations of the World Food Conference – inspired by a paper called “Food Aid and Cooperatives”, which was jointly prepared by the ILO and WFP

ACOPAM stands for “Appui coopératif aux activités rurales bénéficiant de l’aide du PAM dans le Sahel”; it was later renamed Programme for Cooperative Support to Local Development Initiatives in the Sahel” but kept its acronym.

3. Natural Disasters
and approved by the WFP Executive Committee – expressed the view that food aid programmes and projects should be considered as an appropriate development means to encourage and facilitate the creation of autonomous and democratically managed rural self-help groups and to enable the rural poor to become participate in a grass-roots development process that creates jobs and generates income.

**The ILO response**

In 1975, the ILO Cooperative Branch designed, in collaboration with the WFP representatives in Burkina Faso, Cape Verde, Mali, Mauritania, Niger and Senegal, a sub-regional project named ACOPAM. This project started in 1978 and continued until June 2000. It was, during the entire period, funded by the Government of Norway which invested a total of US$45 million in the project. In addition, fifteen other donors contributed more than US$100 million to finance ACOPAM’s field activities.

At the project’s initial stage, the basic concept promoted was to enable organized local communities to use food aid provided by the WFP as a tool to improve food security and foster sustainable local development at village level. The overall concept of “food for development” was later broken down into “food for work”, “food for training” and, at a later stage, “food for investment”, and was implemented by ACOPAM in the Sahel and by other ILO projects in other parts of the world. ACOPAM developed into a complex, multi-purpose and multi-donor programme focusing on income generation and job creation by, and for, the rural poor in the Sahel.

ACOPAM concentrated on the training and organization of rural producers in technical fields such as cooperative self-management of local infrastructures and of small irrigation schemes, promotion of cereal banks and local cash crop markets and development of rural savings and credit systems. ACOPAM paid special attention to the rural poor and to women working in rural areas. The results obtained demonstrated the ACOPAM programme’s efficiency in fighting extreme poverty and preventing the deterioration of natural resources. It also contributed to secure food self-sufficiency in all the villages covered by the project. ACOPAM’s work was thus in line with three of ILO’s four strategic objectives: job creation, social protection and social dialogue.

ACOPAM’s field programmes, conducted at grass-roots level in 15 sub-projects throughout the Sahel, served as the basis for the production of methodological tools that have been widely disseminated in West Africa and elsewhere. These training and support materials were adapted to the different contexts and to the characteristics and needs of the respective target population.

ACOPAM worked with a network of partners of different types (such as NGOs, private and public institutions, development projects and donors) who received technical support and advice from the project. These partnerships facilitated the dissemination of methodological tools, and also enhanced the sustainability of ACOPAM’s impact.

During the last phase (1995/2000), ACOPAM paid special attention to reinforcing the methodological and operational capacities of the local and
national partner institutions to prepare them to continue and further develop the ACOPAM programme and practical activities. The project’s last activity was providing assistance to establish an interregional network of all those agencies with which ACOPAM has collaborated over the years.

The final evaluation of the ACOPAM programme concluded that:

* At the micro level (villages), the local rural organizations supported by ACOPAM had reached a sufficiently high level of efficiency to enable their members to earn decent incomes, thus considerably diminishing their vulnerability when exposed to crises such as severe drought. The members’ improved economic situations has also encouraged them to develop their own social and educational programmes;

* At the intermediary (meso) level, higher level rural organizations such as cooperative unions and apex bodies of support structures had acquired the knowledge, competence, expertise and resources required to defend the interests of their member organizations; and

* At the national (macro) level, the ACOPAM programme, in collaboration with ILO’s regular programme of technical cooperation, had effectively helped countries in the Sahel and elsewhere to formulate and implement policies and legislation that are favourable to the emergence and development of democratically managed rural organizations.
A terrible earthquake hit the Marmara region in Turkey in August 1999. Around 20,000 people lost their lives. It is estimated that between 400,000 to 600,000 people were affected by the earthquake. The earthquake also led to widespread damage to housing (approximately 70 per cent of the city of Adapazari) and infrastructure and left a large number of people jobless. Many jobs were lost through the destruction of small and medium-sized enterprises.

**The ILO response**

The IFP joined hands with the ILO Regional Office for Europe and the ILO Area Office in Turkey to assess needs and to discuss and plan ILO’s response. Two missions were organized with the ILO social partners and relevant stakeholders including the earthquake victims. There was an urgent need to provide employment opportunities for the many people left jobless after the earthquake.

The ILO Office in Ankara organized a workshop on construction safety and employment generation in November 1999. The aim was to exchange information and briefing about ILO experiences on employment generation through employment-intensive investments on infrastructures for jobless. The work was attended by high-level government officials and by representatives of employers’ organizations, trade unions, NGOs, universities and the electronic media. The workshop made the participants aware of the importance of improving safety in the construction sector as a crucial requirement to prevent damage and high loss of lives in future earthquakes. Measures to provide more employment opportunities to earthquake victims, including those of the rural areas, through employment-intensive technologies were also discussed by the participants.

Discussions on employment-intensive methods with the Turkish Employment Office of the Ministry of Labour and Social Security are continuing. Within the framework of IPEC, two projects were developed to respond to the impact of the earthquake on child labour. ILO (IPEC) has committed funds for the two programmes, which aim at the rehabilitation of working children in the earthquake area. Two groups of children are particularly vulnerable: children working before the earthquake, and children at risk of
becoming child labourers as a post-disaster family survival strategy due to their increasing poverty. It is expected to provide 1,500 children at high risk of becoming child workers with rehabilitative, educational, health, nutrition and psychosocial counseling services and to ensure that they withdraw from, or do not join the labour force.

The IPEC projects, entitled “Rehabilitation and prevention of working children”, will be implemented in two areas of the Marmara Region. In Yolova, the project has already started and is being implemented by the Yalova Government and the Ministry of Labour and Social Security. The second project will cover the areas of Gölcük and Adapazari and will be implemented by the General Directorate of Social Services and Child Protection. The projects will be developed in two stages. Firstly, mobile centres will be established within the relief camps to provide children with emergency services. These mobile centres will become permanent in a second stage.

ILO/STAT provided technical assistance to conduct an informal sector survey in 2000, including survey planning, sample and questionnaire design, a tabulation programme and data review.

