City-to-City and South-South and Triangular Cooperation

Department of Partnerships and Field Support
International Labour Office
City-to-City and South-South and Triangular Cooperation
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Successive global economic crises have placed employment at the core of local, national, and international development strategies. Coupled with changes in geopolitical and economic scenarios, this has greatly increased the importance of the Global South in the development processes. New actors and emerging economies are beginning to shape the development agenda; decision-making has shifted from the G8 to the G20; and the terms “aid” and “assistance” have been replaced by “partnership” and cooperation. Innovative responses to global challenges are coming from emerging powers of the South who are becoming strategic partners for other developing countries. South–South Cooperation and exchanges enable countries from the South to benefit from solutions developed in contexts similar to their own, and therefore better adapted to their realities. Sustainable and decent work for all is central to ILO’s mandate; South-South and triangular cooperation has a key role to play in this regard.

Equally important today is the strategic role of cities as partners of other political actors, including the social partners, in the international development agenda. Developments that happen globally are often felt locally: globalization, climate change, demographics, and many others. Local communities offer a wealth of opportunities for innovative projects, supporting job creation and the development of sustainable enterprises, the extension of social protection, and the protection of fundamental principles and rights at work. Local economic and social development and the active participation of local actors are essential for the implementation of the Decent Work Agenda. The experience of cities and local communities in the greening of the economy, in eradicating poverty, and in promoting the Decent Work Agenda has been strongly recognized. United Cities and Local Governments (UCLG) represents the voices of
cities in the international arena and is a significant partner to develop cooperation between stakeholders at the local level. South-South and triangular cooperation has been taking place between cities for a long. The ILO welcomed the signing of a new Memorandum of Understanding with the UCLG in September 2012, with a special focus on local economic and social development.

This handbook recognizes and encourages further developments in the areas of South-South cooperation, local social and economic development and city-to-city cooperation. It takes stock of the current challenges facing the world of work, which have major impact on the economic life and development of cities. It builds on existing experience and explores new avenues in both South-South cooperation and local economic and social development. It aims at motivating and encouraging new initiatives to which citizens and their local governments can and will contribute.

The handbook has been prepared by the Emerging and Special Partners Unit of the Department of Partnerships and Field Support at the International Labour Organisation. It was coordinated by Anita Amorim and Pierre Martinot-Lagarde, with inputs from Edmundo Werna and Roberto Di Meglio. Research was led by Iraís Martínez Esparza and comments were also received from Andrew Dale.

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Local economic and social development and city-to-city cooperation are gaining international visibility. What are the challenges related to the world of work that cities and their citizens are currently facing? How can cities, local governments and their partners learn from each other’s good practices within a South-South cooperation framework? How can they address the challenges of the world of work together with government and the social partners? These are the main questions this handbook addresses in order to stimulate further South-South and triangular cooperation between cities for the promotion of Decent Work. It also describes current South-South initiatives already undertaken by the International Labour Organization in partnership with the UCLG.

The answers derive from a wealth of experience in South-South cooperation and local economic and social development, and from encounters between the world of cities and the world of work. In 2012 United Cities and Local Governments and the International Labour Organisation agreed to cooperate in the area of local economic and social development. The Memorandum of Understanding

1 Richard Dobson, NGO Asiye Tafulani, during the Maputo workshop.
Promoting South-South cooperation between cities for the promotion of Decent Work

envisaged cooperation focused on “the contribution of cities and local governments to the promotion of decent work, in the LED context and in other contexts as may be agreed upon, through: the promotion of employment and sustainable enterprises; the promotion of social protection; the development of social dialogue; and the realization of fundamental principles and rights at work, especially the eradication of the worst forms of child labour”.

Cities currently face a number of challenges in their efforts to achieve economic and social development. The global financial crisis has affected labour markets worldwide. The outlook for global job creation has been worsening. Millions of workers in the developing world are seriously under-employed and are engaged in extremely low-productivity survival activities. The unemployment rate is set to increase again, and the number of unemployed worldwide is projected to reach more than 202 million in 2013 and to increase by another 3 million in 2014.
The situation is especially dire for the world’s youth: currently some 73.8 million young people are unemployed globally, and the slowdown in economic activity is likely to push another half million into unemployment by 2014. Since 2008 more than half the world’s population lives in urban areas. Cities are therefore at the forefront of the employment and decent work crisis. Common challenges are presented in greater detail in section I.

The International Labour Organization (ILO) is the United Nations agency devoted to advancing opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, safety and human dignity. Its main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue in handling work-related issues. The ILO is the only tripartite United Nations agency in that it brings together representatives of governments, employers and workers to jointly shape policies and programmes.

South-South and triangular cooperation (SSTC) can be regarded as a means of achieving efficient and cost-effective ways of disseminating development solutions. Following the trend of incorporating the Global South in the international development agenda, SSTC can be used as an approach whereby regional cooperation helps share knowledge, experience and good practices, and supports capacity development, technology transfer and even mobilizes resources. SSTC gained visibility about a decade ago as a framework for development cooperation. But cooperation between countries is the only type that has been well documented.

2 At the General Assembly in 2004, the High-level Committee on the Review of Technical Cooperation among Developing Countries became the High-level Committee on South–South Cooperation. The Triennial Comprehensive Policy Review, adopted by the UN General Assembly in 2007, also reaffirms the increased importance of SSTC. In December 2009, the High-level United Nations Conference on South–South Cooperation, held in Nairobi, gave a major political boost to SSTC, requesting UN system organizations to make additional efforts to ensure that they meet member States’ expectations regarding support for such cooperation.
In this sense the ILO has emphasized its support for the promotion of South-South and triangular cooperation through the adoption by its Governing Body of a strategy entitled “South-South and triangular cooperation: the way forward”.3 The integration of new partners and the enhancement of cooperation between countries of the South is one of the key goals included in this strategy, based on the principle of solidarity and non-conditionality. The ILO recognizes that cooperation between equals has enormous potential to scale up the impact of development initiatives in the world of work. In the promotion of the Decent Work Agenda through SSTC, there is considerable opportunity for city-to-city cooperation and initiatives. The ILO’s involvement in SSTC is further presented in section III.

