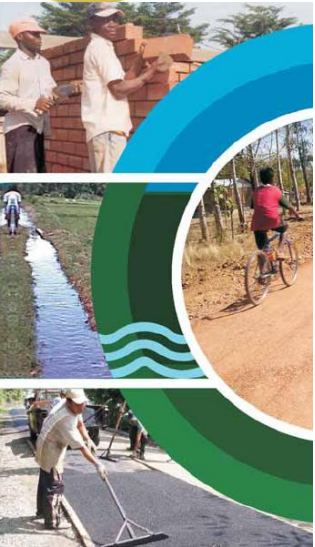




Enhancing Employment Content of Sectoral Strategies

Terje Tessem

Chief, EMP/INVEST

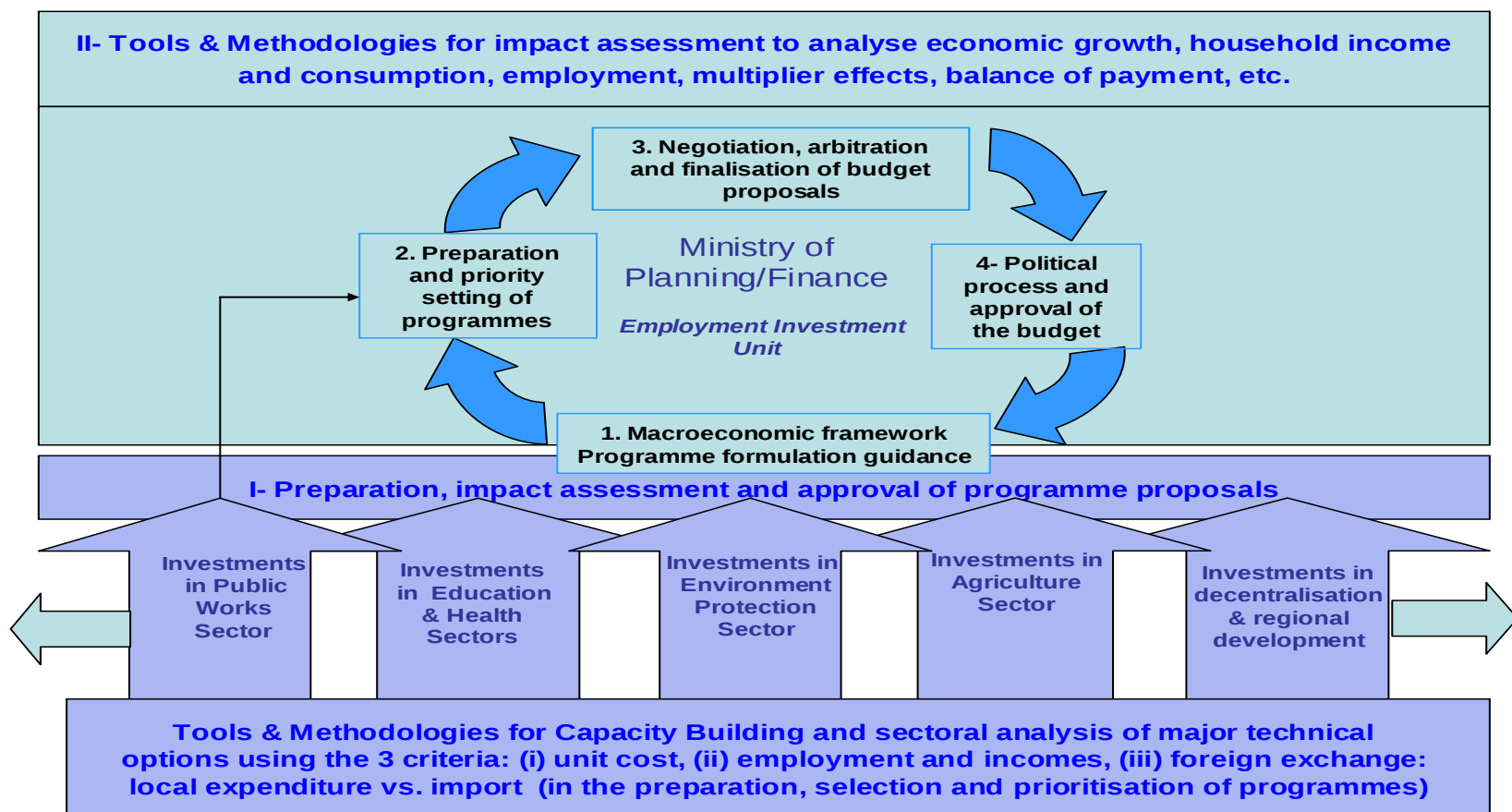
ILO's Employment-Intensive
Investment Programme (EIIP)