The ILO is concerned with the increase of a number of people who suffer from mental health disorders following the earthquake. ILO is convinced that work is one of the most positive contributors to the healing process of individuals and communities. A project proposal on promoting mental health through work has been prepared. UNDP is interested in supporting it. In November 2000, ILO provided a training course to the Department of Sociology of Mimar Sinan University on how best to provide pre-employment and workplace assistance to bolster healthy coping mechanisms. How to guide non-medical personnel to handle referral to medical treatment for people suffering from post-disaster mental health problems was also addressed.
Venezuela

On 16 and 17 December 1999, torrential rains and flooding hit the coastal state of Vargas and the marginal suburbs of Caracas, provoking landslides. It was Venezuela’s worst natural disaster in 50 years. Around 50,000 people were killed and another 100,000 people suffered serious damages of houses, agricultural land, and livestock. Large numbers of houses, social services and economic infrastructure were destroyed. More than 68,000 people had to be evacuated and settled in makeshift shelters. In Macuto, the most important city damaged by the landslides, the tourism industry – its principal economic activity - will be set back by several years. For those people who want to be resettled and those who wish to go back to the devastated area, there is an urgent need to provide new job opportunities.

The ILO response

In April, an ILO needs assessment mission was carried out to investigate immediate and medium/long-term needs of the affected population. The mission identified areas of ILO assistance and drafted initial programme proposals that included:

* Local economic development (LED). This approach offers a package of measures on employment promotion through enterprise and cooperative development, vocational and managerial training, social finances, micro-enterprise, cooperative development, development of business services and setting up local development agencies.

* Employment Intensive Investment Programmes (EIIP), which means using labour intensive techniques in the reconstruction of physical infrastructure, especially productive infrastructure (e.g., roads, land protection, irrigation schemes, storage facilities) and social infrastructure (schools, health centres, water supply systems). These programmes should aim at providing temporary employment and income generation opportunities to the affected population and besides improve their access to productive assets and basic social services.
Social safety nets and social protection mechanisms, which would be vital during the reconstruction process and could help preventing eventual similar damages in the future.

The assessment mission and the draft document were highly appreciated by different governmental and non-governmental institutions. Due to important political changes that the country is undergoing since the new administration came into office, the assistance proposal would not be put into practice. Nevertheless, the assessment mission brought together a set of different institutions related to reconstruction, employment and local development. This gave rise to an inter-institutional committee, which identified areas and proposals for employment generation during the reconstruction process. These proposals were later submitted to the central planning and reconstruction institution.
4. DIFFICULT SOCIAL MOVEMENTS OR POLITICAL TRANSITIONS

Difficult social movements and political transitions can be caused by a variety of both internal and external factors. They can be accompanied by open conflict or they can generate widespread instability and disturbance. Social or political transitions affect both the political system and the social fabric. Social tensions can become a source of instability and trigger a deeper crisis, or cause social unrest. All these can be manifested by high criminality and threats to peace and security leading to serious loss of life and property, internal or external displacement of population, damage or destruction of production systems and social and economic infrastructures.

The complexity of socio-political transitions makes them difficult to classify. However, some of the countries that could be included in this category are:

* new States which have emerged from previous political formations (e.g., former Soviet Union, East Timor), or countries where there is transition from a centrally-planned economy to a market-oriented one (e.g., Central and Eastern Europe);

* separatist movements (autonomy or secession) based on ethnic, religious, linguistic or cultural identity leading to creation of new states (e.g., former Yugoslavia); or

* countries where there is a transition to more democratic socio-political systems (e.g., South Africa).
Azerbaijan

Azerbaijan is pursuing a national programme of transition from a centrally planned economy to a socially oriented market economy. The implementation of this programme is constrained by, among other things, the negative impact of the conflict over Nagorno Karabakh.

According to Government estimates (1997), there were about 890,000 IDPs and refugees in the country (almost one-seventh of the total population), which placed severe strains on the economy and on the Government’s ability to provide jobs, food and shelter. The Government is faced with the task of providing employment and income-generation schemes in the most depressed areas, particularly those inhabited by refugees and IDPs. International assistance was therefore requested.

The ILO response

At the request of the UN Consolidated Inter-Agency Appeal for Azerbaijan, ILO provided advisory and technical support to the Ministry of Labour and Social Protection. ILO’s social partners participated in the implementing of a pilot demonstration project funded by UNDP on training, employment and income generation promotion in depressed areas.

The objective of this project was to demonstrate the feasibility of innovative training and employment approaches based on the needs of communities (particularly those inhabited by refugees and IDPs) and local resources. ILO developed a community-based training for self-employment and income generation methodology that was introduced and tested in three regions of the country (Salyan and Agdam Districts, and Nakhichivan Autonomous Republic). The pilot project adopted an area-cum-target group approach, combining direct and indirect training and support measures, with a strong emphasis on economic activities as an entry point for capacity-building of the institutions involved and feedback to policy-makers.

Some concrete results were the strengthening of the capacity of the districts employment, training and retraining services in designing, planning and coordinating training and employment schemes. Through the coordination of activities with other support agencies (employment funds and micro-credits) at the local level, the promotion of income-raising and employment generation among the most socially disadvantaged groups (IDPs and refugees) was enhanced. The project activities resulted in the creation of more than 400 jobs (self-employment and production cooperatives).
After 1989 all countries of CEE moving from a centrally planned economy to a market-oriented one were faced with a sudden fall of demand for their products and plunged into a deep transition crisis. Due to a huge surplus of labour in the enterprise sector and severe budget constraints, more and more enterprises laid off redundant staff and older workers were encouraged to take early retirement. Structural and technological changes altered demand for skills in the market and resulted in growing skill mismatches.

However, national education systems of many transition countries have so far been inadequately reformed and not always able to properly respond to these changing needs for skills.

Apart from young people, unemployment has also hit disproportionately women, persons with disabilities and health problems, certain ethnic minorities (e.g. Roma) and unskilled workers.

In order to address the unemployment problem after 1989, CEE countries established national employment services that provide job placement assistance and advice to unemployed people, unemployment benefit systems and advice on labour market policies.

During 1995-1996 most transition economies seemed to overcome the transition crisis and embarked on economic growth or at least significantly slowed down their GDP decline. However, economic recovery appeared to be short-lived in some of them, such as Albania, Bulgaria, Romania or the Czech Republic. Internal economic and financial problems were also the main cause of a dramatic decline in production in the Russian Federation in 1998, which had a significant negative impact on neighbouring transition economies. Finally, the Kosovo crisis in 1999 seriously affected the national economies of all South-East European countries in transition.

