

## Overview of ILO Programmes

The primary goal of the ILO is to contribute to the achievement of full and productive employment and decent work for all, including women and young people, a goal embedded in the 2008 ILO Declaration on Social Justice for a Fair Globalization.

In order to support its member States and the social partners to reach their goals the ILO pursues a Decent Work Agenda which comprises four interrelated areas: respect for fundamental workers' rights and international labour standards, employment promotion, social protection and social dialogue.

Major ILO global policy frameworks such as the Global Employment Agenda (2003), the Declaration on Social Justice for a Fair Globalization (2008), and the Global Jobs Pact (2009), articulate the centrality of employment and the interrelated nature of the four strategic objectives. The resolution and conclusions of the International Labour Conference's general discussion on the strategic objective of employment (June, 2010) underscored that the inseparable, interrelated and mutually supportive nature of the four strategic objectives is increasingly looked upon *"as the framework of a new social and economic development paradigm, characterized by employment-centred and income-led growth with equity"*. The Employment Policy Convention, 1964 (No. 122) provides the main normative framework for employment policy and also reiterates the *"mutual relationships between employment objectives and other economic and social objectives"*.

Employment is also having a prominent role in the international policy agenda. The G20 leaders have recognized the role of employment policies in addressing both the economic and the human dimension of the financial and economic crisis. The Seoul development consensus on shared growth unveiled during the November 2010 G20 represents an important step forward towards proemployment macroeconomic frameworks.

The work of the ILO on employment is broad and encompasses a vast range of topics and at least six means of action (policy advice, policy research, development of tools, manuals and policy guidelines, technical cooperation, capacity building of ILO constituents, and expanded and strengthened partnerships). In order to better communicate to ILO constituents and to the general public the specificity of technical programmes, yet providing an overall vision, this folder contains a brief profile of each one of the main employment programmes of the ILO. These are the following:

1. Employment policies
2. Sustainable enterprises
3. Skills and employability
4. Labour market policies and institutions
5. Employment services
6. Economic and labour market analysis
7. Labour market information and trends
8. Employment-intensive investments
9. Social finance
10. Informal economy
11. Trade and employment
12. Industrial policy for productive transformation
13. Green jobs
14. Rural employment and decent work
15. Youth employment
16. Gender and employment
17. People with disabilities
18. Response to conflicts and disasters

These programmatic areas interact with each other and at the operational level they are combined under integrated approaches according to country circumstances and priorities in their National Employment Policies and Decent Work Country Programmes.

The description of each programme is short; it contains a synopsis of the main challenges, the nature and source of the ILO's mandate on the subject; the main programme components and a list of key tools and resources.

Electronic versions of these programmes' publications are available at <http://www.ilo.org/employment/Whatwedo/Publications>. More information on each programme can be found in the Employment Sector's website ([www.ilo.org/employment](http://www.ilo.org/employment)) or by following the specific links referred to in each profile.



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## Employment Policies

### The Challenge

A world in which nearly 200 million are unemployed and 40 per cent of the labour force and the families they support live on less than US\$2 each day is a major challenge. Productive employment has stagnated and even in countries with steady economic growth employment creation has not kept pace, especially for youth and new entrants to the labour market. Moreover, the quality of new jobs is a matter for concern: many are of a precarious and informal nature, earning low wages.

In the next 10 years, 600 million jobs are needed in order to absorb the newcomers in the labour market (40 million annually) and to reduce the backlog of the unemployed of 200 million.

For three decades since the 1980s employment was not central to national development plans and economic policies. Most national strategies emphasized export and foreign direct investment oriented industrialization, while the structural adjustment programmes led by the Bretton Woods institutions included macro-economic stability, tight public spending, low inflation, deregulated finance and labour market flexibility. Policy-makers saw job creation as a residual outcome of private-sector-driven economic growth. Yet mounting evidence that growth alone is not a sufficient condition to create adequate decent and productive jobs has demonstrated that patterns of growth and economic policies matter.

The last decade has seen new national policy frameworks in developing countries, either in the shape of Poverty Reduction Strategies in Least Developed Countries or Development Plans and Strategies in emerging economies. Increasingly, these overarching policy frameworks include more deliberate goals and efforts to increase productivity and jobs and to allocate resources.

The global economic and financial crisis has aggravated and revealed the underlying job deficits and highlighted the need to address structural imbalances, as recognized in the new Strong, Sustainable and Balanced Growth Framework adopted by the G20 and the Global Jobs Pact adopted by the International Labour Conference (ILC) in 2009. The 2010 ILC discussion on Employment has endorsed a rethinking of macroeconomic policy frameworks to

accommodate more employment-oriented growth and macro policies. There is a new emphasis on the need for a more inclusive and job-rich growth and a fair globalization.

Policy coherence across a range of economic, financial, social and labour market policies and policy coordination amongst main players, for reaching employment goals remain major challenges. To overcome this, countries need to espouse economic strategies, including macro-economic and sectoral policies that explicitly target employment and to put in place an efficient monitoring and evaluation mechanism to measure the effectiveness of policies and enable adjustments.

### The ILO Response

The objective of full and productive employment was already stated in the ILO Constitution and the 1944 Philadelphia Declaration, with the Employment Policy Convention, 1964 (No. 122) further articulating it. In addition, all ILO work on employment derives its current mandate from the Global Employment Agenda (2003), the ILO Declaration on Social Justice for a Fair Globalization (2008) and the Conclusions of the Recurrent Item discussion on Employment.

Many countries seek ILO support in the formulation, implementation and review of national employment policies, in strengthening their links to national development plans/strategies and in promoting social dialogue on policy options and priorities.

