The Challenge

Unemployment and under-employment need to be addressed by active employment generation. Growth is not enough – nor is employment simply a residual of development or poverty reduction programmes. Infrastructure investments can play a major role, and have been doing so for some time. For instance:

- demand from developing countries for infrastructure investment and maintenance amounts to US$900 billion per annum, public funding accounting for 70–75 per cent;
- regular investments and counter-cyclical spending in infrastructure are widely used to expand demand and create and sustain jobs;
- public works programmes and employment guarantee schemes complement regular investments and if well targeted will be an important part of social protection.

Although it is generally acknowledged that infrastructure can be proactively used to achieve different development objectives (reduction of infrastructure backlogs, employment creation and social protection), this approach could be used on an even broader scale to realize its full potential.

The ILO Response

The ILO Employment-Intensive Investment Programme (EIIP) assists member States in pursuing an active policy designed to promote full, productive and freely chosen employment based on the Employment Policy Convention, 1964 (No. 122). It has 35 years of experience of linking employment with infrastructure development, with a unique and vast portfolio of productive employment creation for economic and social development, as well as environmental measures for the restoration and management of natural resources. Infrastructure investments are an efficient entry point for addressing a wide range of Decent Work Agenda issues. The ILO Summit on the Global Jobs Crisis of June 2009 and the ILO country and thematic assessments for the G20 conducted the same year confirmed the importance of infrastructure investments and public employment programmes as a response to the economic crisis.

To increase the employment content of public and private investment in infrastructure, the programme provides support at three levels:

- macro level, advising governments on the design of infrastructure programmes and assessments of their employment impact, appropriate procurement procedures and wage setting, improved targeting of youth, women, indigenous people and disadvantaged groups;
- meso level, providing institutional development and capacity building for national and decentralized government, training of consultants and small and medium-size enterprises (SMEs) to develop the private sector and the local construction industry, and skills enhancement for long-term employability;
- project level, providing technical assistance to optimize the labour content of investments, ensure quality and timely delivery, promote decent working conditions and setting up monitoring and evaluation systems.
Components of the EIIP programme include:

- **A holistic and inter-sectoral approach** to developing employment impact assessment methodologies with ministries of finance, planning, labour and different sector ministries. Sectors with a high potential for employment growth are analysed as well as technology choices within a sector, together with the effect of such investments on different target groups. Such work has taken place in Cameroon, Indonesia, Mozambique and Paraguay;

- **Local, resource-based approaches** in response to the growing demand for job creation and livelihood improvements in both rural and urban areas. Rural roads, irrigation, and forest and water management infrastructures have been built in many countries such as Ghana, Haiti, India, Indonesia, Laos, Liberia, Mali, Sierra Leone and Timor Leste. Urban community infrastructures such as drainage facilities, flood management measures, access roads and streets, sanitation and water supply have been developed in Cambodia, Cameroon, Indonesia, Laos, Philippines and South Africa;

- **Addressing legal barriers to allow access to public contracts** for micro, small and medium enterprises and community-based organizations. For instance, the Ministry of Labour and Justice in Paraguay has institutionalized market access through reform of the Public Procurement Law, also securing decent work as a part of the legislation;

- **Employment-friendly and efficient contract management**: local resource use and transparent procurement procedures were mainstreamed in the large-scale “Education for All” programme in Madagascar, enabling the Government and its partners (World Bank, UNICEF, the Norwegian Government and local organizations) to build thousands of schools every year;

- **Social organization, local planning and community contracting in pre- and post-conflict/disaster areas**, such as the large-scale employment-intensive projects seeking to address the root causes of warlordism in Somalia and environmental degradation and flooding in Haiti;

- **Training courses** at the International Training Centre of the ILO in Turin, Italy for high-level planners, policy and decision-makers and social partners, such as “Employment-Intensive Investments for Sustainable Development” and “Towards the right to work: Innovations in Public Employment Programmes”;

- **Strategic partnerships** with the UN family, International Financial Institutions (IFIs) and donors, providing an ideal vehicle to help realize the ILO’s objectives of a balanced economic and social development.

**Key Tools and Resources**

In addition to the above-mentioned ILO standards:


For training courses on employment-intensive investments at the International Training Centre of the ILO, Turin, Italy, see: [http://www.itcilo.org](http://www.itcilo.org)