City-to-city cooperation can push further and take advantage of this established modality to implement collaborative initiatives. Networks of cities and cooperation projects are currently being developed, in some cases with support from various international organizations.

Support for city-to-city activities has been growing. The interest of national and international associations and organizations has grown, as have initiatives by local authorities at the initiative of city leaders, enabling city-to-city experience to enlarge considerably both in scope and in practice. International policy trends suggest that the capacity of cities to work directly with local citizens in order to solve local problems is increasing. City-to-city has been identified as a potentially cost-effective and sustainable component in achieving that goal, and there are already several examples of cities working together on issues of common interest, with an impact on local economic and social development (LESD). Such experiences enable them to exchange knowledge on a peer group basis, as well as to transfer successful practices to new contexts.

Communities, cities and governments are increasingly turning to local economic and social development strategies in response to their development challenges and the drive for decentralization. Bottom-up interventions responding to local

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needs emerge as key strategies to create decent jobs where they are most needed. The promotion of local economic and social development signals the drive for boosting employment creation by building on the comparative advantages and the unique characteristics of localities. Decentralization reforms, advancing in many countries, provide ample opportunities to tap the potential of local economies. LED strategies promote stronger policy coherence between national and sub-national levels, while connecting to cross-border value chains and markets. The ILO is supporting constituents in the integrated elaboration of decent work strategies for local development by building up local capacity for effective policy making, systemic development planning and strategy implementation.

Since the signing of their cooperation agreement, the UCLG and the ILO have built on their common commitment and on their activities related to local economic and social development and South-South and triangular cooperation. In November 2012 a peer learning event focusing on hygiene, health and markets took place in Maputo, Mozambique. Experiences were shared with cities from Brazil (Belo Horizonte and Porto Alegre) and South Africa (Durban). This led to the adoption of a roadmap on South-South cooperation between cities. Local economic and social development and South-South cooperation were also discussed during two meetings bringing together intermediary cities from the North and the South, in Durban (April 2013) and Lleida (Spain, June 2013). In addition, peer learning exchanges have been developed between Maputo and Durban for market vendors (June and August 2013). These first events are presented in greater detail in section 5 of this handbook.
Cities are currently facing a number of challenges to achieve economic and social development. The global financial crisis has affected labour markets worldwide. The situation of global employment has been deteriorating. All political actors and social partners are expressing great concern about unemployment. In this context, the role of local authorities to implement new strategies in partnership with employers’ and workers’ organizations in order to create decent jobs is of the greatest importance. National labour agendas must recognize the important role of cities as engines of economic growth and places of economic opportunity, and as the main providers of goods and services to their populations. Cities and local government need to be positioned to explore the potentials of urbanization, as well as the potential of the decentralization of the labour agenda in order to deliver growth, promote decent work and improve livelihoods for their rapidly growing populations.

The world of work is rapidly changing. It also affects the life and well-being of cities. In his report to the 2013 International Labour Conference,4 ILO Director-General Guy Ryder highlighted seven challenges, six of which have a direct impact on urban settlement: demographic change, the transition to environmental sustainability, the onward march of technology, the changing contours of poverty and prosperity, growing inequality and the challenge to social justice, and the changing character of production and employment. These challenges have a direct impact on the development of cities. There is a growing concern among local governments to create productive jobs and guarantee more and more decent work opportunities.

Demographic change

At current growth rates, the world population is set to reach 9.6 billion by 2050, when seven out of ten people will be living in cities, with much of the urban growth taking place in developing countries. Since 2007 more than half of the world’s people live in urban areas. Cities are expected to absorb all the population growth, especially in least developed countries. Population growth is therefore becoming largely an urban phenomenon concentrated in the developing world.

Overall it is predicted that the world’s population will be getting older, with the median age rising from 28 years in 2009 to 38 in 2050. In developing countries, however, the share of older people in urban communities will multiply 16 times, from about 56 million in 1998 to over 980 million in 2050.

These changes have two direct implications, for job creation and social protection. Each year for the next five years some 44.5 million workers will enter the labour market, a total of more than 222 million people seeking new and decent jobs. Social protection will need to be seen as an investment rather than a cost. In addition, differentiated demographic and income trends are already adding to demographic pressure, which is likely to increase. Population growth continues to raise serious questions about the capacity of the planet to provide the resources for a decent life.

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5 Ibid
Transition to environmental sustainability

Current patterns of consumption and production mean the unsustainable use and loss of natural resources. The need to move to a low-carbon world of work is now generally accepted. Hundreds of millions in urban areas across the world will be affected by climate change. The vulnerability of human settlements will increase as a result of rising sea levels, inland floods, frequent and stronger major climatic events, a hotter planet, and the spread of disease. Climate change may worsen access to basic urban services and the quality of life in cities. The most affected are the urban poor – slum dwellers in developing countries. In the urban context, environmental sustainability is also a precondition for sustainable enterprises and jobs as well as quality public services.
New faces of poverty

The Declaration of Philadelphia\(^6\) states that “poverty constitutes a danger to prosperity everywhere”; it requires that the war against want be carried out with unrelenting vigour. Today the urban poor are too often condemned to a life without basic rights, hope of an education or decent work. In a statement\(^7\) made in Nairobi, Kenya, UN Secretary-General Ban Ki-Moon reaffirmed that the challenges of urban poverty can be overcome. In 2005, of the 1.4 billion people living in extreme poverty (below US$ 1.5/day), 30 per cent were living in urban areas.\(^8\) In East Asia this figure has increased to 50 per cent, and in Latin America and the Caribbean, the Middle East and North Africa, the most urbanized regions, the majority of the poor now live in urban areas. Poverty is becoming more an urban phenomenon.