**The ILO response**

In order to address these needs and assist the ILO constituents in the transition countries of Central and Eastern Europe in their efforts to improve their
employment situation, ILO has organized a series of activities for the whole region as well as for individual countries.

ILO has fielded a number of advisory missions to various transition countries with the aim to provide direct advice and technical assistance on the design and implementation of national employment and labour market policies.

During 1995-1999 the ILO was engaged in a number of follow-up activities to the World Summit for Social Development. It coordinated activities of a UN Task Force on Full Employment and Sustainable Livelihoods which initiated the preparation of seven country reports on employment and social policy. Hungary was one of these countries and its country review was prepared by the ILO Central and Eastern European Team. The report was presented and discussed at a high-level tripartite national seminar in Budapest in January 1997. New series of country employment policy reviews were launched and discussed in tripartite seminars. Among transition countries Ukraine was selected and a review was conducted in 1998. This review analyzed the labour market needs, assessed the employment policies and made recommendations for its improvement. Issues such as capacity building of labour market institutions; elimination of the non-payment of wages and improvement of the protection of workers; new job creation by small enterprises; and employment promotion through local labour market restructuring were also addressed.

In January 1999, a Tripartite Consultation on the Follow-up to the World Social Summit for Social Development, brought together high-level officials from the Ministries of Labour, national Trade Union Confederations and national Employers’ Associations of 10 transition countries (Azerbaijan, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kazakhstan, Poland, Russian Federation and Ukraine). The propose of the Consultation was to discuss the constraints on employment generation faced by transition economies and assess the national institutional reforms and employment policies and their impact on the employment situation.

Another relevant activity was the Tripartite International Conference on Social and Labour Issues: Overcoming Adverse Consequences of the Transition Period in the Russian Federation, held in Moscow in October 1999.

Finally, a series of projects on local labour market restructuring were conducted in different regions facing severe displacement of workers and unemployment problems. The projects’ aim was to mobilize all key regional economic actors to work together in the elaboration and implementation of a regional economic and social development strategy to generate new productive jobs and improve the employment situation. They were implemented in many regions including Ostrava (in the Czech Republic a region heavily dependent on coal mining and steel production) and in Ivanovo (a textile region in the Russian Federation).

Special assistance was also given to the efforts of transition countries to improve their employment promotion policies for vulnerable social groups particularly hit by unemployment. In 1997, a high-level sub-regional seminar on gender issues and equality addressed the problems of women workers in Central and Eastern Europe. Among other activities a manual on active training and employment policies for disabled people was published, translated into several languages and was widely distributed in the region.
4. Difficult Social Movements or Political Transitions

COTE D’IVOIRE

A bitter political struggle with ethnic and religious overtones has characterized the military coup d’état on 24 December 1999 and the subsequent presidential and parliamentary elections of October and December 2000 in Côte d’Ivoire. The gap between the northerners (Muslims) and the southerners (Christians) is widening. Some population originally from Burkina Faso and Mali have fled the country in large numbers. Several demonstrations organized by both pro- and anti- government groups have descended into violent confrontations with loss of life and damage to property and the economy. The resulted has been an economic downturn involving a sharp drop in the prices of cocoa and coffee and exacerbated by the increased cost of oil imports. The unemployment rate is about 25 per cent and 40 per cent of the population are poor and the prevalence of HIV/AIDS in the population is 10 per cent. The situation in conflict-affected neighbouring countries (Liberia, Sierra Leone and Guinea) threatens to destabilise Côte d’Ivoire further.
The ILO response

In close collaboration with the UN System, the ILO is actively participating in the activities of the CCA/UNDAF and in the elaboration of a Poverty Reduction Strategy Document. These efforts are designed to help define directions and programmes or actions that could contribute to the establishment of good governance and to the resolution of the problems generated by these social movements and disturbances.

The Republic of Serbia finds itself at a standstill in the early transition to a market economy due to the wars of the past decade, international sanctions and inflation. The breakdown of economic linkages between the former republics of Yugoslavia has had a negative impact on local economies. High unemployment prevails; an important part of it is hidden especially for employees of socially owned companies. Socially and state-owned enterprises suffer from obsolete technologies and equipment, deterioration of working conditions especially with regard to employees’ safety and health. The private sector is almost non-existent and does not have the ability to absorb labour surpluses. Consequently, activities in the grey economy have increased. In the rural areas, many people live from self-subsistence agricultural activities. In particular at the local level, the capacities of economic support infrastructure and government are too weak to be able to respond effectively to the required development demands.

Moreover, Serbia’s social cohesion is challenged by the dissatisfaction of minorities (such as Moslems, Hungarians and ethnic Albanians). This is manifested in: demands for greater autonomy, such as by Sandzak and Vojvodina; and political instability in the Presevo Valley. The instability has generated a number of refugees and internally displaced persons who are experiencing reintegration difficulties.
The political victory of the opposition to Slobodan Milosevic’s regime, in autumn 2000, has put an end to the international isolation of Yugoslavia. Furthermore, in November 2000, the Federal Republic of Yugoslavia became a member of the ILO.

The ILO response

In January 2001, a multi-disciplinary ILO team visited Yugoslavia. The mission met with government officials and employers’ and workers’ organizations at the Federal level and at the Republic of Serbia level to assess the priorities of the new government. Key areas identified for cooperation included: revision of labour laws; job creation initiatives; training for workers and employers and restructuring of social protection.

At the request of UNDP, the ILO participated in the UN inter-agency mission, in February 2001, to the Presevo Valley, a region bordering Kosovo and Macedonia and highly affected by political instability due to tensions between ethnic Albanians and Serbs. The region suffers from similar economic problems as other regions in Serbia but is particularly poor due to lack of public investment in social and basic infrastructure for decades. To improve the present living and working conditions of the population and to promote stability, an integrated approach at local level is needed. The ILO proposed an area-based Programme for Local Economic and Social Development to benefit both Serbs and ethnic Albanians. The Programme aims at reviving the local economy and strengthening social cohesion by providing income-generation and employment opportunities while taking into account the social and environmental characteristics of the Valley. Strategic components of the Programme included: promotion of social dialogue and a consensus-based vision of the future; promotion of an enabling business environment; institution building; employment intensive investment techniques in quick impact projects; and special attention to women, youth and ex-combatants. Following the positive response of the Serbian government, the ILO - together with UNDP and UNOPS - is elaborating the Programme in more detail and to also cover other poor regions along Serbia’s border with Kosovo.
The conflict in South Africa was generated by the apartheid system that divided the country into two separate worlds, where the black majority population was excluded by the white minority from participation in the social, economic and political life of the country. In 1987 the de Klerk Government started negotiations with the African National Council (ANC), and soon after the apartheid laws were repealed. In 1994 the ANC won the first non-racial elections.