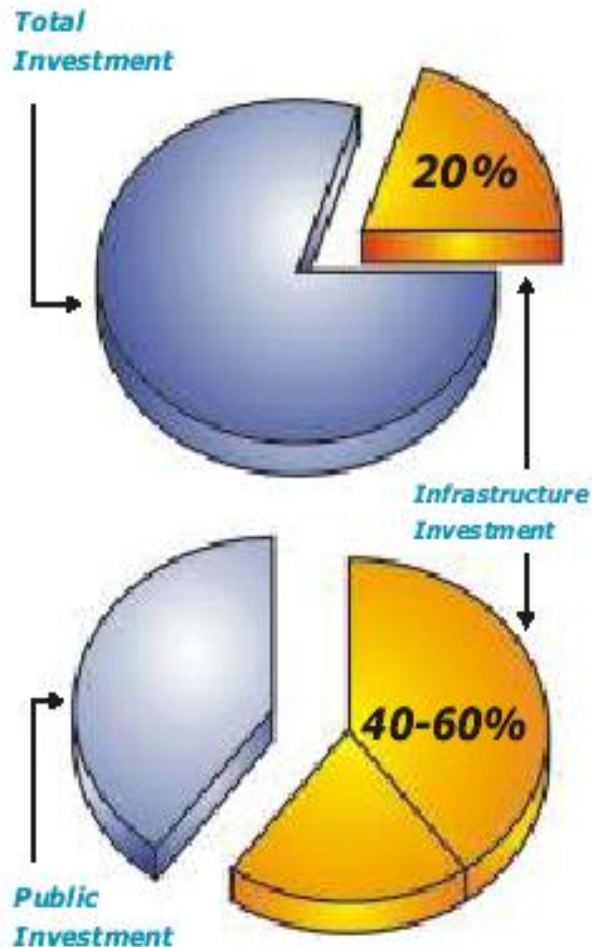
Investments and Employment – Institutionalisation in PIP

Integration of Employment in Public Investment Programmes in Infrastructure

PROGRAMMING AND BUDGETING PROCESS



Why focus on infrastructure investments



- Infrastructure investments:
 - important share of total
 - major share of public
 - In reconstruction period much larger
- Public investments – an instrument still available to governments
- Possible significant impact



Employment-Intensive Investment Programmes

1. EII in Sectoral Public Investment Programmes (PIP)	2. EII in Public Employment Programmes (PEP: PWP – EGS)
Sectoral investments Main objective: Infrastructure development to support social and economic development Secondary objective: Employment creation + private sector development	Multi-sectoral investments Main objective: employment creation – income support to reduce vulnerability of poor strata of population Secondary objective: Local infrastructure development
Common tools and features Increase job opportunities → labour-intensive growth path Capacity building – public and private sectors Monitoring and Evaluation – Building competence on micro-level data Assessment tools – employment and technology choice (Input-output models, DySAM, Comparative Sectoral Analysis, etc.)	
Focus on employment impact assessments of investments and socio-economic impact	Focus on impact assessments of targeting, impact on intended beneficiaries



Employment Impact Assessments (EIA)

- Three categories
 - Comparison labour- and equipment based methods based on micro-level data
 - Employment impact analysis of components of certain sectors
 - Evaluation of actual (ex-post) and estimation of potential impact of wide-scale application of labour-based (ex-ante)
- Tools refinement
 - Operational tools for sectoral assessments (micro to macro)
 - Operational tools for linking sectoral to inter-sectoral assessments with different ministries (finance, planning, labour, economic and social sectors, local governments, etc.)
 - DySAM (Dynamic Social Accounting Matrix), Input-Output Models



Brief on EIIIP – Strategy

EIIIP provides support to constituents at three levels:

- At **macro level**, advising governments in the design, programming and assessments of employment impact (EIA) of public investment and employment programmes, ...
- At **mezo level**, providing institutional development and capacity building of national and decentralized government, SME, local consultants, ...
- At **project level**, providing technical assistance during the implementation of projects, setting up M&E, developing data, ...



Public Investments Programmes (PIP)

- A sectoral approach
- Regular (budget) infrastructure development
- Tweaking more employment out of existing investments
- Local resource-based...