\(^6\) http://www.ilocarib.org.tt/projects/cariblex/conventions_23.shtml
\(^7\) http://www.un.org/sg/statements/?nid=6734
Access to decent work is the key to ending poverty. The ILO has won widespread support for this principle, which needs to be a keystone of the post-2015 UN development agenda. When work does not qualify as decent, it does not permit “working out of poverty”.

Makassar City Dumpsite Scavengers – Indonesia

Approximately 1,000 people make their living collecting bottles, aluminium waste and plastics at the Antang dumpsite. 30% of these people are children; two-thirds of them have only completed primary school. These children face many health and safety hazards, and have little to no social protection.

The ILO has collaborated with a local NGO, the Ministry of Manpower and Transmigration, the Social Affairs Office, and the local Education Office to create a programme to target these children and provide them with the education and skills necessary to find decent jobs and lift themselves out of poverty. The programme involves a bridging course which teaches basic literacy and numeracy skills to children, based on a simplified version of the national education curriculum. This programme is heavily endorsed and supported by the local government in Makassar, which will increase its impact and sustainability in the long term.

Achievements

• The programme has provided educational support to 67 children currently attending school to prevent them from dropping out.

• It provided skills training to 40 young people aged 15 to 17 so they can find decent jobs.

• It has successfully enrolled 12 children into school who had previously dropped out.

• Social workers, field staff and other stakeholders have received training in an effort to increase local capacity to tackle child labour at the dumpsite.
Inequalities, a challenge to social justice

One of the International Labour Organization’s founding concepts is that lasting peace is not possible without social justice. There are deep concerns about inequality worldwide. Since 1990 UNDP has designed a Human Development Index to take into account the negative consequences of inequality, using measures of life expectancy, education and income. “People in sub-Saharan Africa suffer the largest losses due to inequality in all three dimensions, followed by South Asia and Latin America and the Caribbean.”

Apart from the unequal distribution of income, there are other bases of inequality, from straightforward discrimination on the basis of sex, race, religion, and social origin or other grounds. For example, the global gender pay gap remains very high.

Patterns of exclusion affect individuals and groups in different areas, such as exclusion from access to goods, services, the labour market, land, security and human rights. The lack of adequate services and resources prevents some members of society from effectively contributing to its functioning. This results in economic, social, political and cultural disadvantages. Cities nowadays face challenges in providing adequate access to goods and services to all their inhabitants. Social inclusion is the political response to exclusion.

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South-South cooperation is complementary to traditional North-South cooperation and encapsulates the idea that, through a spirit of solidarity, developing countries can provide sustainable solutions to their own problems and at lower cost. South-South cooperation efforts – including the identification of successful experiences in one country and their adaptation and application in another – are an important addition to the dissemination of decent work outcomes under the ILO’s four strategic objectives. At the same time, it enables the formation of networks of developing countries and traditional donors in triangular schemes that contribute to fair globalization. For countries financing South-South cooperation initiatives, the ILO can play an important role not only as a support channel, but also as an institution that maximizes the return on financial, logistical and technical resources. The current work pulls together some of the key good practices under the four pillars of ILO activities.

The Decent Work Agenda and its four pillars are at the core of the International Labour Organization, guiding its development work around the globe. Decent work sums up the aspirations of women and men in their working lives for opportunities and income, as well as their rights,
Promoting city-to-city and South-South cooperation and local economic and social development

voice and recognition, family stability, personal development, fairness and gender equality. Through the Decent Work Agenda countries are able to define their priorities and targets within national development frameworks and can aim to tackle major decent work deficits through efficient programmes that embrace each of the four strategic pillars. Decent work is central to efforts to reduce poverty, and is a means of achieving equitable, inclusive and sustainable development.

ILO constituents and partners support South-South and triangular cooperation because it is guided by the principles of solidarity and non-conditionality, while promoting cooperation between developing countries. This partnership between equals is central to the mainstreaming of the Decent Work Agenda (DWA). Such cooperation may take the form of knowledge sharing and transfer of southern-grown development solutions with the support of the donor community and the multilateral system under innovative triangular arrangements, which still maintain the horizontal dimension and southern-driven characteristics.
In March 2012 the Governing Body (GB) of the ILO adopted a South-South and triangular cooperation strategy entitled “South–South and triangular cooperation: The way forward”, reaffirming that South-South and triangular cooperation is paramount to the mainstreaming of the DWA. The ILO has been engaged in several projects involving South-South and triangular cooperation arrangements to address issues such as child labour, social security, employment-intensive investment, and capacity building of constituents. Similarly, the International Training Centre of the ILO in Turin has played a key role in facilitating South-South and triangular capacity-building and training initiatives. The strengthening of national response capacity and coordination mechanisms as well as the commitment of the social partners is crucial to the sustainability of results and actions. Partners promoting the social and solidarity economy and city-to-city cooperation, as well as local economic and social development, are working with ILO Turin and the Partnerships and Field Support Department (PARDEV) of the ILO to promote these innovative forms of engagement, namely through the Academy of Social and Solidarity Economy.

The new development framework that will guide the post-2015 agenda needs to incorporate a critical social dimension along with environmental and economic concerns. It is clear that South-South and triangular cooperation strategies and mechanisms are vital to the realization of the Millennium Development Goals by 2015 and in shaping the post-2015 sustainable world of work. Further to these developments and the growing importance of South-South and triangular cooperation mechanisms, it was deemed necessary to showcase some of these activities in a practical guide. This publication focuses on South-South cooperation good practices that help to mainstream the Decent Work Agenda (DWA) and are presented under its four pillars: fundamental principles and rights at work, employment creation, social protection, and social dialogue. The practices were selected on the ground that they reflect at least three criteria that are consistent with the ILO’s Strategy on South-South and triangular cooperation. One of the priorities within the ILO’s strategy is also to engage civil society organizations, local governments and a wide array of partners that have interests in urban matters.
The ILO’s work in advancing decent work-oriented approaches to economic and social policy through its tripartite structure – comprised of governments, employers’ and workers’ organizations – has increasingly relied on South-South and triangular cooperation as a strategic partnership development tool. The ILO’s tripartism is highly aligned with the underlying concept of South-South cooperation, namely the creation of opportunities for the exchange of experience and mutual learning between developing countries. Tripartism makes the ILO a real platform for consensus building and cooperation between social actors while encouraging good governance, advancing social and industrial peace and stability, and boosting economic progress.