**The ILO response**

* The small enterprise and human development (SEHD) programme was conceived to sustain South African government policy on the development of the small and medium enterprise (SME) sector. Its main objective is to create permanent jobs for the most disadvantaged sections of the population. The programme is an important component of the overall South Africa strategy for SMME promotion with a particular relevance to the post-apartheid reconciliation process. It includes strengthening the fight against poverty, and tackling the roots of social and economic exclusion. The project is funded by the Italian government.

* The national counterpart of the project is the Centre for Small Business Promotions (CSBP) of the South African Department of Trade and Industry (DTI). The programme is executed by UNOPS in collaboration with ILO, which is technically responsible for the local economic development (LED) and credit components of the programme.

* The ILO will be directly responsible for the implementation of the following activities: training, support of entrepreneur’s organizations, creation of credit schemes, policy advice at provincial level, and harmonization of the LED and credit components. The project beneficiaries are disadvantaged women (50 per cent of the total beneficiaries), youth, and unemployed persons in low or no income families.
Following the dissolution of the Soviet Union, the process of mass return of populations deported from the Crimea during the World War II began. Over the last years, more than 260,000 Former Deported Peoples (90 per cent Crimean Tatars) have returned to settle on the Crimean Peninsula. Some of the major issues confronting the returnees is the absence of a sustainable source of income, lack of employment opportunities, and inaccessible credit.

In 1995, at the request of the Government of Ukraine for Assistance, UNDP/UNOPS set up the Crimea Integration Development Programme (CIDP). Its mandate is to assist the government of the Autonomous Republic of Crimea in maintaining peace and security on the peninsula by facilitating the process of peaceful resettlement and reintegration of the Former Deported Peoples (FDPs). The programme has four components: (i) economic development, (ii) social development, (iii) community capacity building, and (iv) communal infrastructure development.

These components are being implemented through a multi-sectoral, multi-ethnic and participatory approach.

The ILO response

ILO has been collaborating in the “economic component” of CIDP. Two missions were carried out in Spring 1998: the first analyzed the developments of the ‘economic component’ of the programme, and the second produced a detailed action plan and a work plan for the establishment of Business Development Centres (BDCs). It also provided recommendations on how to strengthen the existing Credit Unions in Kamenka and Sudak. Furthermore, the ILO missions studied the introduction of alternative financial mechanisms, with ILO providing technical support. The “economic component” is comprised of three main projects:

* **Business development centres (BDCs).** Provide a range of support services for the development of entrepreneurship and Small and Medium Enterprises (SMEs) (e.g. support target groups in starting their own business, support to the local business community, training in business planning, marketing, registration, and taxation, etc.).

* **Women in Business.** Provides business support services to women who would like to start or expand their businesses (e.g. micro-finance scheme projects).

* **Revolving Loan Fund.** Provides financial support for the development of entrepreneurial activities in the different regions (e.g. training of entrepreneurs, technical assistance in the preparation of business plans, etc.).

The different projects of the economic component focus on the vulnerable and low-income groups, such as former-deported people, unemployed, and women. The projects encompass the different ethnic groups in the project areas.

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23 So far, BDCs have provided advice and information to approximately 260 clients and have offered 540 consultation sessions. It has conducted nine training sessions, which benefited 8,181 trainees. Each BDC launched a call for business ideas and 100 applications were received. Fifty to 55 per cent have been selected and trained.
5. ECONOMIC AND FINANCIAL DOWNTURNS

Many reasons have been given for abrupt financial and economic downturns. These cases are characterized by a sudden interruption in, and reversal of, capital flows24 and massive capital flight, which lead to forced devaluation, near collapse of the financial sector, inability to meet external debt obligation and drastic decline in organized sector activity. Many large and medium enterprises faced bankruptcy and started restructuring. The crises affected all levels of the population due to large-scale retrenchment in the organized sector, especially losses of employment in the industry, construction and services, and steep declines in wages and earnings. The Asian financial crisis provoked a sudden and substantial contraction of output and employment in the region leading to massive job losses in the formal sector of the economy causing rapid rise in unemployment and an expansion of the informal sector.

A description of ILO activities in the recent economic and financial downturns is provided below.

ANDean COUNTRIES

Colombia, Ecuador and Venezuela were hit by the aftermath of the financial crisis that broke out in Thailand in 1997. Lower international commodity prices, stronger competition from Asian products, international financial panic leading to repatriation of capital, and harsher international borrowing terms have deeply affected countries of the Andean Region. The changing of the international economic environment has often exacerbated internal weaknesses in banking systems, in fiscal deficits,

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24 It has been estimated that for Indonesia, Republic of Korea, Thailand, Malaysia, and the Philippines net private inflows dropped from USD 93 billion to US$12 billion – a swing of 11 per cent of GDP between the end of 1996 and the end of 1997. The social impact of the Asian financial crisis, ILO, AFC/Bangkok/1998.
and forced countries to inflate their currencies and sharply raise interest rates. Recessive conditions in all the countries of the sub-region have had severe implications on the labour market. Labour market adjustment caused soaring unemployment (18-20 per cent in all three countries – the highest level ever registered).

The ILO response

The governments of Colombia, Ecuador and Venezuela requested the ILO MDT in Lima to provide technical assistance to help them cope with the aftermath of the international financial crisis, the consequences of which were particularly severe on employment and labour.

In early 1998 Colombia faced a sharp drop in its growth rate and an increase in unemployment rate. ILO was requested by the Colombian Government to prepare a comprehensive report on the employment situation of the country and make proposals on possible employment policy measures. The report entitled “Empleo: un desafío para Colombia” discusses a number of macroeconomic measures to put the economy back onto a path of growth. Specific programmes on vocational training, wage policy and employment programmes were also addressed.

