

Local Development

Local development through infrastructure investments and jobs.....

There is generally a strong link between investment in infrastructure and local development in a region. The needs for infrastructure investments in developing countries are vast. Community priorities often include infrastructure for both economic and social development. Estimates put annual investment needs for infrastructure at 5.5% of GDP in middle-income countries and 9% in the least developed countries.

Although current spending falls short of these figures and the benefits of economic growth do not always trickle down to the poor, it has been demonstrated that infrastructure investments can be used as an effective strategy for local economic and social development. In addition, developing and maintaining infrastructure provides an often untapped potential for the creation of local jobs.

The direct results of investments in infrastructure include the generation of employment, incomes and business opportunities linked to the development, maintenance and operation of infrastructure of public and community interest. Longer lasting impacts such as improved access to transport, markets, health, education and other socio-economic goods and services positively contribute to the local development of an area.

Local resource-based infrastructure works generate income that remains with the local community and creates a local multiplier effect. The operation and maintenance of infrastructure sustains the benefits of the investments and creates longer-term employment. Optimizing the use of local resources (labour, materials, contractors) positively impacts on the local economy while the (productive) assets created further boost local development.

The “Infrastructure and Jobs” approach for example promotes the utilisation of local materials and tools to the maximum extent possible. The aim is to support the local economy and create indirect job opportunities for local enterprises rather than importing construction materials from far away or from abroad. ILO has several manuals and courses on starting and developing small businesses.

Infrastructure and ILO’s LED approach.....

The aim of ASIST AP is to promote, introduce, demonstrate and mainstream procedures and tools and build capacity that will increase the impact of public investment in infrastructure on local development, poverty reduction and employment creation. For this purpose it has developed a number of practical tools that relate to the different stages of the infrastructure development cycle: planning, implementation (technology and contracting) and maintenance.

The ILO Local Economic Development (LED) approach enables local institutions to better identify and articulate the socio-economic needs and priorities in their area, develop an integrated implementation strategy for local economic development and strengthen the capacity of local authorities and partners to provide (economic and social) infrastructure, services and training.

“Infrastructure and jobs” is an integrated component of this process. Local economic development and local infrastructure development are interdependent and complementary. ASIST AP tools such as IRAP can be used to identify specific social and economic infrastructure investment needs in an area and local resource-based strategies are part and parcel of the a process to ensure that infrastructure development will not be a constraining but a facilitating factor in local development. Coordinated local infrastructure development will boost local production and productivity. It is necessary to in a participatory manner identify and agree on the type of infrastructure that is necessary, and the location where it needs to be developed, to allow for this synergy and a cost-effective use of scarce local investment resources.

Ongoing work.....

The ILO continues to provide support to its partners in the field of local (economic) development. The current emphasis of the “infrastructure and Jobs” programme is on:

- Assisting countries to develop integrated strategies which include infrastructure development for local economic and social development;
- Implementing local infrastructure development components in broader local development projects.
- Building local government capacity for infrastructure works.

Key resources.....

- Building Local Government Capacity for Rural Infrastructure Works, ILO 2003
- [LED and EIIP \(brochure 2007\)](#)
- CTP 168: Planning and Implementing Local Infrastructure Works - Guidelines for Tambon Administrations - [PDF 1,813 Kb](#), ILO ASIST Asia Pacific. 2004.
- CTP 167: Small Scale Contracting - Strengthening Local Capacity for Sustainable Rural Infrastructure - [PDF 4,193 Kb](#), ILO ASIST Asia Pacific. May 2004.