In this context, South-South and triangular cooperation is a practical way of showcasing and demonstrating the horizontal cooperation between cities while trying to find solutions to the challenges they face in the area of Decent Work.
Local economic and social development is a key modality and contribution for cities and the social partners (employers’ and workers’ organizations) to be involved in their own development and contribute to the economic and social well-being of their citizens. The ILO has been active in this field, contributing through training and capacity building, policy advice and recommendations, and promoting social dialogue at the local level.

**Definition**

Local economic and social development is understood as “a participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling the joint design and implementation of a common development strategy, by making use of the local resources and competitive advantages in a global context, with the final objective of creating decent jobs and stimulating economic activity”.

One of the main characteristics of this approach is that it brings together local government, the private sector, non-profit organizations and local communities, and compels them to make optimal use of existing resources and of the potential of the locality. LESD aims at improving local economic conditions and therefore moving towards a better quality of life. This is a “bottom-up” approach that places local, public and private actors in charge of investment and the related processes. At the local level stakeholders know the available resources and know how to use them; they know their specific needs for development and how to respond to them; they can gather and coordinate resources thanks to their familiarity, reciprocity, common needs and objectives; and they can lobby for

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Local economic and social development and cooperation

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and channel more resources.\textsuperscript{12} An LESD process starts when local people, in some cases together with national or international institutions, join efforts to discuss how to establish common strategies for achieving determined aims and objectives, generally dealing with employment, as well as to fight against poverty and exclusion and improve the quality and competitiveness of their territory. This initial local forum is also the embryo of the participatory forum, which will ensure that good governance is part of local development strategies.

Communities, cities and governments are increasingly turning to local economic and social development (LESD) strategies to respond to their development challenges and the drive for decentralization. The strategies contribute to stronger policy coherence between national and sub-national levels, whilst connecting to cross-border value chains and markets.\textsuperscript{13} Local economic and social development efforts should encourage local employment. As employment generates income and this, in turn, acts as an essential factor to improve people’s well-being.

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**Informal construction workers in Dar-es-Salaam, United Republic of Tanzania**

The activities of informal sector construction workers in African towns used to be misunderstood and their interests were seldom articulated. The project has an LESD interface aimed at strengthening these workers as a group by helping them to understand the problems that they face and enabling them to identify, plan and implement possible solutions.

Specific objectives

- Help informal sector construction workers to work together to identify and address the key problems that they face in their working lives
- Build the capacity of local actors to carry on after the end of the project;
- Document experience at different locations
- Disseminate the results in order to enable the scaling up and replication of the project.


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\textsuperscript{12} http://www.ilo.org/public/english/universitas/download/publi/led1.pdf

\textsuperscript{13} http://www.ilo.org/empent/areas/local-economic-development-led/lang--en/index.htm
Actors involved in local economic and social development

An enabling local environment is key to the success of local development as it relies heavily on local stakeholder involvement. Both the capacity of local government officials and the capabilities of other locally active public, private, and non-governmental actors are important in this respect. Public and private research institutions, SMEs, large corporations, trade unions, local NGOs, etc., play a key role in LESD projects.

As local government is in charge of stimulating participation, they need to have the capabilities and sometimes the ethnic or cultural background that allow them to build confidence with a variety of stakeholders. In order to coordinate activities, they also need to be able to communicate effectively with a variety of regional and national actors.

Public, private and non-governmental organizations in the locality are expected to contribute to the success of LESD by sharing their knowledge and experience of specific topics and facilitating the participation of other local actors, particularly people in the informal economy or with low incomes.

Social partners play a key role in local economic and social development. The involvement of workers’ and employers’ organizations benefits the work and livelihoods of their members and their families. Local economic and social development offers them the possibility to take part in institutional forms of participation and social dialogue such as LESD forums, value chain development facilitation groups and project steering committees. This also gives them the opportunity to share experience of good practices on this type of development horizontally with other national and international organizations. Workers’ organizations can raise awareness and campaign for better working conditions and respect for workers’ rights, and voice other labour concerns (access to basic services, equality, etc.); improve information and more systematic communication on the conditions of the local labour market; reach out to unorganized workers and demonstrate the benefits of collective action; and increase representation and membership through direct adhesion and alliance building. This can be done nationally and internationally. Employers’ organizations and their members engaged in LESD can improve the local business enabling environment, stimulate the local economy, provide membership services to local businesses, and attract new business investment. The ILO organizes country-specific as well as international training programmes, conferences and knowledge sharing events on LESD, often in partnership with the International Training Centre in Turin, the OECD, other UN agencies and development organizations.
Link to urbanization and decentralization

The importance of local economic and social development is reinforced in the wake of increased urbanization and decentralization worldwide. The world’s urban share surpassed 50 per cent for the first time in 2008. Over 90 per cent of urban growth is now occurring in the developing world and nearly two billion people will become city dwellers by 2025.14 Much of the growing urban population has been concentrated in large agglomerations – which in most cases are state capitals.15

A new paradigm has emerged with urbanization in the developing world, and for many today the question is not of how to contain urbanization, but rather how to prepare for it, reshaping the benefits of economic growth associated with urban growth.16

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There is also a trend across both the developed and developing worlds to transfer power and resources to sub-national tiers of government. A study by the World Bank in the early 1990s already indicated that 63 out of 75 developing world countries with a population in excess of five million were actively pursuing decentralization policies. Since then the trend towards regional devolution and decentralization has accelerated in many parts of the world. This is in great part due to the fact that cities are home to half of the world’s population, and decentralization has opened the opportunity for local governments to give their opinion and take part in decision-making processes. Local authorities are more empowered to design and implement development policies as national governments are not always prepared to address the challenges that urban populations face.