Make the most of local resources, including

- Unskilled labour
- Knowledge (e.g. technology, skills transfers)
- Skilled labour
- Micro and Small Enterprises, Consultants
- Organisations, Associations
- Tools and Equipment
- Materials
- Natural Resource Base
- Finance

Pre-requisite for dialogue

- Reliable employment impact assessment methodologies
 - ex-ante and ex-post studies
 - guide the work of finance and planning ministries, sectoral departments and municipal/local governments





Capacity Building – Private Sector Development

Public private partnerships

- Training and capacity building centres
- Registration and classification systems
- Framework agreements and Codes of Conduct

Public Sector

- Enabling environment – centralised/decentralised capacity govt. institutions
- Procurement systems and procedures

Private Sector

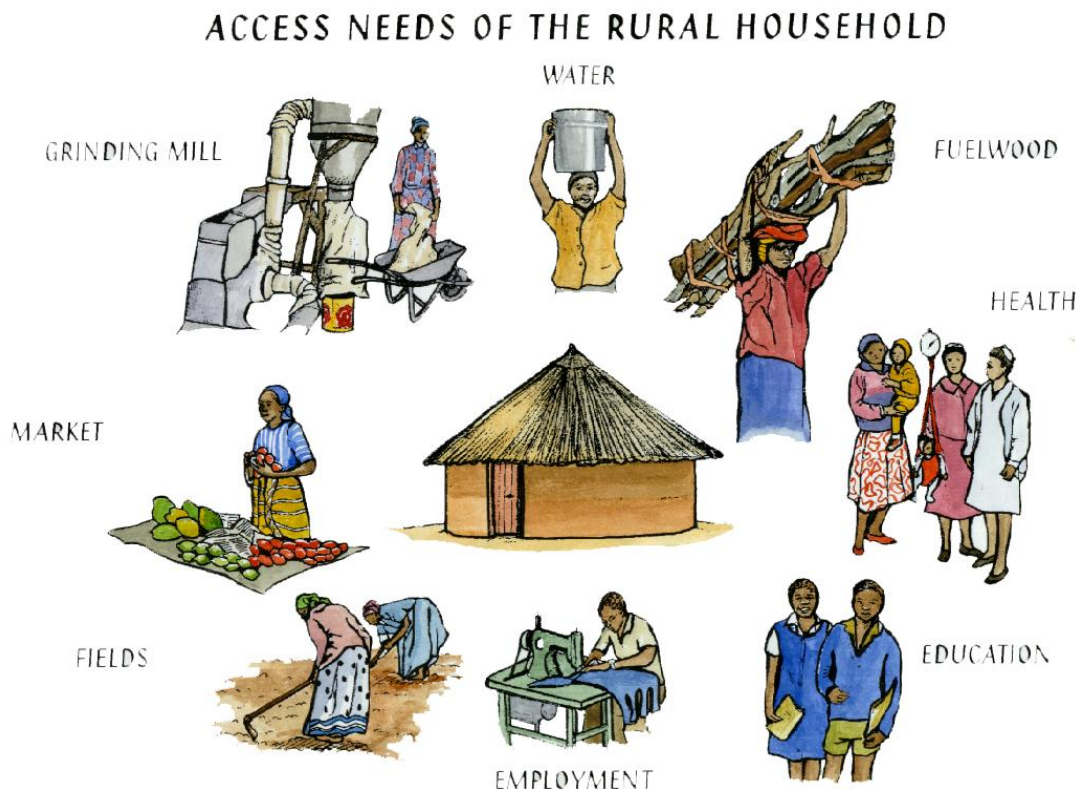
- Capacity building contractors and consultants
- Skills matching for workers
- Organisation building

Contracting system and procedures

- Local resource use – technology choice
 - Decent working conditions

Dialogue at local level

- Local level planning tools
 - enable active participation – accessibility
 - encourage a gender balanced development
 - both in *what* to do and *how* to do it





Main determinants for scaling up

- Political buy-in at highest level
- Long-term vision (from projects to programme and policy coherence)
- Capacity building at different levels (demand, supply, decentralised – communities)
- Conductive environment for development of SMEs, local consultants, use of CBOs and NGOs
- Large scale schemes: effective and efficient MIS

HIMO Programmes in Madagascar

- HIMO Training Centre in Antsirabé
- Autonomous not-profit organization
- Resource centre – PPP (SMEs, CBOs, etc.)



- Education for all
- Collaboration GoM – WB – UNICEF – ILO
- LRB approach

- HIMO Communal in support of decentralisation process
- Capacity building – local investments