National employment policies seek to explicitly link growth and economic strategies to employment creation, and diagnose the challenges and opportunities for productive job creation. The ILO helps countries to review, formulate and implement these policies through the Global Employment Agenda's comprehensive lens, adapted to suit specific contexts. It does this through a global team of employment specialists working in partnership with governments and organizations of employers and workers. Employment trends and opportunities and constraints for quality job creation in the country are identified and the evidence is used as the basis for negotiating and prioritizing policy responses; these are then articulated in the national employment policy. This process is an opportunity to promote coherence among the various government ministries, to

encourage tripartite dialogue (among governments, employers and workers) and to gain momentum and consensus on the best way to achieve employment gains in a given context.

Employment policies generally include recommendations about agreed national or sectoral employment targets and the means of delivering them, analysis of the macro-economic framework, adjustments to labour market policies and institutions, growth sectors and sectoral investment strategies (the demand side of labour), enterprise development including Small and Medium Enterprises, and human resource capacity issues (the supply side of labour), improving the quality of employment and promoting international norms and standards. After the 2008-09 recession, such advice is crucial for promoting job recovery and the protection of the most vulnerable as advocated in the Global Jobs Pact (GJP).

The ILO tracks its work on national employment policies, and the extent to which employment issues are included in national development plans, through a database system which allows rapid global oversight and access to information about specific countries. Policy-oriented research deepens analysis and understanding of what policies work better in delivering productive employment and decent work in countries at different levels of development and promote cross-country assessment of good practices.

A major emphasis is laid on capacity-building of governments, employers' and workers' organizations at the country level and through the annual Employment Policy Course at the International Training Centre of the ILO, Turin, Italy.

ILO work focuses on the following priorities:

- promoting the centrality of employment in national development and economic strategies through technical advisory services for the review and formulation of national employment policies and the follow-up to the GJP;
- ensuring tripartite consultations, capacity-building and validation as a core element in the formulation and review of employment policies;
- continuing to engage in policy debates and reviews of development paradigms at the global level through reinvigorated research;
- reviewing and renewing diagnostic tools and methodologies for employment targeting and employment impact monitoring;
- particularly after the crisis, supporting countries in accelerating recovery and job creation following the guidelines of the GJP.

## Key Tools and Resources

In addition to the above-mentioned ILO standards:

Employment Policy Recommendation, 1964 (No. 122).

International Labour Office (ILO). 2005. *Decent work and poverty reduction strategies: A reference manual for ILO staff and constituents* (Geneva).

—. 2006. *Implementing the Global Employment Agenda: Vision document* (Geneva).

[http://www.ilo.org/employment/Whatwedo/Publications/lang--en/docName--WCMS\\_103335/index.htm](http://www.ilo.org/employment/Whatwedo/Publications/lang--en/docName--WCMS_103335/index.htm)

—. 2009a. *Protecting people, promoting jobs: An ILO report to the G20 Leaders' Summit, Pittsburgh, 24-25 September, 2009* (Geneva).

[http://www.ilo.org/public/libdoc/jobcrisis/download/protecting\\_people\\_promoting\\_jobs.pdf](http://www.ilo.org/public/libdoc/jobcrisis/download/protecting_people_promoting_jobs.pdf)

—. 2009b. *Guide on the new Millennium Development Goals employment indicators: Including the full set of Decent Work Indicators* (Geneva).

—. 2010a. *Accelerating a jobs-rich recovery in G20 Countries: Building on experience*, report to the Meeting of G20 Labour and Employment Ministers, April, 2010 (Geneva).

[http://www.ilo.org/public/libdoc/jobcrisis/download/g20\\_report\\_accelerating.pdf](http://www.ilo.org/public/libdoc/jobcrisis/download/g20_report_accelerating.pdf)

—. 2010b. *Report of the Committee for the Recurrent Discussion on Employment*, International Labour Conference, 99th Session, 2010 (Geneva).

—. 2011. *Social partners and their engagement in National Development Plans – Lessons learnt from a decade of implementation of Poverty Reduction Strategies* (Geneva).

—. 2012. *Guide for the formulation of National Employment Policies* (Geneva, forthcoming).



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## Sustainable Enterprises

### The Challenge

The multiple crises affecting the world over the last decade have reinforced the urgency to reconcile the needs for economic growth, social justice and the protection of the environment. Important challenges for a pathway to sustainable development include:

- creating sufficient good-quality jobs for the more than 400 million new jobseekers entering the labour market in the next decade;
- enabling hundreds of millions of working poor to lift themselves out of poverty;
- maintaining social cohesion and overcoming the vast inequalities in opportunity and in incomes within, as well as between, countries;
- accelerating the transition to low-carbon and environmentally sustainable economies.

Enterprises play a central role in the pursuit of sustainability, as they are a principal source of growth, wealth creation, employment and decent work. Sustainable enterprises which generate sufficient decent jobs are productive, competitive and contribute to social inclusion, while producing in an environmentally sustainable manner can go a long way towards broader sustainable development.

Enterprises at the same time face many difficulties in rising to the challenges: they operate in an environment of laws and regulations which can either favour or hinder their development. Enterprises also differ in type, size and scope. Small and medium-sized enterprises (SMEs) account for about two thirds of all employment in industrialized countries and an even higher share in the developing world. They have been the main source of newly created jobs over the last decades, but productivity is often low and job quality poor. Cooperatives are an important form of privately owned business, employing around 100 million workers and with 800 million members around the world. Multinational enterprises (MNEs), on the other hand, have played a key role in expanding global trade, contributing to unprecedented economic growth and opportunity. Globalization has, however, also increased tensions around growing disparities. Enterprises of all sizes face the challenge to be profitable while adopting socially responsible and environmentally sustainable practices in an increasingly globalized world.

### The ILO Response

All ILO work on employment derives its current mandate from the Global Employment Agenda (2003) and the ILO Declaration on Social Justice for a Fair Globalization (2008). In order to help enterprises realize their full potential, the International Labour Conference in 2007 developed the concept of sustainable enterprises. The conclusions adopted complement and link earlier detailed instruments guiding the work of the ILO on SMEs, on cooperatives and on MNEs.