In Ecuador, as a result of the sharp drop in oil prices (major export commodity) and a 40 per cent fall in government fiscal income, the economy entered into a deep recession with soaring unemployment projected to reach around 20 per cent towards the end of 1999. In May 1999 the government called upon ILO to prepare a comprehensive package of emergency and medium-term employment measures. A report was prepared and presented at a special session to the ministerial cabinet in July 1999. In November 1999, in Bogota, ILO organized a tripartite seminar on economic adjustment, employment and social dialogue for Colombia, Ecuador and Venezuela.

The seminar’s main focus was the role of social partners and social dialogue in the context of economic crisis. Among the documents produced for the seminar was an analysis of the impact of the international financial crisis on the economies of the three countries.

OIT, Julio de 1999.”Propuestas politicas de empleo para Ecuador a corto plazo.”
5. Economic and Financial Downturns

By late 1999, Ecuador found itself in a precarious economic situation. The country was still in the aftermath of a financial crisis that hit it in 1998/99. Poverty levels had risen all over the country, especially in rural areas and among the indigenous populations. In late 1999, former President Jamil Mahuad proposed to adopt the US Dollar as the official currency in order to stop inflation, a decision that was later adopted by the Congress. In consequence, indigenous people organized a protest march to the capital Quito in January 2000 and with the help of young military officials managed to take over the Governor’s palace and oust President Mahuad. Mahuad fled the country and Vice-President Gustavo Noboa took over office. Aware of the precarious social situation, the new government asked ILO for assistance in the formulation of employment policies to mitigate the effects of the economic downturn, protect vulnerable groups and avoid further social upheaval.

The ILO response

In August 2000, an employment mission was sent to Ecuador in order to assess the situation and the potential for employment creation and give recommendations.

A mission report was finished by late September and recommended policies in two main areas:

1. A fiscal policy that favours investment in economic and social infrastructure and financial incentives for non-traditional productive sectors with high levels of employment generation, including tourism.

2. Active employment policies including labour intensive infrastructure investment, vocational training, micro-enterprise development and a set of different measures to raise productivity.

An estimated overall number of 109,000 jobs could be created within three years through the implementation of these policies, requiring a total investment of US$2,400 million. Regarding the severity of the crisis and the constant growth of Ecuador’s economically active population, unemployment levels could thus be held by 14.4 per cent, meanwhile the economy would undergo the necessary macroeconomic adjustments to guarantee sustainable future growth.

In order to emphasize the promotion of decent work within the recommended policies, the report made also suggestions on (i) labour policies including labour legislation and wage policies, (ii) social protection, (iii) elimination of child labour and (iv) social dialogue.

The report was presented to the Ecuadorian Government and other relevant institutions in September 2000. Currently, a preparatory assistance is carried out in order to formulate a technical cooperation project that will support the implementation of these recommendations.

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In December 1990, after 40 years of the infamous Duvalier family’s dictatorship, Jean-Bertrand Aristide, won the Haiti Presidency. Mr. Aristide's programme of radical reforms provoked tension between his Lavalas ("flash flood") movement and other political parties, parliament, private business and, finally, the army. The latter overthrew his regime in a coup on September 30, 1991 and Mr. Aristide was arrested but later allowed to leave for Caracas. The coup was condemned internationally: the Organization of American States (OAS), with US backing, imposed an economic and political embargo, and overseas aid donors cut off assistance. The UN Security Council imposed a worldwide embargo on oil and arms shipments to Haiti. Finally, on July 1993, the military rulers were ousted. Constitutional rule was restored in 1994 and Mr. Aristide returned to Haiti. In 1995, another Lavalas candidate, Mr. Preval, won the presidential election. International financial institutions recommended a programme of liberalization which provoked civil unrest and conflict between the Government and Mr. Aristide's newly created party, Fanmi Lavalas, since the latter strongly opposed the reform. Discontent was fuelled further by disastrous elections for nine Senate seats in April 1997. Tensions culminated in the Prime Minister’s resignation in June 1997. Mr. Preval’s nominated successor – Eric Pierre, a pro-reform official of the Inter-American Development Bank – was rejected by the Senate in August 1997. This contributed to a further prolonged period of political crisis and anarchy until the new general election in November 2000.
The ILO response

The UNDP is financing an ILO-STEP project BIT/PNUD/HAI/99/001 “Mise en place des instruments preambles dans le cadre d’un programme de promotion d’emplois et de lutte contre la pauvreté – Assistance préparatoire pour la promotion d’emplois productifs et lutte contre l’exclusion sociale”

The project aims at:

* Assisting the government in designing a National Programme for the promotion of productive employment and fight against social exclusion.
* Helping the UNDP to elaborate a strategy to support the government’s programme.

In the Country Objectives document, the ILO included a number of proposals, including two projects to provide support to the Labour Ministry (Modernization of the Labour Ministry and Reform of the Social Security system).

The ILO (NORMES) is also currently analyzing the proposed new Labour Code and will provide the Haitian government with technical expertise and comments on the new code.

Activities are under way and it is too soon to draw conclusions. However, it could be recommended that to deal with crisis situations such as the Haitian one, the effectiveness of ILO’s actions would be enhanced by increasing the level of technical expertise and project finance made available directly to the country.
5. Economic and Financial Downturns

The East Asian financial and economic contagion reached Indonesia in January 1998, starting with the huge devaluation (up to 80 per cent) of the rupiah. From the third quarter of 1997, Indonesia’s GDP growth fell from 8 per cent to 5 per cent in 1998. By the end of 1998, Indonesia’s real GDP had declined by 15 per cent. At the beginning, the crisis did not lead to a massive increase in open unemployment. The rate increased from 4.7 per cent to 5.4 per cent in 1998. After this period, one in every five jobs in the formal sector was lost, leaving 5 million workers with bleak future prospects. The current level of unemployment is around 15 per cent.

The impact of the crisis on the labour market was felt in other ways: the number of people engaged in agriculture registered a substantial increase from 35.8 million (41 per cent of total employment) in 1997 to 40.4 million (45 per cent of total) in 1998. A change has taken place in the composition of the unemployed in relation to age. The percentage of job seekers over 30 years old who had worked before increased several fold, and the level of underemployment increased also, reversing yet another gain made before the crisis. Youth unemployment and the situation of older workers who have been displaced by the crisis had to be addressed.

The overall increase in the incidence of poverty is around 20 per cent of the population, which was mainly the result of inflation (around 60 per cent in 1998). Subsequently, the real wages of workers declined substantially. Officially, open unemployment was estimated at 6.2 per cent in 1999. The ILO estimated 14 million of the 100 million workforce unemployed, most of them in the informal sector.