Education for all

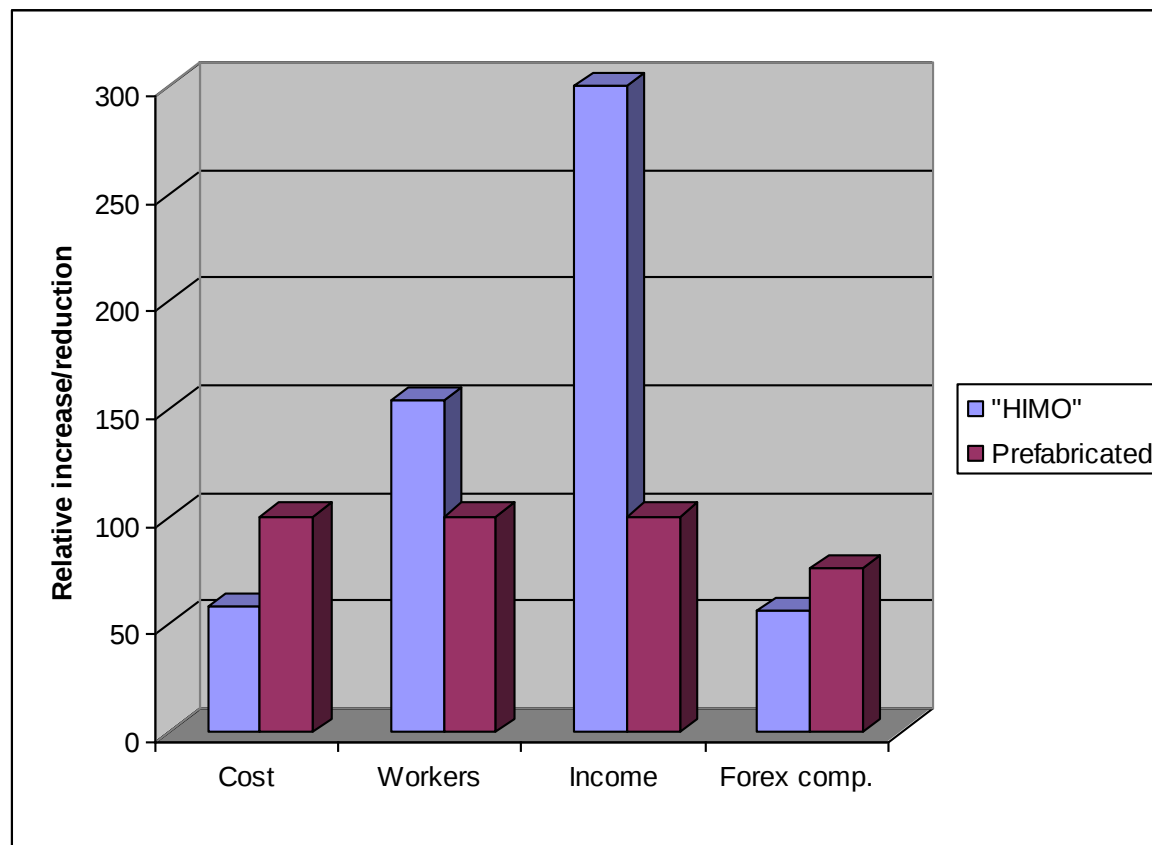
- Industrial modular construction with metallic framework



- Construction with local materials

Indicators	Local materials	Prefabricated
Labour cost	35%	12%
Cost per m ²	126 US\$	216 US\$

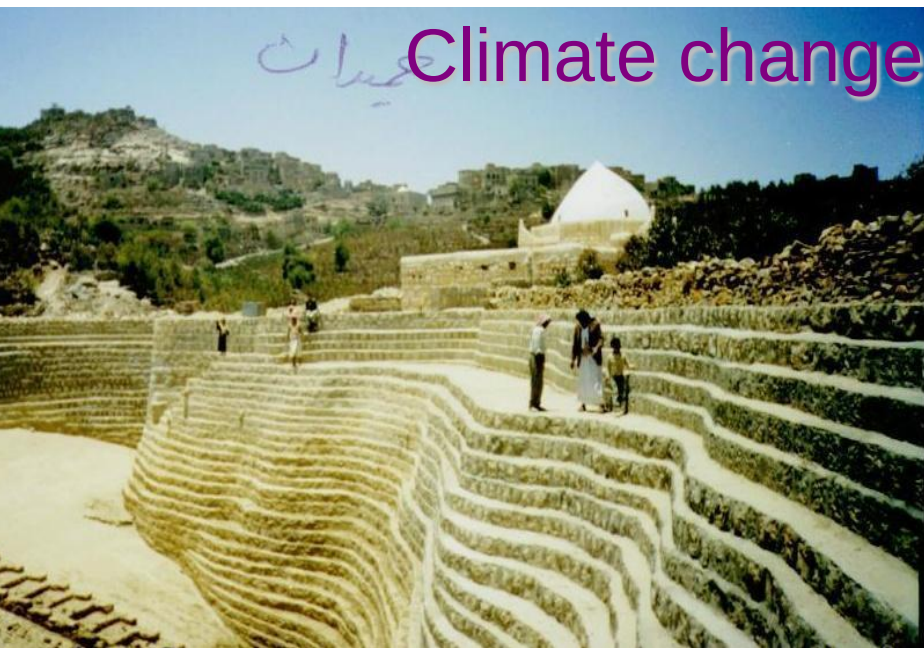
Comparison school buildings - Madagascar