ILO assistance to member countries and constituents for putting the concept of sustainable enterprise into practice is guided by a strategic framework for the creation of decent work in sustainable enterprises of all types and sizes, from micro- and small enterprises to large and multinational ones as well as to cooperatives and social economy enterprises.





The strategy is based on three interrelated and mutually supportive pillars:

- **Pillar 1: Creating Enabling Environments for Sustainable Enterprises and Employment** assists member countries to assess and where necessary to adapt policies, laws and regulations. The goal is to encourage investment and entrepreneurship that balances the needs and interests of the enterprise – both workers and employers – with the broader aspirations of society.
- **Pillar 2: Entrepreneurship and Business Development** focuses on the role of the entrepreneur and the creation of businesses that lead to more and better jobs, especially for women and young people. It supports member States and the social partners to stimulate entrepreneurship, through tools and programmes for entrepreneurship training, provision of business development services, access to information, technology and finance and by linking enterprises to local development and to value-added chains.
- **Pillar 3: Sustainable and Responsible Workplaces** concentrates on conditions of work and the quality of the working environment. This includes promoting social dialogue and collective bargaining; human resource development; measures to raise productivity, to improve energy and material efficiency and to reduce environmental impacts; wages and shared benefits as well as corporate social responsibility, corporate governance and responsible business practices.

The ILO's mandate on the promotion of sustainable enterprises is part of its wider mission to promote decent work for all. For the ILO, enterprise development is not just about unleashing entrepreneurship; it is fundamentally about creating decent jobs.



## Key Tools and Resources

International Labour Office (ILO). Detailed instruments guiding the Office's work include:

- 1977. *Tripartite declaration of principles concerning multinational enterprises and social policy (the MNE Declaration)*. This instrument is regularly updated, 4th revised edition (2006).
- 1998. *ILO declaration on fundamental principles and rights at work*.
- 1998. *Job creation in small and medium-sized enterprises recommendation*, 1998 (No. 189).
- 2002. *Promotion of cooperatives recommendation*, 2002 (No. 193).
- 2007. *Conclusions concerning the promotion of sustainable enterprises*, International Labour Conference.

Buckley, G; Salazar-Xirinachs, J.-M.; Henriques, M. 2009. *The promotion of sustainable enterprises* (Geneva, ILO).

International Labour Office (ILO). 2010. *The Sustainable Enterprises Programme: Promoting job creation through the development of sustainable enterprises. Strategic framework* (Geneva).

A description of the major products offered by the Sustainable Enterprise Programme is available at: [www.ilo.org/sustainable-enterprises](http://www.ilo.org/sustainable-enterprises)

On-line information resource guide on Corporate Social Responsibility  
<http://www.ilo.org/public/english/support/lib/resource/subject/csr.htm>

ILO Helpdesk for business on international labour standards  
<http://www.ilo.org/multi>

For training courses on enterprise development at the International Training Centre of the ILO, Turin, Italy, see: <http://www.itcilo.org/en/expertise-services/enterprise-development>



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## Skills and Employability

### The Challenge

Countries at all development levels find that adequate education and skills increase the ability to innovate and adopt new technologies. They make the difference between inclusive growth and growth that leaves large segments of society behind. A workforce that has been appropriately trained and is able to continue learning boosts investor confidence and thus job growth.

In low-income countries, scarcity of workers with relevant education and demonstrated skills constrains growth of the productive formal economy. In many middle-income countries, high growth and productivity in some sectors intermingles with low productivity and unrelenting poverty in the large informal economy. Better education and training for young people, workers and entrepreneurs can accelerate the transition to the formal economy, but only as part of job-centred macroeconomic growth policies and a conducive environment for enterprise growth.

Demographic trends together with heightened competition make the risk of skills and talent shortages and mismatches more acute in many OECD, Eastern European and Commonwealth of Independent States countries. Encouraging lifelong learning and improving labour migration policies are among the challenges confronting ageing societies. The low-skilled are often losing out on benefits that globalization can bring. Discrimination on the basis of gender, ethnicity, rural isolation or age constrains equal access to education, training, and employment services that prepare young people to enter the labour market.

### The ILO Response

The ILO Declaration on Social Justice for a Fair Globalization (2008) and the Global Jobs Pact (2009) highlight skills development as central to improving productivity, employability and social inclusion. The Human Resources Development Recommendation, 2004 (No. 195) provides guidance on the content of effective skills policies and systems. The Conclusions on skills for improved productivity, employment growth and development adopted by the International Labour Conference at its 97th Session in 2008 establish a strategy for skills development (see box). The Office drew on this agreed framework when asked by the G20 Leaders in 2009 to develop a training strategy to support innovation and growth.

Countries that have succeeded in linking skills to productivity, employment, and development have targeted three main objectives:

- matching supply to current demand for skills;
- helping workers and enterprises adjust to change; and
- anticipating and delivering skills needed in the future in order to sustain a dynamic development process.

It is policy coordination that made this possible: labour, education and other ministries, social partners, training providers, and employment services worked together to anticipate occupation and skill needs and target training towards meeting them. Their investments in education and training fuelled technological advancement and economic diversification which in turn, promoted growth of both productivity and employment.



This holistic approach drives the ILO's programme on skills and employability:

**Research and knowledge management** focuses on sharing information on good practices and explaining why certain policy approaches work well. Current research targets include:

- developing cost-effective methods and sustainable institutions for early identification of skill needs: linking skills provision to growth-potential sectors, emphasizing labour market information systems and social dialogue, and applying new tools to post-crisis recovery, transitions to a lower-carbon economy, and job growth through economic diversification and trade;
- linking skills, productivity and working conditions in order to improve outcomes of vocational training for young persons;
- promoting training and skills upgrading through social dialogue and collective bargaining; and
- broadening the menu of approaches for recognizing prior learning, promoting core skills and lifelong learning, and making training provision more relevant to workers' and employers' needs.

