



सत्यमेव जयते



## **IBSA International Conference on South-South Cooperation 'Innovations in Public Employment Programmes & Sustainable Inclusive Growth'**

1-3 March 2012, New Delhi, India

### **Background note**

#### **Objective - “South-South Cooperation”**

South-South Cooperation has proven to be particularly useful in the efforts to promote decent work and an important tool to establish development partnerships for the promotion of sustainable growth and social development. Even though it is not entirely new, South-South cooperation has become more visible in recent years thanks to the intensification of technical, cultural, economic and political exchanges between Southern countries especially within different UN agencies. The India-Brazil-South Africa (IBSA) trilateral development initiative has been a major driver of South-South cooperation and exchange. The bridges between IBSA and the ILO were paved in the 4<sup>th</sup> Summit of Heads of State and Government, on 15 April 2010, when IBSA Leaders reiterated the need to promote a job-intensive recovery from the downturn and create a framework for sustainable growth. Similarly, in November 2010, as an outcome of the G20 Seoul Summit, G20 Leaders requested the ILO to work together with other international organizations, in the framework of the Seoul Development Plan, in supporting low income countries to strengthen their social protection systems and their skills development policies and institutions.

In the above context, the Government of India in technical support with the ILO is planning to organise an International Workshop on “Public Employment Programmes (PEP) & Sustainable Inclusive Growth” during 01-03 March 2012 at New Delhi, India. The objectives of the Workshop are:

- To build capacity and to share knowledge between countries on the innovations around convergent holistic frameworks and to assess the strategic entry points for different contexts which can lead to an overall better cohesion for inclusive growth with equity, linking employment and social protection to productive works.
- To use the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) as a case study for public policy to share insights on the linkages and convergence, as one of the internationally recognized large scale public employment programmes – highlighting the innovations, but also the challenges faced in supporting sustainable development
- To better appreciate the range of policy issues relevant to public work programmes / employment guarantee schemes and to obtain guidance on the design of effective public employment programmes.
- To highlight how public work programmes / employment guarantee schemes can be effective and efficient active labour market programmes.

## Sharing of India's Experience - Employment Promotion and Social Protection

Over the past decade, India has launched some innovative employment generation and sustainable livelihood poverty alleviation initiatives such as employment guarantee scheme, national health insurance scheme (RSBY), skills development initiative (SDI) and the national rural livelihood mission (NRLM).

India's Mahatma Gandhi National Rural Employment Rural Guarantee Act (MGNREGA) launched in 2006 links two of the most critical problems namely, extreme poverty and climate change. The linkage is forged through creating accessibility to economic, social and environmental assets and services which are provided by rural households when they engage in works under MGNREGA. While the primary objective of the Act is poverty alleviation / employment generation, a further objective is stated "...as creation of durable assets and strengthening the livelihoods base of the rural poor..." MGNREGA is designed to provide employment and income to the rural household, contributing directly to livelihoods security, adversely affected by climate change. In 2009-10, fully backed by political will and adequate budget resources (US\$ 8.4 billion) from the Government of India, the implementation of the Act has provided wage employment support to 53 million households in 615 districts and yielded encouraging results.

The most significant features of the MGNREGA are that it creates a rights-based legal framework for 100 days of unskilled employment in a year to every rural household in the country. Various studies indicate its effect in augmenting employment, increasing wage earnings, stemming distress migration, enhancing productivity and promoting equity, especially gender equity. Some of the unique features of this wage employment programme are:

- Policy innovation introduced through renewed focus within policy of inclusive growth, based on legal guarantee and a right-based approach;
- Cushioned the rural poor in India during recent economic crisis;
- Dynamic and responsive to challenges-and increased analysis through case studies of innovative processes
- New paradigm shift for social protection through rights-based guaranteed employment illustrating how a social protection programme can also trigger green growth and adaptation.

The largest employment guarantee scheme in India has brought a new definition to public employment programmes around the world highlighting the importance of a rights-based approach, very much in line with the ILO's Convention 122 on Full Employment. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005, could be considered as a well conceived, rights based, pro poor, job oriented way to inclusive growth, guaranteeing a minimum of 100 days of employment to any rural household applying to undertake unskilled manual labour, at the prescribed minimum wage rates.