The ILO response

ILO sent an Employment Strategy Mission in April-May 1999, which recommended a two-pronged strategy of employment-led recovery and reconstruction. In principle accepted by the Indonesian Government, the two broad elements of strategy are: (i) adoption of policies that make the recovery and growth process more employment-friendly, and (ii) creation of additional jobs through direct employment programmes.

The mission recommended the setting up of an Employment Fund for direct job creation that could facilitate wage employment and self-employment generation. Policies and strategies for employment in the agricultural, manufacturing and the informal sector will be examined and it is expected that the development of small and medium enterprises will play a major role in recovery.

The findings and recommendations of the Mission were discussed at a Consultative Forum.
held in Jakarta in November 1999, and a decision was taken to formulate an action programme to implement the recommendations suggested by the Forum. ILO has assisted the Indonesian Government in formulating the action programme and on the establishment of the Employment Fund. With support from the UNDP-SPPD, a one-year project on Assistance for making Economic Recovery Employment-Friendly became operational in 2000-01. Under the project, a special study on minimum wage and labour market adjustments was completed, and 18 Key Indicators of the Labour Market (KILM) were developed at national and provincial levels.

In response to the Government’s request for ILO’s assistance in the revision of its social protection system, an ongoing technical cooperation project with funding from the Netherlands is operational and aims to establish a new institutional structure for the national social security scheme and the development of a national strategic plan for the restructuring of the social security system. In collaboration with the United Nations Support Facility for Indonesia’s Recovery (UNSFIR), the ILO is carrying out a detailed technical review of the policies and institutions influencing the type and extent of socio-economic security in Indonesia, particularly in the context of attempted recovery and structural change since 1997. The ILO has been committed to contribute substantively to draft a White Paper on Social Policy.

Following the ratification of ILO convention 87 on Freedom of Association and the Right to Organize in 1998, there has been development of many new trade union organizations, and the industrial relations scene has become more complex.

In 1998 the Government embarked on a programme on labour legislation reform. The ILO provided expert advice on the New Trade Union Act, which was passed and became operational in January 2000. Technical assistance was also given in drafting a New Disputes Settlement Act and a new Manpower Protection Development Act is now being debated in Parliament. Other ILO activities include implementation of a US-DOL project on Industrial Relations, with Government, employers and workers as project counterparts.
In October 1997 the Asian economic crisis contagion reached the Republic of Korea. By the end of 1998 the real GDP had declined by 5 per cent. Consequently, the Republic of Korea saw a nearly four-fold increase in its unemployment rate, estimated at an unprecedented 8.8 per cent in February 1999. One in 20 workers has been retrenched, real wages fell as well as earnings in the informal sector. The overall increase in the incidence of poverty was 12 per cent of the population with unemployment as the main causal factor.

Although it is estimated that only 40 per cent of all employees are covered by the unemployment benefit scheme, the Republic of Korea expanded rapidly its unemployment insurance scheme during the severe recession of 1998, in response to massive increase in unemployment. The government gave a substantial extra subsidy to the unemployment insurance and social assistance schemes to compensate the unemployed for lost wages.

In order to cope with the crisis, the Korean Government quickly came up with the following measures: the allocation of US$22 billion between 1998 and 1999 to support the employment policy and reinforce social safety net, and the establishment of the Tripartite Commission for Social Dialogue.

The ILO response

At the request of the Ministry of Labour, ILO conducted a high-level technical assistance mission in July-August 1998. The focus was to review the current labour market situation, policy and programme responses underway in the areas of unemployment insurance, vocational training and employment services. The mission formed the basis for a preliminary analysis of the country’s vocational training system addressing, in particular, the needs of the increasing number of retrenched workers. At the end of 1998, ILO started a one-year programme of technical assistance to provide advisory services to make the current retraining programme more effective.

ILO’s role in the Republic of Korea, which is a Member State of OECD, focused more on advisory services rather than on technical cooperation.
Thailand suffered a drastic devaluation of the baht in July 1997, causing severe import compression and high inflation rates, which in turn triggered a widespread fall in the stock markets in the region. The decline in equity and asset prices caused a sharp drop in output, consumption and average incomes. Real GDP growth fell from 6 per cent in 1996 to almost zero in 1997, the entire decline being concentrated on the second half of 1997.

There were alarming consequences for unemployment and poverty levels. Massive lay-offs were carried out and open unemployment tripled from 2 to 6 per cent. In the absence of unemployment benefit and social security, severe economic hardship was inflicted on job losers and new job-seekers. Not only did the real earnings of low-paid workers decline, the impressive trends in poverty reduction which had been achieved prior to the crisis were also lost. The poverty rate rose to 12 per cent of the population, with unemployment the main cause. The impact of the financial crisis was harshly felt in the manufacturing sector where growth declined from 8 per cent in the second quarter of 1997 to 4 per cent in the third quarter, a downturn of 12 per cent. The contraction increased until the second quarter of 1998 when manufacturing further shrunk by 15 per cent.

**The ILO response**

ILO’s first intervention came two months after the devaluation of the baht. It provided a comprehensive evaluation of the country’s needs, including a tripartite discussion with ILO constituents at the national level, and the design of a framework for ILO assistance.

While most of ILO activities in Thailand reflect in some measure a response to the economic crisis, some are directly linked to it. ILO has been providing technical support to the Social Fund Office, which manages and monitors the Thai Social Investment Fund of about US$100 million. This fund is allotted for activities of community-building and strengthening community participation. ILO also contributed to the development of post-crisis related activities such as development of employment insurance schemes, poverty alleviation strategies, management training and labour-based infrastructure development, and labour market monitoring.

ILO provided assistance in reviewing Thailand’s social protection system and upon its recommendations, the Thai system is being expanded to provide protection to retirees and to informal sector workers. In mid-1998 ILO undertook a feasibility study on the implementation of unemployment benefits and as a result, the Government of Thailand is considering implementing unemployment insurance.

INDISCO helps indigenous and tribal peoples to design and implement their own development plans. It is active in Thailand promoting employment to respond to the needs of peoples returning to their communities as result of the financial crisis.