The ILO works with the OECD, the UNESCO and the development banks to pool knowledge and experience on linking skills to employment in order to broaden the range of experience available to policy-makers, employers' and workers' organizations, the private sector and academic institutions.

**Technical cooperation** applies research findings and lessons from evaluations to country-specific circumstances and creates a learning platform for stakeholders. The current portfolio include:

- supporting national and regional skills reform initiatives (e.g. Bangladesh, the Caribbean, Central America, Malawi, Viet Nam);
- boosting community-based training through the Training for Rural Economic Empowerment programme – in particular to reach young people and women (e.g. Burkina Faso, Liberia, Sri Lanka, Zimbabwe);
- upgrading informal apprenticeships in countries in Africa, so that this system, which is often young people's best chance to acquire skills, offers higher quality training, safer working conditions, and wider occupational choices to girls;
- rebuilding training systems as part of post-crisis reconstruction strategies (e.g. Haiti, Sudan, South Sudan, Yemen).

Particular attention is paid to overcoming barriers that **women workers** face in accessing training that leads to improved employment opportunities; expanding training opportunities for **persons with disabilities** and in **remote rural communities**; and combining core skills, training, work experience, employment services, and entrepreneurship in interventions targeting **young people**.

## Key Tools and Resources

In addition to the above-mentioned ILO standards:

International Labour Office (ILO). 2010. *A skilled workforce for strong, sustainable and balanced growth; A G20 training strategy* (Geneva).

—. 2011. *Skills for green jobs: A global view* (Geneva).

—. 2012a. *Introductory guide to upgrade informal apprenticeship*, Policy Brief (Geneva).

—. 2012b. *Preliminary assessment of training and retraining programmes implemented in response to the Great Recession* (Geneva).

The 2008 ILC Conclusions on **Skills for improved productivity, employment growth and development and the G20 Training Strategy prepared by the ILO** call for a holistic approach to skills development by:

- integrating skills development into national and sectoral development strategies;
- using skills development to maximize opportunities and mitigate the negative impact of technology, trade and climate change;
- building seamless pathways of education that connect basic education, vocational training, employment services and lifelong learning and that maintain communication on training needs and quality between employers and trainers; and
- extending access to education and training of good quality and relevance to the labour market to those who are disadvantaged in society and promoting business strategies that utilize higher skills and provide on-going training.



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## Labour Market Policies and Institutions

### The Challenge

The global financial crisis has underscored the importance of intervening in the labour market to protect workers and promote better employment outcomes. In both developed and developing countries, active labour market policies (ALMPs) have proved to be successful in averting lay-offs (for example through job retention), increasing employability (training), creating job opportunities (wage/job subsidies). Many of these are planned and implemented through public employment services. Interventions to support income are also essential to cope with the loss of salaries and prevent poverty. While such measures are typically provided in richer (OECD) countries through unemployment benefit systems – so-called passive labour market policies – other schemes have been introduced or expanded in poorer countries, although these programmes often cover only a small proportion of the population.

The rights of workers can also be protected through labour market institutions such as wage-setting institutions, legislation on employment protection, mandatory social benefits or minimum wages – and enforcement of the legislation.

How have labour markets been adjusting to economic shocks? And to what extent has the policy and institutional mix been able to provide fair adjustments? The debate on the economic effects of labour market regulations, policies and institutions has been going on for over two decades and is still conflictual and divisive. One lesson learnt from the East Asian financial crisis in the 1990s is that the lack of institutions and programmes, especially established social security schemes, hindered how these countries could respond to the impact of the crisis on their labour markets and thus on household well-being.

Developing countries face many challenges in building well-functioning labour market policies and institutions including the lack of fiscal space and inadequate administrative/institutional capacity. In addition, social dialogue is often weak, the formal sector underdeveloped and labour regulations poorly enforced.

### The ILO Response

In its efforts to promote decent work throughout the world, the ILO emphasizes the importance of comprehensive and coherent policies to create more and better jobs and promote inclusive labour markets. Many ILO Conventions are directly linked to the theme of labour market regulation and policies. Among the most important of these are the Employment Policy Convention, 1964 (No. 122) and the Termination of Employment Convention, 1982 (No. 158). The *Toolkit for mainstreaming employment and decent work* contains a list of key questions to help assess linkages and draw attention to the potential contributions of the policies and programmes of the different international agencies; the roles of both labour market policies and institutions are highlighted as critical for country development and decent work. Labour market policies and social protection measures are among the key items listed in the Global Jobs Pact adopted by the International Labour Conference in 2009.





The ILO's Programme on Labour Market Analysis devotes its main efforts to research and publications about labour market institutions and policies, providing advisory services as well as capacity building to governments and organizations of employers and workers. In addition, through a worldwide network of employment specialists it provides assistance to countries in developing coherent and coordinated labour market policies. The main topics researched concern labour market adjustments and the role of institutions and policies in mitigating the costs of external shocks and ensuring job quality. Work in this area includes:

- analysis of labour markets in advanced, emerging and developing economies;
- data collection on labour market policies and institutions;
- measurement of labour legislation;
- assessing the role of labour market regulations on labour market performances;
- providing policy advice on ALMPs and social policy to accelerate jobs recovery, inputs for the G20 meetings;
- publications and reports on the role of labour institutions, on ALMPs and on the need for balancing flexibility and security around the world;
- collaborating with other international organizations such as the European Commission, the World Bank and OECD in the field of labour market analysis and policy;
- participating in international workshops, academic conferences and networks on labour market analysis;
- training and capacity-building activities in collaboration with the International Training Centre of the ILO in Turin, Italy, in particular the design and organization of the Summer School on Labour Economics for Development;
- providing technical advisory support to ILO country programmes.

## Key Tools and Resources

In addition to the above-mentioned ILO standards:

Cazes, S.; Nesporova, A. 2003. *Labour markets in transition: Balancing flexibility and security in Central and Eastern Europe* (Geneva, ILO).