MGNREGA's immediate objective could be viewed as assuring a minimum safety net through meeting the demand of unskilled labour, as a positive first step towards the longer term goal of generating sustainable and improved livelihood options. Hence the minimum floor of livelihood security provided by the MGNREGA needs to be complemented by skills for alternative means of livelihoods, innovative ways to increase productivity at work, access to social security coverage and empowerment / voice representation of workers. Some of this could be carried out in the framework of convergence/dovetailing with other programmes and will contribute towards integrating the short term income security objective to the long-term development objective of the MGNREGA. Since a large majority of those working on the sites are women, MGNREGA also supports the empowering and skilling of rural women.

The choice of employment intensive works executed under MGNREGA fits well into Adaptation and Mitigation to Climate Change work. The majority of MGNREGA works contribute to development / regeneration of water bodies, bio-mass. The livelihoods of the

rural poor are directly dependent on environmental resources such as land, water, forests and are vulnerable to weather and climate variability. With increased growth, water stress increases, groundwater levels reduction soil fertility declines and forest habitats disappearance, climate change will only exacerbate the vulnerabilities of the rural poor. As climate-sensitive, natural ecosystems deteriorate, rural poor who have least contributed to its deterioration are disproportionately affected due to the direct consequences of the climate change on their livelihood. Understanding the dynamics, risks, and opportunities that climate change brings, and how to respond to these is in many ways a new challenge facing all the developmental partners.

MGNREGA works, not only provide local environmental services, they have the potential to yield co-benefits of adaptation and mitigation to global climate change; the former through rejuvenation of the livelihood base and thereby strengthening resilience of rural communities, the latter through enhanced carbon sequestration in agricultural soils, pasturelands and forest areas.

### **ILO - Sharing of Global Experiences on Employment Guarantee Schemes and Public Employment Programmes**

Based on ILO's experience in countries such as India, South Africa and Ethiopia, many countries have established or are in the process of establishing new PEPs / Employment Guarantee Schemes (EGS). Various countries are already proposing some aspects of an employment guarantee: Honduras, Nepal, Pakistan, Philippines and South Africa to name a few. If we take the example of labour standards, which has been a key source of debate over the years, India's first-of-its-kind 'employment 'guarantee' has actually helped shift this debate. If an employment guarantee offers work at the minimum conditions at which it would be considered 'acceptable' to offer work – and displaces work below this level – then a social goal has been achieved – reducing vulnerability and overall poverty, providing regular and predictable work, and enhancing human dignity – all central to the mandate of the ILO. Also, UNDP global mandate is "to help countries in their efforts to achieve sustainable human development by helping them to build capacity giving first priority to human alleviation".

The Employment Intensive Investment Programme (EIIP) in the ILO promotes the orientation of infrastructure investments towards the creation of higher levels of productive employment and improved access to basic goods and services for the poor. The EIIP is also working closely with practitioners from MGNREGA to highlight the innovations in designing and implementing large scale public employment programmes. Some of the key features of ILO collaborative work have been:

- The continued debate on productive and full employment amongst key practitioners and the many ways to achieve this, especially after a crisis, but mainly with a long-term vision for creating the needed fiscal space.
- The capacity development of national practitioners and decision-makers involved in policy development in different ministries (labour & employment rural development, public works, planning, local government, gender, youth, etc.) since these initiatives had an impact on changing the ways of working, by encouraging more inter-ministerial work needed to have a larger impact on employment and on the economy as a whole
- The creation of networks of key people involved in international policy development, including academics, country-level experts, UN research and policy developers, and International financing institutions.
- Contributing to the debate on MDG acceleration and joint collaboration between various partner agencies.

Over the past few years, the need for collaborative partnership for a wide range of national / international experiences and best practices and taking these discussions to a more practical level has been discussed among various members of the international networks. Following informal discussions between a few key members, ILO undertook to develop the

Policy Paper and a South-South Learning Package with the idea of allowing the solution developers (India, South Africa and Ethiopia) to showcase their public employment programmes for the benefit of other countries currently in the process of designing their own public employment programmes - contributing to south-south capacity development and focusing on the particularities of each country. The Innovations in Public Employment Programmes (IPEP) places full and productive employment and decent work at the centre of economic and social policies which are most adequate for each country, also pursuing to strengthen partnerships with relevant national experts / practitioners in this field and expanding dialogue with relevant international organizations and development banks to facilitate their implementation