Great strides have therefore been made in devolving authority to local government, and decentralization is now in place in cities throughout the globe, above all in fields such as housing, sanitation, health and education. However, with regard to labour, decentralization is lagging behind. Ministries of labour and national government authorities still centralize the bulk of policies, programmes and projects that address decent work deficits in urban areas. Even in countries with an advanced degree of decentralization in regard to labour issues, such as Indonesia, local authorities still face challenges in changing local labour market dynamics, and creating and reforming the legal and institutional frameworks that address labour-related issues, such as limited capacity, scarce resources, lack of coherence between national frameworks and local priorities, inadequate representation or participation of key local stakeholders and women, etc.

Growing opportunities for locally driven initiatives bring their own challenges; following such decentralization of power, the big challenge in this sense is to decentralize resources so that local government can live up to these new duties. Lessons learned in this process may be shared through horizontal and triangular cooperation between cities.

Link to informality

The informal economy represents a significant percentage of the activities that the global workforce uses to earn its livelihood. In developing countries, the informal economy accounts for between 35 and 90 per cent of total employment, and it is not confined to traditional rural and urban informal sectors.¹⁸ Informality is the cause of the very different realities of wage and self-employment worldwide. In a market where the informal sector represents a significant contribution to the local economy and employment, the potential and needs of the informal sector must be adequately addressed in order to achieve LESD outcomes, increase economic growth, and generate more employment opportunities at the local level.

The competitiveness of a city, including its ability to generate jobs, is the key factor in efforts to combat informality. The main constraints faced in this respect range from a lack of infrastructure, difficulty in accessing investment capital, lack of potential to attract investment, lack of knowledge to exploit resources, low levels of literacy and labour skills, and poor access to communications and technology, etc. It is at the local level that these specific difficulties can be identified in order to address them in an effective manner.

Due to their closer spatial, organizational and social proximities and their more intimate understanding of their communities’ priorities, local government authorities and community organizations are key contact points for informal economy actors to access social and economic development services. Their functions enable them to deliver LESD strategies that offer opportunities for multifaceted and comprehensive approaches to upgrading informal economy workers and economic units. Municipalities have several means available to support the move out of informality for the populations within their territory, such as setting up basic infrastructure, supporting SME development, fostering public-private partnerships, targeting support to the especially disadvantaged, facilitating employment creation, etc. Such measures must ideally address social dialogue and inclusion, economic development, employment promotion and social protection.

¹⁸ Emma Wadie Hobson in “The importance of the informal economy for Local Development in Africa”.
City-to-city cooperation and social and solidarity economy

Social and solidarity economy (SSE) has a distinct and valuable role to play in finding solutions for job creation. It can help to cover the needs of members which have been ignored or inadequately addressed by the private or public sector, creating a strong, sustainable, prosperous and inclusive society. The notion of social capital is very important when seeking to understand and promote long-term and inclusive models of local economic and social
development. The inclusion of a variety of local actors is a winning approach towards the self-empowerment and long-term development of even remote rural areas. South-South exchanges are increasing in the field of social and solidarity economy, as exchanging good practices between developing countries is an important means of achieving such ownership in this field.

The ILO Academy on Social and Solidarity Economy: promoting local economic and social development through South-South and triangular cooperation

Social and solidarity economy is a reality in many people’s lives. It promotes values and principles that focus on people’s needs and on their communities. The concept of social economy – much as SSTC – cuts across all four dimensions of the ILO’s Decent Work Agenda. In this regard, the third session of the ILO Academy on Social and Solidarity Economy (Agadir, Morocco, 8–12 April 2013) brought out the complementarity between SSTC and SSE. It also showcased local economic and social development initiatives from countries of the Global South.

The ILO Social and Solidarity Economy Academy (SSE Academy) is an inter-regional training event bringing together practitioners and policymakers from around the world to share their experiences and meet leading SSE specialists.

The Academy helps participants better understand areas in which SSE can be applied and implemented successfully (e.g. job creation, social protection, social dialogue and green jobs). They also learn about social and solidarity experiences, strategies and tools from around the world, with a particular emphasis on South-South exchanges.

Taking sectors of the urban economy into account for the development of proper initiatives and tools

While the economies of cities are diverse, they are frequently driven by one or a small number of sectors. Such sectors not only concentrate large numbers of workers and enterprises, but often also shape the very character of a city. The sectoral profile also influences its labour composition (e.g. gender segregation, salary, working conditions, and equality of treatment and opportunities for women and men in term of access to jobs in a given sector, thus widening gender inequality gaps, etc.). Many cities are known as “touristic cities”, “manufacturing cities”, “commerce cities”, “college (education) cities”, cities that compensate rural needs, “service cities”, or administrative centres. Construction, transport and utilities are also often key sectors of the economy of cities, providing support services which are crucial to the operation of other sectors.
While maintaining a comprehensive approach to local economic and social development, the initiatives must pay particular attention to key sectors of the urban economy, since awareness of the differences of character between cities, and the relative importance of different sectors of the economy, is vital to key sectors being used as entrance points and as catalysts for such activities. In addition, it is difficult for local governments – which so far have had little or no capacity to deal with LESD – to begin addressing the needs of the entire urban economy overnight. There are hence benefits in using an incremental approach to sustainable local development.

Activities in key or selected sectors serve as pilot experiences to start up the process and might be replicated in other sectors in the long term with the ultimate goal of addressing cross-sectoral as well as territorial development challenges and opportunities. Even when a non-sectoral approach is used in a given municipality, LESD only has a significant impact if it takes into account the specific features of the sectors of the urban economy (labour issues are sector-specific) and develops tailor-made solutions with local authorities.

**Pilot programme to promote labour-based technology in Ghana**

The project was implemented in two districts, each of which had a Subcommittee on Productive and Gainful Employment (SPGE), which is a tripartite body involving local government. Ghana’s Institute of Local Government Studies, which was contracted by ILO to carry out training activities in the pilot districts, subsequently offered such activities to other districts in the country without funding from the ILO. The ILO has labour-intensive activities involving local government in many countries.