Auer, P.; Efendioglu, U.; Leschke, J. 2005. *Active labour market policies around the world: Coping with the consequences of globalization* (Geneva, ILO).

Berg, J.; Cazes, S. 2008. "Policymaking gone awry: The labor market regulations of the Doing Business Indicators", in *Comparative Labor Law and Policy Journal*, Vol. 29, No. 4.

—; Kucera, D. (eds). 2008. *In defence of labour market institutions. Cultivating justice in the developing world* (Geneva, ILO and New York, Palgrave MacMillan).

Cazes, S.; Verick, S.; Heuer, C. 2009. *Labour market policies in times of crisis* (Geneva, ILO, Employment Working Paper No. 35).

—; Tonin, M. 2010. *Employment protection legislation and job stability: A European cross-country analysis*, *International Labour Review*, Vol. 149, No. 3 (Geneva, ILO).

—; Verick, S.; F. Al Hussami. 2011. *Unemployment dynamics: US and European diverging patterns? Evidence from Okun's law, the global financial crisis and longer term trends* (Geneva, ILO).

International Labour Office (ILO). 2010. Employment protection legislation database – EPLex. Online information resource, regular updates. [http://www.ilo.org/dyn/terminate/termmain.home?p\\_lang=en](http://www.ilo.org/dyn/terminate/termmain.home?p_lang=en)



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## Employment Services

### The Challenge

Employment services match job seekers with job opportunities and are thus central to a well-functioning labour market. They are provided both by government through their Ministries of Labour and/or by private employment agencies. Close collaboration between public and private employment services is important because it results in the most positive outcomes for the labour market as was demonstrated during the global financial and economic crisis that began in 2008.

**Public employment services (PES)** plan and execute labour market policies. Their major role is to cushion labour market transitions for workers and enterprises by:

- providing good information about the labour market;
- assisting with job search and providing placement services;
- administering unemployment insurance benefits;
- administering a variety of labour market programmes.

**Private employment agencies** also play an important role in the labour market. They provide an alternative means of job matching as their core service; they also offer training and up-skilling to meet employers' needs.

The ILO provides support and guidance to its member States in strengthening their public employment services, promoting the regulation of the activities of private employment agencies and encouraging productive cooperation between the two.

### The ILO Response

All ILO work on employment derives its current mandate from the Global Employment Agenda (2003) and the ILO Declaration on Social Justice for a Fair Globalization (2008). Public employment services have been recognized in the mandate of the ILO since its creation. ILO Convention on Unemployment, 1919 (No.2) recognized the role of employment services and promoted the establishment of national employment services in all member states. The role of the Public Employment Service was fully elaborated at the international level with the adoption of Employment Service Convention, 1948 (No. 88).

The increasing need to provide services to a rapidly expanding and flexible labour market has led to further development of private employment agencies. Recognition of their positive contributions led to the ILO Private Employment Agencies Convention, 1997 (No. 181) and its accompanying Recommendation (No.188). The 2009 Global Jobs Pact also emphasizes the important role employment services play in contributing to a sustained job recovery.

Both jobseekers and employers are customers of employment services, both public and private; and most national employment services are guided by an advisory body which reinforces the principles of social dialogue between government, employers and workers.



The ILO programme focuses on three inter-related areas: services, knowledge development and advocacy. These include:

- Conducting PES assessments in member States, identifying areas in need of strengthening, and supporting the development and implementation of technical cooperation projects to enhance employment services. Particular emphasis is being placed on services in Africa;
- Supporting post-crisis recovery plans following natural disasters or civil unrest. Emergency employment services are set up as an immediate response; in the longer term the ILO supports the development of sustainable public employment services;
- Providing technical training courses on public employment services, on career counselling to support the transition of youth from school to work, and on guidelines and policies concerning the regulation of private employment agencies;
- Promoting the benefits of cooperative efforts between public employment services and private employment agencies;
- Assessing how PESs could extend core employment services to workers and enterprises in the informal economy to help them in the transition to the formal economy;
- Drawing lessons from information collected on PESs' labour market programmes in response to the global economic crisis; and
- Strengthening the role of PESs in member States' efforts to improve the collection and dissemination of labour market information.

## Key Tools and Resources

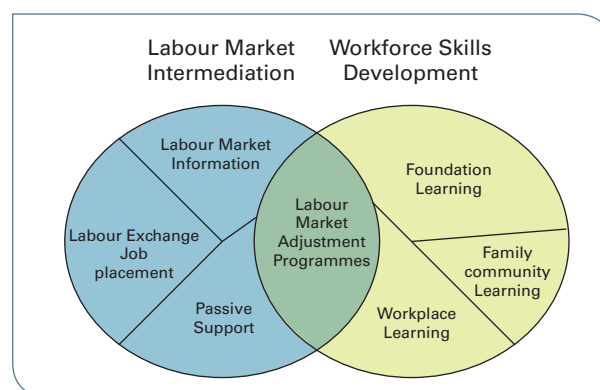
In addition to the above-mentioned ILO standards:

Thuy, P.; Hansen, E.; Price, D. 2001. *The public employment service in a changing labour market* (Geneva, ILO).

International Labour Office (ILO). 2003. *Guidelines for establishing emergency public employment services* (Geneva).

Hansen, E. 2006. *Career guidance: A resource handbook for low- and middle- income countries* (Geneva, ILO).

International Labour Office (ILO). 2007. *Guide to private employment agencies: Regulation, monitoring and enforcement* (Geneva).