- Result: Government of Madagascar and partners have mainstreamed approach for school buildings

Climate change adaptation

- Water resources – shortage and flooding
- Water harvesting schemes
- Soil and water conservation techniques
- Use of CBO (community contracts)
- Optimum use of local resources
- Productive natural resource base





EIIP – Environmental dimension – Green Jobs

- Employment-intensive works for adaptation (to CC)
 - Preventive measures against effects of climate change
 - Restoration of natural resource base
 - Increasing productive capacity of natural resource base
- Reduced environmental impact
 - Softer work methods and artisan production methods
 - Local materials and less transport/mobilisation
- Sustainable maintenance approaches – asset management
 - Life cycle costing – investments and maintenance of assets
 - Reduced waste, reduced costs and improved economic returns
 - Long term sustainable jobs



Support to Public Employment Programmes – PEP

- SPWP in 80s and 90s supported by donor community in many countries (structural adjustment programmes)
- Collaboration with the WB to set up and support Social Funds and AGETIPE agencies in West Africa as well as WFP strategies and capacities
- As part of the FFF cum job crisis, now assistance to constituents to set up new PEP or expand existing ones
- From PWP to EGS, the role of employment as part of Social Protection



EIIP and PEPs – recent past (1)

- G20 assessment also included ILO submission on PEPs
- Public Employment Programmes (PEPs) used to a large degree in stimulus packages
- Growing interest in PEPs including EGS
- WB huge “Social Funds” made available and requested ILO collaboration
 - Improve decent work issues – wages, labour standards
 - Improve skills and capacities
 - Improve selection of projects and targeting
 - Increase productive use of social funds – an investment for growth? Going beyond the injection?



EIIP and PEPs – recent past (2)

- IPEP – Innovations in Public Employment Programmes
 - A response in times of crisis - A prevention of crisis
 - IPEP policy paper and new course with ITC Turin
- Strong collaboration with South Africa on large scale programmes, inequality and economic marginalisation. EGS?
- Others like Bangladesh, Cambodia, Ghana, Guinea, Kenya, Liberia, Nepal, Philippines, Sierra Leone, Togo, ...
- South – South Expo Social Protection in Geneva (WB and UN – first time specialised agency hosting) IPEP on the agenda as the employment contribution
- Partnership with Mahatma Ghandi National Rural Employment Guarantee Act (NREGA) in India – a rights based approach – the world biggest employment scheme with some 50 million workers
- Working with UNDP and their IPC-IG



MG NREGA

Mahatma Ghandi National Rural Employment Guarantee Act in India

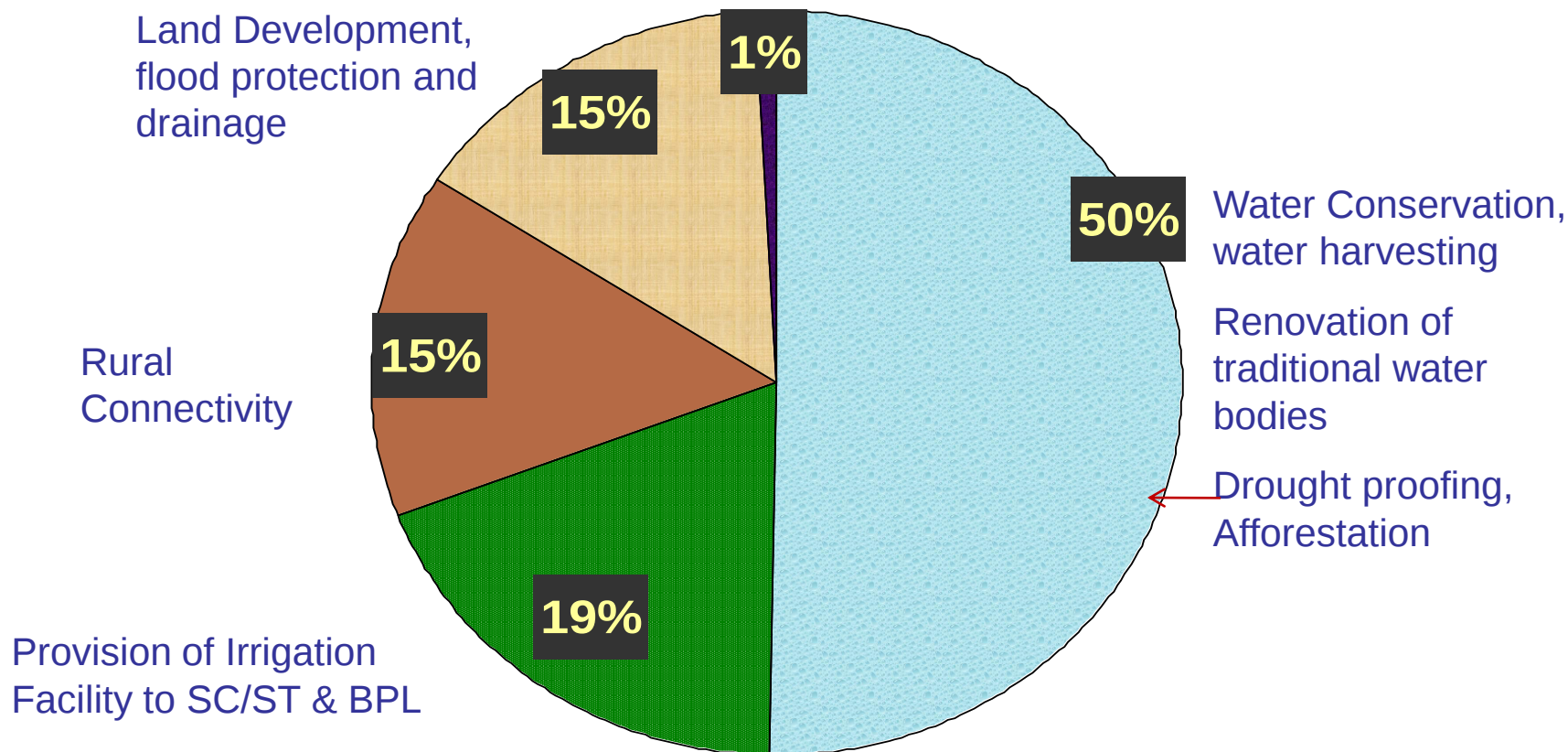
Right-based approach: the target is to generate one hundred days of employment per year for any rural household willing to do public works related unskilled manual work