The main activities carried out by ILO in Thailand are:

* A comprehensive **Country Policy Review** during 1998-1999, with a tripartite mandate;
5. Economic and Financial Downturns

* **Skills training for enterprise** (including a study to document existing training practices, the relationship and cooperation between public training providers, workers and employers;)

* A technical study on the role of employment services in the management of the Thai labour market;

* Activities to enhance government capacity for labour market monitoring analysis and policy formulation;

* **Micro and small enterprise development** to alleviate poverty (involving different ministries and stakeholders)30;

* Training of trainers (Department of Public Works (DPW) and Department of Accelerated Rural Development (ARD) of the Ministry of Interior) in village road construction and use of labour-based appropriate technology31.

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30 The ILO manual “Improve our Business” was adapted, translated, tested and published in Thai.

31 Some 270 engineers attended the course. The main impact of the training course was that these engineers working in the provinces are now aware of and able to compare the cost-efficiency of labour-based and equipment-based methods.
6. LESSONS LEARNED

ILO’s participation in inter-agency emergency needs assessment missions has demonstrated that ILO’s early intervention in the humanitarian phase of international assistance facilitates the integration of the employment dimension into a comprehensive inter-agency coordinated strategy for dealing with the consequences of conflict and also with post-conflict rehabilitation and reconstruction. It also provides the opportunity to establish linkages between the Organization and the other key stakeholders involved in the emergency response to prepare the field for ILO comprehensive action in the phase of reconstruction and development through supporting the establishment of structures.

ILO needs to act quickly in its rapid response to crisis not only by setting up quick needs assessment missions, but also by following up within the release of seed money to begin immediately projects in the ground. ILO should also have sufficient reserve of funds available not only as seed money but to react quickly to undertake immediate priority actions.

The IFP on Crisis Response should negotiate for ILO’s participation in the existing UN humanitarian network to be automatically involved as a full partner in relevant inter-agency missions. They are often called at short notice to the crisis contexts. ILO should be involved in UN crisis responses from the outset of a UN operation.

Although there is no immediate obvious priority, ILO could play an important role in fixing temporary stipend or wage levels because wage disparities paid by the UN and other external actors operating in the country could provoke disputes and social unrest among the workforce.

Unemployment can be a major cause of social unrest. The establishment of public employment services and other active labour market policies to match supply with demand is a matter of high priority.

From the outset, revolving loan funds should have the financial support and legal tools to be operational as soon as possible to provide loans to individuals of the target groups who are ready to initiate businesses and have the required technical skills and a business plan.

Strengthening institutional capacity and coordinating activities with other support agencies (employment funds and micro-credits) at the local level can achieve practical results in income-raising and employment promotion among the most socially disadvantaged groups—IDPs and refugees.

Employment intensive methods for the development and maintenance of rural infrastructure have proved to be a very effective tool for creating large-scale employment in the rural areas. There is vast scope for the expansion of employment intensive methods creating immediate employment for ex-combatants and other vulnerable groups. Again, in the aftermath of a natural disaster, reconstruction must create immediate employment opportunities.

Execution of infrastructure works with private sector participation have proved to be very effective in terms of efficiency and economy compared to conventional "Force Account"
methods while stimulating the creation of local construction industry.

› The promotion of Convention 182 on the Worst Forms of Child Labour by IPEC raised awareness among Governments and drew attention to ILO’s role on the issue of children in armed conflict. For the first time, child soldiers have been targeted in an ILO reintegration project.

› Projects can help strengthen the fragile peace often present in post-conflict situations and help in rebuilding communities through the normalization of broken social relationships at the community level. Planning of projects should be community-based and actively participatory. Implementation should observe utmost transparency in order to enhance trust and confidence-building process among all parties. Giving leaders of groups that have been involved in armed conflict the opportunity to implement and manage the (re)construction of their own communities develops not only their confidence in the peace process but also their ability to manage construction projects, skills training and project funds.

› The potential has been shown for local economic development agencies to support existing governmental initiatives in the field of small and medium enterprises (SME) development. LEDAs can play an important role in reviving the local economy as part of an overall development strategy. This forum for public-private partnership at the local level can reinforce these initiatives and be a support for the democratization and decentralization process.

› Enterprise development agencies have proved to be successful in reaching self-sustainability by providing training courses, consultancy services to entrepreneurs or executing programmes to different donors against payments.

› An ILO permanent presence can be crucial to influence the post-conflict process and the new government policy in terms of social dialogue, labour market and social security and to follow-up projects and create synergies with the different stakeholders.

› Ex-combatant reintegration projects have shown that when temporary employment exists and when they are fully employed, ex-combatants abandon their weapons and integrate into civilian life. The weapon is a means of assurance in an environment of abject deprivation and loss of identity.

› There is a need to develop a model for intervention in cyclone-affected areas. Such models can integrate components to improve rural infrastructure and create rural employment and hence income generation for consumption or re-investment areas. They can contribute to develop disaster preparedness and disaster management tools that can be used in cyclone prone areas to reduce the extent of damage caused by future disasters.

› The consequences of future earthquakes could be far less serious if all concerned (politicians, administrators, scientists, designers, builders, and construction inspectors) undertook joint efforts to improve legal, technical and supervisory regulations and procedures to improve safety of housing design and construction.

› There is a need to address rural development and apply employment-intensive technologies to
generate employment and income in rural areas in order to prevent migration, uncontrolled urbanization, and unauthorized construction.

› Reducing socio-economic and physical vulnerability through appropriate development efforts such as cooperatives can mitigate the adverse impact of the natural disasters. Additionally, monitoring of investments (e.g., infrastructure development) and socio-economic programmes in the reconstruction process should be initiated from the standpoint of prevention of the impact of natural disasters.

› In order to reduce economic vulnerability it is essential to break the vicious cycle of disaster and reconstruction by introducing criteria for risk management into reconstruction and development programmes.

› Effective results can be achieved more quickly to reconstruction efforts by working with organizations with a strong presence in the disaster area and therefore having local knowledge, rapport, a proven track record and capacity to raise donor resources. As the experience with SEWA in Gujarat showed, the fastest way to achieve results is to work with what is available locally.

› Inclusiveness is an important condition to guarantee the social peace among the different ethnic groups. (Ukraine) In a situation where very few people are able to escape absolute poverty, any programme that exclusively focuses on narrowly defined target-groups is bound to face resistance.

Therefore, the proposed programme interventions for employment creation and training should have an inclusive approach.

› Closer collaboration is needed with the international financial institutions in order to get funding to ILO policy proposals in employment and labour market issues.

› ILO Areas and Branch Offices can play a major role in resource mobilization to support rehabilitation and development intervention in crisis-affected countries. For example, the Branch Office in Tokyo has liaised with the Japan Government and received some funds for the Asian crisis recovery activities and East Timor reconstruction efforts.