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## Economic and Labour Market Analysis

### The Challenge

The short to medium term challenge stems from the protracted impact of the global economic and financial crisis. With 27 million jobs lost, another 29 million people withdrawing from the labour market because of lack of jobs, young people and women harder hit, long term structural unemployment on the increase, and weakening in the steady progress in reduction in the working poor and the vulnerable. The long run challenge is creating 40 million jobs for the new entrants into the labour force each year, and cutting the back log of registered unemployed of 200 million. Nor do these numbers begin to capture adequately the problems of job quality, the creeping dualism in the labour market in advanced economies, the large proportions of the working poor in emerging economies and least developed countries, their underemployment, low productivity, low returns, and lack of social protection and rights.

To begin to meet this challenge, what is needed is better estimation and analysis of the labour market embedded in the macro economy, for better derivation of policy, at the global regional, comparative cross country and country levels.



### The ILO Response

The Economic and Labour Market Analysis Department focusses its work on three areas:

- (i) Macro issues of growth and employment, and growth and development;
- (ii) Estimation and analysis of global and regional employment;
- (iii) Comparative cross country and country analysis of the labour market.

The Department takes primary responsibility for the macro work on growth and employment, and growth and development. The TRENDS team has primary responsibility for the econometric estimation and analysis of global and regional employment. The ANALYSIS team has primary responsibility for the comparative and country analysis of labour markets. The three teams also work in collegial constellations on thematic and timely issues, as for instance for the G20, least developed countries, regional analysis, and country work on labour market information analysis. Two long term projects involving technical cooperation are also integral to this work of the department, with the Swiss Government on construction and analysis of an Inventory of Crisis Policy Response, and with the French Government on examining labour markets and policy in North and West Africa.

The macro level work priorities are the following:

- **The macro drivers of global growth and employment:**

This work has gone in two empirical directions. One is towards an examination of demand and supply side factors, to determine the relationship between consumption, exports and investment, using a large sample of some 90 countries panel data, to establish some causality. A second direction is an examination of the relationship between Gross Domestic Product (GDP) growth and employment, to determine the pattern of its variance over time and space, to uncover some of the underlying factors that explain this spread, such as productivity, wages, unit labour costs, and capital intensity. Much of this work is for the G20.

- **Developing an economic model of the labour market:**

This work is based on setting up a stylised abstraction of the labour market, to understand the different mechanisms of adjustment needed to increase employment. This single market model is expanded to interact with other markets, principally for capital, commodities, domestic markets and exports. The model is then tested empirically.

- **Developing an econometric model of the labour market in a broader General Equilibrium model:**

The economic model of the labour market developed, is then formulated as a module in a broader



General Equilibrium model, to allow policy simulations and exogenous shock simulations, to determine their impact on GDP and employment.

- **The role of adjustment policies, especially during the crisis, including macro transfers, employment and social floors, and labour market reforms:**

This work has moved in two directions. One direction has been based on a collation and examination of the inventory of policies followed during this prolonged crisis, at the request of the G20, as a follow-up in collaboration with the World Bank, through a survey and report on 77 countries. A second direction has been based on an examination of the policy need for structural change in both advanced and emerging economies, over the medium and long runs.

- **Growth and development:**

This work examines the relationships between GDP growth, and key indicators of development, including, poverty, productivity, employment, the quality of employment, the working poor, and the vulnerable. While some of the relationships are positive, others involve tradeoffs, requiring the designing of policy incentives to strengthen the positive relationships, and reverse the tradeoffs.

- **Industrial policy:**

The work on development highlights for some sub regions and countries, deindustrialisation or stagnating manufacturing sectors, or a lack of structural transformation, and their negative impact on employment and the quality of employment. The work on industrial policy seeks to identify the causal factors leading to such deindustrialisation, stagnation of manufacturing, and lack of structural transformation, seeks comparative country experience on policies that have been observed to prompt structural change, and ascertains their replicability.

## Key Tools and Resources

Cazes, S.; Nesporova, A. 2007. *Flexicurity: A relevant approach in Central and Eastern Europe* (Geneva, ILO).

Ghose, A.K.; Majid, N.; Ernst, C. 2008. *The global employment challenge* (Geneva, ILO).

Viet Nam Ministry of Labour, Invalids and Social Affairs; International Labour Office (ILO). 2011. *Viet Nam employment trends 2010* (National Centre for Labour Market Forecast and Information, Bureau of Employment - Hanoi).

International Labour Office (ILO). 2011a. *Efficient growth, employment and decent work in Africa: time for a new version* (Geneva).

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International Labour Office (ILO); World Bank. 2011. *ILO/WB Inventory of Policy Responses to the Global Crisis* (Geneva).

International Labour Office (ILO). 2012. *Global Employment Trends 2012: Preventing a deeper jobs crisis* (Geneva).

ILO/OECD. 2011a. *Country brief to the G20 Ministerial Meeting of Labour Ministers: India* (Geneva).

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—. 2011d. *Country brief to the G20 Ministerial Meeting of Labour Ministers: South Africa* (Geneva).

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## Labour Market Information and Trends

### The Challenge

Understanding labour market trends is key to designing effective policies for job creation. Global and regional employment estimates and projections trace the potential of different regions in the world to absorb an ever growing global labour force. Unemployment rates by age group and sex allow the identification of vulnerable groups most in need of support. Similarly, estimates of working poverty help target efforts to promote decent work and poverty reduction strategies more precisely. Such indicators form the basis of a modern labour market information and analysis (LMIA) system to support the deployment and assessment of national employment policies.

LMIA systems are composed of three key elements:

- Collection and compilation of labour market and household information;
- Analytical tools to evaluate and understand trends and challenges;
- Institutional arrangements and networks.

Timely and encompassing information on labour market developments has become more than ever a challenge for LMIA systems. Especially during crisis times, policy makers, employees and businesses need to be informed rapidly about latest developments, analysing in an accessible format facts and figures that come from multiple sources. Detailed information about job openings, sectoral changes, geographical imbalances and the labour force help in the design of strategies to improve labour market outcomes, to adjust to business cycle shocks and to respond to longer term challenges such as globalisation and population ageing.