Features	2006/2007	2007/2008	2008/2009	2009/2010
Investment in billion US\$	2.0	3.5	5.6	8.1
Number of districts	200	330	619	619
Number of households	21 million	33 million	45 million	59 million
Number of WD in millions	907	1.437	2.163	>3 billion



Natural Resource Regeneration in NREGA

Water Tables beginning to get recharged
Improvement in land productivity





Rationale and Scale

- National Rural **Employment** Guarantee Act
 - Rationale: providing wage employment opportunities in rural areas (policy of inclusive growth);
 - Scale: Programme and budget need to grow and shrink with demands for employment of rights holders (52.6 millions HH in 2009/10)
- Productive **Safety Net** Programme
 - Rationale: Smoothen household consumption – to bridge production deficits in chronically food insecure farming households
 - Scale: Aims to cover all chronically food insecure, no more no less (8 millions people in 2009)
- Expanded **Public Works** Programme
 - Rationale: draw unemployed in productive work + skills
 - Scale: Programme size based on investment requirements to address “backlogs” (Infrastructure and service deficits), not employment or social needs (570,000 job opportunities in 2008/09 and passed a million later)



Global challenges in PEP/PWP

- Twin objectives of maximizing employment creation/income support and creation of sustainable assets
- Additional challenge: increase employability of participants to exit PWP programme
- Timely release of funds, accountability and transparency



Policy Responses to the crisis

1. Stimulating labour demand	(in %)	2. Supporting job seekers, jobs, unemployed	(in %)
Additional fiscal spending on infrastructure	87.0	Additional training measures	63.0
- with employment criteria	33.3	Increased capacity of public employment services	46.3
- with green criteria	29.6	New measures for migrant workers	27.8
Public employment	24.1	Working time reductions	27.8
New or expanded targeted employment programmes	51.9	Partial unemployment with training and part time work	27.8
Access to credit for SMEs	74.1	Wage reductions	14.8
Access to public tenders for SMEs	9.3	Extension of unemployment benefits	31.5
Subsidies and tax reductions for SMEs	77.8	Additional social assistance and protection measures	33.3
3. Expanding social security, food security		4. Social dialogue and rights at work	
Social security tax reductions	29.6	Consultations on crisis responses	59.3
Additional cash transfers	53.7	Agreements at national level	35.2
Increased access to health benefits	37.0	Agreements at sectoral levels	11.1
Changes in old-age pensions	44.4	Additional measures to fight labour trafficking	3.7
Changes to minimum wages	33.3	Additional measures to fight child labour	3.7
New protection measures for migrant workers	14.8	Changes in labour legislation	22.2
Introduction of food subsidies	16.7	Increased capacity of labour administration/inspection	13.0
New support for agriculture	22.2		



ILO Assessments for G20 (2009/2010)