**Specific objectives**

*Promote labour-based technology, contract management, procurement and monitor procedures for local contractors and consultants in two pilot districts in Ghana: Awutu-Effutu-Senya and Ajumako-Enyan-Essian.*

**Involvement of the ILO in local economic and social development**

Local economic and social development approaches have been used by the ILO and UN agencies since the 1980s, when it was first adapted to assist the transition from war to peace, for example in Central America, Mozambique and
the Balkans, and political transition, for example in South Africa. LESD strategies implemented by the ILO have also assisted specific groups, such as informal economy workers and young people, for example in Ghana, Indonesia, the Philippines, and Sri Lanka. They have also been used to address social problems such as lack of social protection, crime and violence, and child labour, for example in Cameroon, or in response to the economic crisis to address the loss of jobs due to closure of industries and youth unemployment. Current ILO studies also point to the potential of LESD in helping meet the challenge of adapting to climate change and moving to a green economy.

The LESD approach has been used successfully, with the ILO’s support, by 36 countries around the world. It focuses on a specific geographical area, targets sectors with economic potential, links job quality to enterprise competitiveness, builds the capacity of local and national stakeholders, involves employers’ and workers’ organizations, prioritizes strategies and tools that benefit the poor, and links LESD to employment policies. These ILO projects comprise a wide range of interventions which –

- stimulate entrepreneurship, businesses and cooperative development
- improve enterprise competitiveness and exports
- upgrade value chains to generate local benefits and attract inward investment and tourism
- upgrade skills and improve access to local labour market information
- mobilize savings and credit, and facilitate access to social protection
- improve physical and financial infrastructure
- strengthen local institutional frameworks and governance
- mainstream gender strategies at the local level.

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The ILO promotes decent work through LESD strategies; it builds up local capacities for effective policy making, systemic development planning and strategy implementation. Such support is often aimed at women and men living in rural areas. The ILO approach to LESD also promotes participation and local dialogue, connecting people and their resources to generate better employment and a higher quality of life for all. ILO LESD strategies are focused on growth, poverty reduction and social inclusion, and they include the use of private sector development approaches and tools such as value chain development, linkages with microfinance institutions, skills development, institutional capacity-building and green jobs.

In order to promote the Decent Work Agenda (DWA), the ILO helps constituents integrate it into local development through the implementation of adequate strategies in the areas of critical importance.\(^\text{26}\) This includes countries emerging from crisis situations, indigenous peoples, rural and backward areas where child labour prevails, and city slums, as well as growth-oriented clusters where territorial competitiveness is addressed.

In addition, the ILO has solid experience of administering and facilitating knowledge management and sharing platforms for LESD content and strategies, having successfully run a web-based platform that has grown to have more than 2,500 active members over the last five years.\(^\text{27}\)

\(^{26}\) The Governing Body has stressed the need for the ILO to concentrate its action on a limited number of critical areas where it can have real and demonstrable impact: 1. Protection of workers from unacceptable forms of work; 2. Jobs and skills for youth; 3. Creating and extending social protection floors; 4. Crisis responses, reform, and dialogue; 5. Productivity and working conditions in SMEs; 6. Decent work in the rural and informal economies; 7. Strengthening workplace compliance through labour inspection.

\(^{27}\) http://www.ledknowledge.org/
The ILO’s social partners increasingly adopt LESD strategies in Decent Work Municipal Programmes (DWMP), which provide support to countries on labour issues. DWMPs promote decent work as a key component of local development strategies and places ILO knowledge, instruments, advocacy and cooperation at the service of constituents in a results-based framework to advance the DWA within the ILO’s fields of comparative advantage. Tripartism and social dialogue are central to the planning and implementation of a coherent and integrated ILO programme of assistance to constituents in member States.28

The implementation of DWMPs is appropriate since decent work issues of national relevance do not necessarily apply to all municipalities in a given country, in addition to the fact that they do not include other issues specific to each municipality. A possible integrated urban plan of action on decent work, derived from a social dialogue process in a given municipality, has the advantage of focusing specifically on local questions that cannot be addressed in detail in the overall policies of the national ministry of labour. Such urban programmes, which are local, are more flexible and can include specific measures more quickly than national-level initiatives.29

The ILO has pioneered the organization of DWMPs in Brazil (Belo Horizonte, Curitiba and a number of towns in the metropolitan region of São Paulo), bringing ILO’s Decent Work Agenda to the municipal level. This involves a tripartite process of social dialogue to discuss and address decent work challenges. The inspiration for this cooperation at the city level came from state-level experiences, also in Brazil, such as the decent work programmes in Bahia (2007), followed by Mato Grosso (2009). Both experiences helped open up new areas for further research on topics related to decent work and new platforms for the discussion of the Decent Work Agenda of both federal states. This can be replicated to other municipalities with a more specific focus on local economic and social development. At the state level, “twin states” for promoting decent work or combating child labour were promoted as a form of horizontal cooperation, as in MERCOSUR and between Indian and Brazilian States. Twinning cities and municipalities could be a new modality of LESD promotion.

28 http://www.ilo.org/public/english/bureau/program/dwcp/
Good performance by local authorities in LESD is imperative in view of current and future unemployment challenges. In this context, local government can also be a key promoter of gender equality, having the potential to increase opportunities for women. This is crucial, since globally women are more vulnerable to economic shocks, and are more likely than men to be in precarious jobs, to be under-employed or without a job, to lack social protection, and to have only limited access to and control over economic and financial resources.30

**Promoting decent work in cities in Indonesia – Social protection for informal workers**

To address social protection gaps, including the vulnerability of informal workers, the ILO has begun piloting a Single Window Service (SWS) approach to the delivery of social protection services in the provinces of East Java and Maluku. The SWS is a coordination mechanism that aims to link delivery of social and employment services at the local level. By coordinating management of a range of social protection schemes under one roof, it is anticipated that Single Window Service centres can boost local knowledge about available programmes, thus improving access to services for vulnerable groups, including informal workers in urban centres.