In developing economies, however, lack of sufficient resources and other institutional constraints often do not allow for the collection, tabulation and analysis of labour market information at a detailed level and in a timely fashion. Here, LMIA systems can provide support in combining existing data with analytical tools to provide estimates of trends and key labour market developments.

### The ILO Response

The Employment Trends Unit produces global and regional publications and databases on labour market trends to support employment and decent work policies.

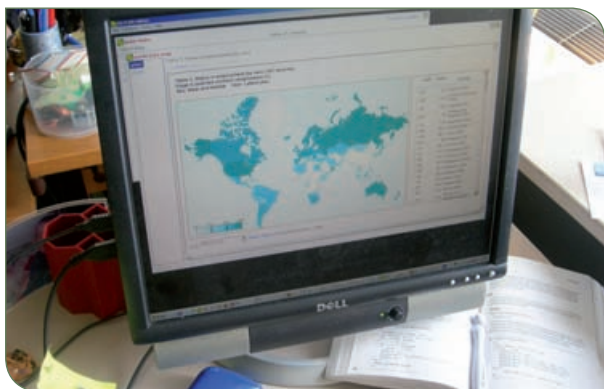
At the country level, the Employment Trends Unit assists constituents in developing LMIA systems. This is carried out both through specific interventions such as support for data tabulation and analysis including the development of special purpose analytical tools, and through more comprehensive approaches including employment projections. For example, a project to improve the LMIA system in Viet Nam, completed in 2010, included activities to support all three elements. Other countries where the Employment Trends Unit has supported LMIA activities include Egypt, Liberia, Malaysia, Mongolia, Mozambique, Namibia, Pakistan and Sri Lanka.

At the global level, the Employment Trends Unit focuses its work on three major products:

- **Key Indicators of the Labour Market (KILM)**, a multi-functional research tool of the ILO. The KILM includes a comprehensive database of country-level data on 18 key indicators of the labour market from 1980 to the latest available year. Each indicator is accompanied by descriptions of the standard international definition of the concept and measurement procedures, guidelines on how the indicator can be used in analyses of labour market issues, and words of caution on comparability limitations. Readers are guided on the value of using multiple indicators to develop a broader view of labour market developments. The KILM therefore serves as a tool for policy-makers and researchers in monitoring and assessing many of the pertinent issues related to the functioning of labour markets.
- **Global Employment Trends (GET) series.** The GET series reviews global and regional economic and labour market developments and analyses driving factors and longer term determinants. The analysis is based on the most recently available data with a view to developing information and analysis that is essential for promoting full, decent and productive work for all, including women and young people. Building on the KILM, the GET reports include a consistent set of tables with regional and global estimates of labour market indicators. Each issue of

Global Employment Trends also contains a medium term labour market outlook based on projections or scenarios, focusing on unemployment, vulnerable employment and working poverty. The reports have been published on a yearly basis since 2003, with special editions analysing labour market trends for segments of the population such as youth (2004, 2006, 2008, 2010 and 2011) and women (2004, 2007, 2008 and 2009), or for certain regions. The *Global Employment Trends 2012: Preventing a deeper jobs crisis* issue focused on the prolonged labour market slump caused by the global economic crisis and offered a selection of policy options to jump start employment creation.

- **Millennium Development Goals (MDG) employment indicators.** In 2008 a new MDG target on “achieving full and productive employment and decent work for all, including women and young people” was introduced together with four employment indicators. The ILO raises awareness on the MDG employment-related indicators and offers country-level support to ensure that these indicators are used in national and international labour market monitoring systems. Work on the new MDG indicators includes the organization of workshops to support country-level analysis and to highlight the linkages between the MDG employment indicators and the decent work agenda.



## Key Tools and Resources

International Labour Office (ILO). 2009a. *Guide to the new Millennium Development Goals employment indicators: Including the full set of decent work indicators* (Geneva). See also the series of Millennium Goals Reports. <http://www.un.org/millenniumgoals/>

—. 2009b. *Trends econometric models: A review of the methodology* (Geneva).

—. 2010. *Women in labour markets: Measuring progress and identifying challenges* (Geneva).

—. 2011a. *ILO Estimates and projections of the economically active population: 1990-2020*, 6th edition (Geneva). [http://laborsta.ilo.org/applv8/data/EAPEP/v6/ILO\\_EAPEP\\_methodology\\_2011.pdf](http://laborsta.ilo.org/applv8/data/EAPEP/v6/ILO_EAPEP_methodology_2011.pdf)

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—. 2011c. *Working poverty in the world: Introducing new estimates using household survey data* (Geneva). <http://kilm.ilo.org/2011/download/Chap1AEN.pdf>

Viet Nam Ministry of Labour, Invalids and Social Affairs. 2011. *Viet Nam Employment Trends 2010*. (National Centre for Labour Market Forecast and Information, Bureau of Employment -Hanoi). [http://www.ilo.org/hanoi/Informationresources/Publicinformation/Pressreleases/WCMS\\_150672/lang--en/index.htm](http://www.ilo.org/hanoi/Informationresources/Publicinformation/Pressreleases/WCMS_150672/lang--en/index.htm)

International Labour Office (ILO). 2012. *Global Employment Trends 2012: Preventing a deeper jobs crisis* (Geneva).



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## Employment-Intensive Investments

### 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:

Tajgman, D.; De Veen, J. 1998. *Labour policies and practices* (Geneva, ILO).

Bentall, P.; Beusch, A.; De Veen, J. 1999. *Capacity building for contracting in the construction sector: Guidelines* (Geneva, ILO).

Tournée, J.; Van Esch, W. 2001. *Community contracts in urban infrastructure works: Practical lessons from experience* (Geneva, ILO).

Lieuw-Kie-Song, M.; Philip, K.; Tsukamoto, M.; Van Imschoot, M. 2010. *Towards the right to work: Innovations in Public Employment Programmes (IPEP)* (Geneva, ILO, Employment Working Paper No. 69).