- Employment and social protection measures
 - Survey conducted in 54 countries including
- Findings on Infrastructure part of Economic Stimulus Packages (PIP)
 - 87% of these countries allocated additional fiscal spending on infrastructure
 - Only one-third of the programmes had specified targets for employment creation
- Findings on PEP
 - Learning from doing
 - Adequate technical inputs at the local level (balanced performance on the twin objective of employment creation/income and asset creation is challenging)
 - Long-term vision and scalable



EIIP and Public Investment Programmes

- Infrastructure investments core to stimulus packages – the single highest multiplier
- G20 assessment with recommendations on employment effects – Cabinet proposal for further collaboration
- RIE recommended focus on employment impact assessments (EIA) – sectoral and industrial policies
- IMF / ILO is focussing on cooperation on investments
- Methodological developments – assessment tools linking employment into sectoral assessments and inter-sectoral investment policies and programmes
- EIIP and HIMO regular “investment” courses at ILO ITC



What and who?

- Employment and poverty reduction impact of national development frameworks
 - Infrastructure investments, sectoral policies (inclusive growth, technology choice, employment and enterprise demand)
 - Reorientation of public investment (including external funding as a catalyst – development banks)
 - Dialogue Ministries of Finance, Planning, Labour, different sectors on employment and investments, linking employment creation to decision making on operational budgets and sectoral investments
- Functional (decentralized) working environment
 - Regulatory environment at the local level
 - Local level planning for economic and social development; priority setting, planning and design



What and who? Continued...

- Pro-poor procurement and local contracting (SMEs and Communities)
 - Procurement enabling procedures including specifications, contract award, payment, labour and decent work issues
 - Contracting systems (micro-enterprises, communities)
 - Involvement of relevant local stakeholders: Public-private partnerships, organisation and institutions, sustainable maintenance systems
- Guidance, capacity building and support measures
 - Demand: Planners, managers with central, provincial and local governments (the client)
 - Supply: Technology, skills, business development, credit (e.g. training as collateral), etc. (the contractor and the workers)
 - Communities (the client, the contractor and the workers)



What and who? Continued...

- Labour Market - Information and support services
 - Assess “market potential” and employability of implementers
 - Expanding domestic market – increased demand for private sector
 - Ensure longer term income through close interaction – local economic development
- Awareness and demand – beneficiaries / social partners
 - Advocacy and public information
 - Ensure participation of different groups, as appropriate: gender, youth, indigenous, rural and urban

Employment Strategies for DWCPs based on the GEA:

Basic Concepts, Approach and Tools

Values and Principles
Full respect for Fundamental Workers' Rights & International Labour Standards

BASIC CONCEPTS

Determinants & Prerequisites

Growth:

- Capital-Investment
- Human Capital
- Productivity
- Trade
- Governance

Distribution-equity, & social inclusion:

- Taxes & transfers
- Access to:
 - Assets - credit
 - Education and training
 - Infrastructure
 - Health

Social Protection

Empowerment, Governance & Institutions:

- Representation
- Participation-Power
- Social Dialogue

KEY POLICY AREAS

Checklist

1. Economic Policies for Employment Expansion (Demand Side)
 - Macroeconomic Policies
 - Financial policies
 - Investment Climate/Policy
 - Trade, RI, sectorial policies
 - Labor Mobility/Migration
2. Skills, Technology & Employability
 - Training policies and systems
 - Skills for technological change
 - Employment Services
 - Improved access to training
3. Enterprise Development:
 - Policy & regulatory framework
 - Value-chain Upgrading
 - Local Economic Dev-LED
 - Workplace practices
4. Labor Market: Institutions and Policies
 - LM adjustment policies
 - Passive and ALMPs
 - Employment Services
 - Industrial Relations
5. Governance, empowerment & organisational capital
 - Representation and advocacy
 - Freedom of Assoc/Coll bargaining
 - Social dialogue
6. Social Protection

TOOLS

Illustrative list of E-knowledge products:

- Employment-centred growth strategies
- Growth-Employment-Poverty reduction links
- LM adjustment to Trade/Regional integration
- Access of working poor to finance
- E-Intensive Investment Approaches
- Recognition of skills across borders
- Training, Lifelong learning, on the job-training.
- Worker Displacement, career guidance,
- Community-based rehabilitation
- Use of ICTs for productivity
- Business Development Services (BDS) for SMEs
- SME Finance
- Entrepreneurship and Productivity Tools
- Corporate Social Responsibility
- Strengthening cooperatives
- Capacity-building materials for LED
- Passive Policies: Income Support for Jobless
- ALMP: training for jobless, job creation, wage subsidies, enterprise creation
- E-Services
- Flexibility and Security
- Capacity building with constituents
- Coalition building for DW Projects with Employers and Workers
- Upgrading of informal enterprises & communities

OBJECTIVES & OUTCOMES

Decent Work Country Programs, NES

Achievement of Key Objectives:

- **EMPLOYMENT**
- Poverty reduction
- Gender
- Young people
- Target Groups: Old, Disabled, others
- Informal Economy
- Crisis response

Roadmaps

for countries at different levels of dev.