The SWS pilots have been designed using a participatory approach, bringing together relevant stakeholders including government representatives at the provincial and municipal level in the pilot provinces. Government stakeholders also collaborated with the ILO to conduct feasibility studies prior to pilot initiation. The success of this programme in the pilot provinces and urban centres will create the potential for a national SWS-style approach to programme delivery, resulting in a shared database of beneficiaries, together with much better information and data management, which could be drawn upon to implement universal schemes like health insurance, and to improve the implementation of other schemes such as employment insurance and employment services to improve the employability of informal workers seeking formal employment. The SWS programme is a template for making these services available in all central areas, under one roof.

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30 Statement by Mr. Sha Zukang, Under-Secretary-General for Economic and Social Affairs to the fifty-third session of the Commission on the Status of Women New York, 2 March 2009.
Since the signing of its agreement with the UCLG, the ILO has placed strong emphasis on South-South and triangular cooperation and the promotion of local economic and social development. In November 2012 the ILO participated in the organization of a city-to-city peer learning event in Maputo, Mozambique.\textsuperscript{31} The meeting was attended by representatives of the city of Maputo and of other Mozambican municipalities as well as other participants from Durban, Belo Horizonte and Porto Alegre. The objectives of the event included identifying areas for cooperation between Maputo and its partners on decent work challenges and local economic and social development opportunities in the context of formal and informal markets.

The event had two main outcomes: a roadmap on South-South cooperation for local governments; and the definition of the strategic support needed by cities and their partners to develop a project enabling South-South peer collaboration, and to build the required local capacity for its efficient implementation.\textsuperscript{32} The participants agreed to prepare for a small project involving street vendors, and this can be envisaged as a pilot experience for a global project that would reinforce city-to-city cooperation in the area of decent work.

In addition, the ILO participated in the Lleida International Forum on Intermediary Cities (28-29 June 2013, Lleida, Spain), which aimed at fostering cooperation between intermediary cities. Again, South-South cooperation and local economic and social development were at the core of discussions.

\textsuperscript{31} Organized by the UCLG and the ILO, with the support of the European Union, the Norwegian Ministry of Foreign Affairs, and the National Association of Mozambican Municipalities (ANAMM).
City to city cooperation and local economic development – the way forward
International year of water cooperation: public community agreements in Latin America

The UN General Assembly proclaimed in 2010 that access to safe water is a human right, and declared 2013 as the International Year of Water Cooperation. A good example of the pursuit of both goals is the institution of Public-Community Agreements (PCA) between several South American water workers’ unions, social organizations and public water operators, based on an initiative created in Paso Severino, Uruguay, in 2009.

A PCA is an agreement between two or more parties to exchange knowledge and experience to improve and streamline the public management of water and sanitation in water operators or self-managing supply systems. It is a strategic tool that helps improve policy and systems, and incorporates new technology and management alternatives. It seeks to strengthen local and national capacities that involve communities, organizations, social movements, and workers, promoting international cooperation processes based on solidarity, reciprocity, fraternity, transparency, equity, social and environmental justice, and respect for the autonomy of peoples and for their social, public and community water management processes.
Peer learning event in Maputo

Participants in the event obtained first-hand information on the challenges faced in the Maputo market as well as the responses of the Maputo city council. Experience and suggestions were provided by representatives of Belo Horizonte, Porto Alegre and Durban. Markets need appropriate infrastructure including drainage, stalls, sanitary facilities and waste management systems. The city council responded by addressing hygiene and public health issues, and developed a strategy for waste management. The representatives from the two Brazilian cities, Belo Horizonte and Porto Alegre, have considerable experience in supporting local economy and small enterprises. They developed clear strategies to engage the private sector in the capacity development of small business operations. A participant from Belo Horizonte was also able to visit other sites in Mozambique. He emphasized the need to create an enabling environment for business and to develop team work. The participant from Durban stressed the importance of moving away “from a mind-set of regulation to a fundamentally different paradigm that views informal traders as the lifeblood of cities, working in partnership with them”. At the end of the peer learning activity, the participants committed to develop further South-South activities between cities.

The roadmap was adopted in a workshop devoted to city-to-city cooperation organized by the City of Maputo, UCLG, ANAMM, ILO, the Norwegian Ministry of Cooperation, and the Cities Alliance. Local government representatives from Maputo, other Mozambican cities, Belo Horizonte (Brazil), Porto Alegre (Brazil) and Durban (South Africa) attended the event. The following roadmap reinforced the explicit commitment of participants to the development and implementation of South-South and triangular cooperation between local authorities in the area of local economic and social development and decent work.

The participants –

1) Express their satisfaction with the South-South and triangular cooperation (SSTC) knowledge exchange initiated in Maputo in the field of formal and informal markets, local economic and social development and the promotion of Decent Work. The workshop’s emphasis was on the role of local governments in bettering the conditions of work, hygiene, health, waste management, and in creating decent work conditions and employment in the city markets.

• The sharing of experience from other cities (Belo Horizonte, Durban, Porto Alegre and some Mozambican cities) along with in-depth presentations and field visits of the Maputo market helped identify strategic areas for cooperation: inclusive approach to community development, involvement of local associations, social partners, and market leaders in public services. Critical areas such as waste management, cleaning and toilet facilities, and hygiene conditions regarding animals have also been highlighted. Practical approaches have been suggested by local actors.

2) Reiterate their intent to continue working together in developing capacity building and knowledge sharing across municipalities in the same horizontal framework and to contribute to develop a local government South-South cooperation program.

• To pursue the exchange, a number of opportunities have been laid out and participants have taken note of their role in the preparation and organization of these events. Already in the planning are activities scheduled in Dakar, December 2012, within the framework of Africities;34 in Durban, in March 2013, to build the capacities of intermediary cities for local development (from South Africa, Malawi, Namibia, Kenya, Mozambique, and Brazil); in April 2013, a political roundtable on South-South cooperation will be set up in the framework of the National Congress of Local Authorities in Brazil. The UCLG will provide support to these activities and the involvement of the ILO will be sought, specifically regarding a close cooperation of Belo Horizonte and Durban with the respective national ILO offices.