› Financial markets affect workplace relations. This is a fundamental justification for the involvement of employers’ and workers’ organizations in dialogue on macroeconomic and social policy choices, which requires strengthening the capabilities and knowledge of trade union and employers participants.

› The relative neglect of labour rights and social protection in the pre-crisis period of high growth has been highlighted by financial crises. This deficiency should be corrected by involving those concerned through their representative organizations in the definition and implementation of measures to overcome the crisis and minimize its social effects.

› Unemployment insurance schemes can play a substantial role in coping with the unacceptable levels of hardship caused by rapidly escalating unemployment by providing basic social protection to those who have lost their jobs.

› In times of crisis, the entire social protection system is at risk. Social security contributions and
tax revenues can drop significantly, resulting in fewer resources available to cope with the crisis. An *in-depth analysis of the (macro) economic* aspects of a crisis situation is indispensable to provide practical policy advice on social protection. Understanding the economics of a crisis may often constitute 50 percent of its solution.

› ILO can play a role in providing *early warning* of an impending crisis by, for example, appropriately utilizing the *World Employment Report*, which evaluates current and future trends, thus revealing the strengths and weakness of various economies and labour markets, or the Report of the Committee of Experts on the Application of Standards. The ILO can thus play a role in pressing for *timely policy action* to avoid or ameliorate financial, economic and social crises in the future.

› In the context of crisis, it is important to work on prevention as on cure. That means *building democratic institutions* and reinforcing social dialogue before crisis strikes. The employment-creation policy is likely to take centre stage in the recovery from crisis.
ANNEX: RELEVANT ILO MATERIALS ON CRISIS

1. Selected outputs of the IFP/CRISIS since September 1999:

---: Gender in Crisis Response and Reconstruction (Mar. 2000).
---: The ILO InFocus Programme on Crisis Response and Reconstruction and its Research Needs (May 2000).
---: Employment and Other Socio-Economic Challenges in Post-Crisis Recovery, (Seventh CPR - Conflict and Post-Conflict Reconstruction Network, 2000)

---: Crisis Response and Reconstruction: An ILO InFocus Programme (Geneva, Nov. 1999).
---: Generic Modules on ILO’s Response to Crises (Draft, 2000).
---: ILO and Crisis-affected Peoples and Countries (Draft, 2000).
---: Ethiopia: Responding to Drought with a Focus on Employment and Livelihood (December 2000)
2. Other relevant ILO materials on crisis

A. Action Programme on Skills and Entrepreneurship Training for Countries Emerging from Armed Conflict

(a) Key products:


---: Guidelines for employment and skills training in conflict-affected countries (Geneva, ILO, 1997). Also available in French and Spanish.

---: Gender guidelines for employment and skills training in conflict-affected countries (Geneva, ILO 1998). Also available in French and Spanish.


---: Compendium of employment promotion initiatives in the conflict-affected countries (Draft, Geneva, ILO).


---: Quick access to recommendations and findings of the “Action Programme on Skills and Entrepreneurship Training for Countries Emerging from Armed Conflict” (Geneva, 1998).
(b) Working papers, reports and other materials

Baden, S.: Post-conflict Mozambique: Women’s special situation, population issues and gender perspectives to be integrated into skills training and employment promotion (Geneva, ILO, 1997).


---: ILO experiences in rebuilding conflict-affected communities through employment promotion, paper presented at Round Table on Rebuilding Communities Affected by Armed Conflict (Philippines, June 1997).


ILO: ILO and conflict-affected peoples and countries: Promoting lasting peace through employment promotion (Turin, ILO, 1997).


---: Trade unions in conflict-affected countries: Experiences and roles in peace negotiation, social healing, reconstruction and development, Report on a meeting for workers’ delegates (Geneva, June 1997).


---: “From war to work: Giving peace - and people - a chance”, in World of Work, No. 20, (Geneva, ILO, June 1997).


---: The role of the ILO in reconstruction of conflict-affected countries, in Proposal for the agenda of the 88th Session (2000) of the International Labour Conference, GB. 270/P (Rev.2) (Geneva, ILO, November 1997). Also available in French and Spanish.
(Geneva, ILO, 1997).
Medi, E.: Mozambique: Study of vocational rehabilitation, training and employment programmes
for persons disabled by the conflict, experiences and issues (Geneva, ILO, 1997).
---: Angola: Study of vocational rehabilitation, training and employment programmes for persons
disabled by the conflict: Experiences and issues (Geneva, ILO, 1997, after revision).
Muhumuza, R. (with Poole, J.): Guns into ox ploughs: A study on the situation of conflict-affected youth
in Uganda and their reintegration into society through training, employment and life skills
programmes (Geneva, ILO, 1997).
Nagarajan, G.: Developing financial institutions in conflict-affected countries: Emerging issues, first
lessons learnt and challenges ahead (Geneva, ILO, 1997)
Walsh, M.: Post-conflict Bosnia and Herzegovina: Integrating women’s special situation and gender
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B. Ex-combatants
---: Reintegration of demobilized combatants through (self-) employment and training:
---: Labour market assessments for the reintegration of ex-combatants in war-affected sub-Saharan African
---: Reintegrating demobilized combatants: The role of small enterprise development
(Geneva, ILO, 1995).
---: Reintegration of young ex-combatants into civilian life (Geneva, ILO, 1995).
---: Reintegrating demobilized combatants: Experiences from four African countries (Geneva, ILO, 1995).
---: Relevance and potential of employment-intensive works programmes in the reintegration of
demobilized combatants (Geneva, ILO, 1995).
---: Rehabilitation and reintegration of disabled ex-combatants (Geneva, ILO, 1995).
---: Framework of guidelines for reintegration of demobilized combatants through training and
Srivastava, Ramesh: Reintegrating demobilized combatants: A report exploring options and strategies
for training-related interventions (Geneva, ILO, 1994).
C. Other relevant materials

---: "Developement Economique Local: Promotion du Developement Humain Durable a niveaux local dans le cadre de la Consolidation de la Paix", idem., 41pp. (Ginebra, 1996).


World Summit on Social Development: "PRODERE" in: Building a consensus on International Cooperation For Social Development: A focus on Societies in Crisis, pp. 11-14, (Copenhagen 1995).

HOW TO OBTAIN DOCUMENTS

› Working papers and all other documents may be requested directly from:
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