MAINSTREAMED STRATEGIES:

A fair globalization
Working out of poverty
Advancing gender equality

Greater influence of International Labor Standards in Development
Expanding the influence of social partners, social dialogue and tripartism

Country A

Country B

Country C



EIIP – Encompassing multiple key areas

Scale	90	80	70	60	50%	40	30	20	10	0	
											Macro-economic/ employment policy framework
1											Policy
2											Institutional framework
3											
4											
5a											
5b											Implementation plans approved - Rehabilitation
6a											Implementation plans approved - Maintenance
6b											Labour supply
6c											Managerial expertise
7a											Supervisory expertise
7b											Local materials availability
8a											Alternative materials
8b											Funding for rehabilitation
9											Funding for maintenance
10											Tool/equipment suppliers
11											Tool/equipment manufacturers
12											Technology proven
13a											Technology balance
13b											Impact studies on employment
14											Increase in worker days
15											Monitoring and evaluation system
16											Research and development
17											Engineering practices
18											Environmental impact analyses
19											Environmental planning
20a											Environmental implementation
20b											Planning systems
20c											Stakeholder participation in planning
21											Reporting systems
22											Contracting environment
23											Contract potential
24											Contract documentation
25											Consultant ability to design & supervise contracts
26											Government ability to design & supervise contract
27											Contractor training capacity
28a											Legislation and statutes in place
28b											Labour laws and statutes adherence
29											Functional monitoring system
30											Gender considerations in planning
31											Implementation of gender considerations
32a											Training needs assessment
32b											Capacity for training engineers/managers
32c											Capacity for training technicians
32d											Capacity for training supervisors/foremen
33											Introduction of technology choice into tertiary education
											Information resources available

	Scale	0	10	20	30	40	50%	60	70	80	90
A: Policy and strategy	1	Macro-economic/ employment policy framework									
	2	Policy									
	3	Institutional framework									
	4	Development needs/priorities known									
	5a	Implementation plans approved - Rehabilitation									
B: Analysis of sector resources	5b	Implementation plans approved - Maintenance									
	6a	Labour supply									
	6b	Managerial expertise									
	6c	Supervisory expertise									
	7a	Local materials availability									
	7b	Alternative materials									
	8a	Funding for rehabilitation									
	8b	Funding for maintenance									
	9	Tool/equipment suppliers									
	10	Tool/equipment manufacturers									
C: Technology	11	Technology proven									
	12	Technology balance									
	13	Impact studies on employment									
	14	Increase in worker days									
	15	Monitoring and evaluation system									
D: Engineering practices	16	Research and development									
	17	Engineering practices									
	18	Environmental impact analyses									
	19	Environmental planning									
	20	Environmental implementation									
E: Management practices	21	Planning systems									
	22	Stakeholder participation in planning									
	23	Reporting systems									
	24	Contracting environment									
	25	Contract potential									
F: Contracting	26	Contract documentation									
	27	Consultant ability to design & supervise contracts									
	28	Government ability to design & supervise contract									
	29	Contractor training capacity									
	30	Legislation and statutes in place									
G: Labour standards & working conditions	31	Labour laws and statutes adherence									
	32	Functional monitoring system									
	33	Gender considerations in planning									
	34	Implementation of gender considerations									
	35	Training needs assessment									
H: Institutional resources development/TNA	36	Capacity for training engineers/managers									
	37	Capacity for training technicians									
	38	Capacity for training supervisors/foremen									
	39	Introduction of technology choice into tertiary education									
	40	Information resources available									



Macro-economic/Employment policies



Labour market policies



Sustainable funding and investment policies – e.g. Roads Funds



Manufacturing industry policies



Environmental policies



Contracting and entrepreneurship development policies



Labour legislation and standards



Training policies

Vertical Policy Integration + Lateral Integration



Proven Outcomes

- Domestic market expansion
- Higher multiplier effects on the economy
- Increased distributional effects
- An operational approach to the integration of social and economic policies



Work with EIIIP?

- PIPs: Employment-Intensive Investments for Sustainable Development
 - Next course in Turin (bilingual), 16 – 20 May 2011
- PEPs: Innovations in Public Employment Programmes
 - Next course in Turin, 26 – 30 September 2011



On behalf of the EIIP Global Team

EMP/INVEST

Africa Region: DWT Dakar, Pretoria and Yaoundé

Asia Region: DWT Bangkok and New Delhi

ITC Turin: SDTI

Thank you!

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