34 http://www.africities.org/
3) Invite other local and regional governments both from the North and the South to join in the SSTC experience, as similar knowledge could be gained by reinforcing SSTC networking among mayors and local/regional governments to develop information sharing and peer learning activities in the area of decent work and local development.

- Existing and foreseen cooperation agreements between cities of the South (between Porto Alegre and Mozambican cities, between Belo Horizonte and Maputo (in process), between Durban and cities from Southern Africa), and between North-South as in the case of Barcelona and Maputo, are viewed as opportunities to pursue knowledge exchange in the area of strategic planning, including local economic and social development and Decent Work.

4) Request that municipalities, local governments associations and their partners in the UCLG (United Cities and Local Government) contribute to SSTC at the policy and practical levels.

- Experience in SSTC is viewed as particularly relevant to the international development agenda building on existing and future UCLG policy papers and joint research developed by municipalities.

- In this perspective, joint research and knowledge sharing should contribute to the inclusion of LED, Decent Work and the Post-2015 framework and the follow up of Rio+20 (contributing to the realization of sustainable cities).

5) Invite the UCLG and the ILO to increase their involvement in SSTC in their joint activities.

- Local and regional governments are leaders in the promotion of LED, decent livelihood and decent work, through strategic and inclusive planning processes.

6) Commit to share this roadmap in their networks along a substantive report stating the Good Practices, following Criteria of Sustainability, Innovation and Horizontal Cooperation.

7) Commit to the organization of a special session dedicated to LED, during the UCLG Congress in Rabat.

- This session will be an opportunity to assemble the knowledge and experience in SSTC accumulated in the above mentioned events.

- It will also allow to bring to the forefront of the international agenda the contribution of cities to poverty eradication, the access to basic services, the slum upgrading and sustainable urbanization, and the promotion of LED and Decent Work.
City-to-city cooperation with market vendors

In addition to the Roadmap, the ILO and the UCLG agreed to develop South-South and city-to-city cooperation to reinforce the capacities and business skills of market vendors. The project involves the cities of Maputo and Durban, and the first visit was carried out in June 2013. In addition to the visit, the project includes three other activities: (1) a meeting in Maputo to prepare follow-up and training activities; (2) a training session on organizational capacity (leadership and entrepreneurial skills) for food vendors in Maputo by a Durban trainer from MILE or BSU; and (3) the compilation of information about activities, so that these can be disseminated and replicated.

The Maputo delegation comprised nine participants, including local government officials and representatives of vendors and carriers of market goods. The main purpose of the activity was to transfer knowledge related to the way in which workers, micro-entrepreneurs and the local government in Durban carry out their respective work. The activities included visits to local markets; and a training session on advocacy skills and peer-to-peer discussions between workers, entrepreneurs and local government officials. The representatives of workers and micro-entrepreneurs learned about important considerations related to the improvement of their businesses. Local government officers learned how to support market workers and micro-entrepreneurs. Both groups of representatives were encouraged to share the knowledge received with their peers in Maputo.
This activity is part of a project\(^{35}\) to be developed under the framework of a partnership between the ILO and the UCLG. It aims at building the capacity of local governments to create a stronger enabling environment for LESD with a focus on specific sectors of the urban economy, while enhancing the opportunities to promote decent work. The initiative has a comprehensive approach to LESD, uses sectors of the urban economy as entrance points and as catalysts to the activities, targets the sharing of knowledge (since labour issues are sector-specific) and builds on local policies of social inclusion and solidarity.

In June 2013 the city of Lleida (Spain) hosted an international forum for intermediary cities. With populations ranging from 50,000 to 500,000, intermediary cities rely heavily on local economic and social development for their economic well-being. LESD was hence the main concern among participants. The composition of the group, with participants from South Africa, Mozambique, Brazil, Indonesia, Morocco, Spain, Argentina and Italy, is in itself testimony to the importance of and opportunities offered by South-South and triangular cooperation between cities.

\(^{35}\) Preparing Local Governments for the Decent Work Agenda: Supporting Local Governments to Promote the Decent Work Agenda via Local Economic & Social Development (LESD) in Key Sectors of the Urban Economy
In conclusion

Interest in South-South links to local economic and social development and city-to-city cooperation has been growing in recent years. This has been demonstrated by the ILO Academy for Social and Solidarity Economy, and through the work of UCLG. SSTC can provide a tool to build continental and inter-continental networks in the field of city-to-city and LESD cooperation in order to share knowledge and stimulate development. Through a South-South cooperation framework focused on local economic and social development, it is expected that cities and local governments will contribute significantly to the promotion of decent work. In particular, networks and South-South cooperation projects provide opportunities to share the experiences and lessons learned from the various municipal and international partnerships on local economic and social development. As mentioned above, horizontal and triangular international cooperation are fertile ground for the promotion of local economic and social development. This would also facilitate, promote and enhance recognition of the contribution of cities and local governments to the outcomes of the international development agenda, and in particular of the Decent Work Agenda.

Social dialogue is at the core of ILO member States’ economic and social organization and thus at the centre of the Decent Work Agenda. At the municipal level it reflects the work carried out at the national level. Hence the role of workers’ and employers’ organizations is similar to that of their national peers, and both are crucial in making consultations, information and knowledge available. The role of employers’ and workers’ organizations at the local level will continue to be essential to the application of international labour standards, and to the effective realization of the Decent Work Agenda though local economic and social development.
Useful resources

- ILO’s LED programme - http://www.ilo.org/led
- Knowledge-sharing with LED practitioners from across the world – http://www.ledknowledge.org
- International Training Centre of the ILO, Turin – http://emld.itcilo.org/en
- Social and Solidarity Economy Academy Colllective Brain www.sseacb.net