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



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## Social Finance

### The Challenge

Access to appropriate financial services is a fundamental condition for poverty reduction, job creation, income security and social protection. But access to finance alone does not automatically yield social benefits. For this to happen, low-income workers, small business owners, migrants, families with working children and others on the margin of the financial market must be able to make informed choices about taking a loan, finding safe mechanisms to save and transfer money, and what to look out for in the small print of insurance contracts. Financial capabilities go hand in hand with better market access.

Institutions that practise social finance have a double bottom line. Their profitability is balanced by considerations of social responsibility. They empower those who individually would not make a difference in the financial market. By inducing the poor to organize themselves access to finance also builds a bridge out of informality.

Social finance is thus a cross-cutting concern and touches upon employment creation and working conditions, social protection, and fundamental rights such as the prevention of child and bonded labour and gender equality. Social finance is also a critical issue or concern for migrant workers who send home money to support their families as it can be linked up with savings products for schooling at home, or health-related expense accounts or loans for housing improvements and construction. Not only can finance be used as a channel to promote a better understanding of workers' rights, but it also can be a catalyst for capacity building, including the empowerment of women. Employers' and workers' organizations can be valuable facilitators, enabling their members to access more affordable and appropriate services, resulting in benefits for the members and the associations.

### The ILO Response

For decent work to materialize, the financial sector has to become more inclusive. Employer and worker organizations articulate the interests of business and households, they make their voice heard, for example when small businesses cannot find affordable credit, or when workers' incomes are eroded by doubtful practices of payday loans.

The ILO has a mandate across the various facets of social justice and decent work. In the financial sector, the 1944 Philadelphia Declaration expects the ILO to "consider... financial policies in the light of social justice". Furthermore, in the context of the International Year of Microcredit, the Governing Body's Employment and Social Policy Committee decided at its 292nd Session in March 2005 to formulate a statement of ILO policy on the contribution of microfinance to the Decent Work Agenda which articulates the abovementioned mandate.

The Social Finance Programme, launched in 1991, analyses, shares knowledge and provides technical advice about what works to facilitate access to finance, including services and products, institutional models and policies across the financial sector. It is supported by the ILO's Social Finance Network which reflects the cross-cutting scope of social finance with members in all sectors and regions. Through this network the ILO ensures coherence in analysis and action and fosters the capacity of its constituents to help their members.



The ILO strategy on Social Finance can be summarized as follow:



ILO interventions in the area of social finance are articulated around two pillars and include key initiatives such as:

#### Better employment:

- Implement the Microfinance for Decent Work action research project with 16 microfinance institutions across the world to experiment with strategies to promote the ILO Decent Work Agenda among businesses in the informal economy, including occupational safety and health, reducing child labour, and encouraging formalization for dissemination in micro finance network and policy makers;
- Develop a number of flagship training programmes such as the Making Microfinance Work that build capacity of microfinance providers to offer quality services to micro-entrepreneurs;
- Support key initiatives in the Employment Sector with the access to finance dimension – for example, on youth employment or on small enterprise development.

#### Reduced vulnerability:

- Based on evidence from its 50 plus grantees and partners, the ILO's Microinsurance Innovation Facility analyzes and documents results of innovations in microinsurance for active dissemination and capacity building of practitioners;
- Support policy dialogue and capacity building of policy makers for promoting access to insurance for vulnerable groups through the Access to Insurance Initiative;
- Document experiences in financial education and capacity building of project partners to deliver financial education programme.

## Key Tools and Resources

International Labour Office (ILO). 2005. *ILO policy statement: Microfinance for decent work*, GB. 94/ESP/3, 294th Session (Geneva).

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Balkenhol, B. (ed.) 2007. *Microfinance and public policy. Outreach, performance and efficiency* (ILO and Palgrave Macmillan Publishers).

Churchill, C.; Matul, M. (ed.). 2012. *Protecting the poor: A microinsurance compendium, Vol II* (Geneva, ILO and Munich Re Foundation).

Training packages on the following topics: middle management, managing product diversity, micro-insurance, guarantee funds, mutual guarantee associations, microfinance in a post-conflict setting. Webpage: [www.ilo.org/socialfinance](http://www.ilo.org/socialfinance)

Social Finance Working Paper series: over 50 issues published on key topics such as remittances, microfinance and post-conflict, the role of workers' organizations, etc.

[http://www.ilo.org/employment/Whatwedo/Publications/lang--en/WCMS\\_123795/index.htm](http://www.ilo.org/employment/Whatwedo/Publications/lang--en/WCMS_123795/index.htm)

Publications and knowledge centre from the ILO's Microinsurance Innovation Facility: [www.ilo.org/microinsurance](http://www.ilo.org/microinsurance)



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## Informal Economy

### The Challenge

Today a significant percentage of the global workforce – women and men – earn their livelihood in the “informal economy”. In developing countries particularly, the informal economy accounts for between 35 and 90 per cent of total employment, and is not confined to traditional rural and urban informal sectors. Various types of informal contracts, precarious employment and undeclared work have been gaining ground in formal establishments as well. Informal work therefore reflects very diverse realities of wage and self-employment worldwide.

For workers, informal employment often means low pay and limited access to legal and social protection and resources. It results in limited bargaining power and representation, as well as the inability to project future development. And the most vulnerable in labour markets – the low-skilled, youth, the elderly, women and migrants – are most likely to be working in the informal economy. For individual businesses and/or micro and small enterprises, informality is a drag hindering growth, productivity and access to mainstream resources.

Informality poses serious policy challenges and promotes unfair competition in the labour market. It remains high worldwide; it may even have been increasing in some countries and regions over the last decade, including in countries that have had high economic growth. This is due to a wide range of factors, including a deficit in the creation of a sufficient number of quality jobs, the declining role of the manufacturing sector, the rise of new work arrangements and the processes of economic restructuring.

Informality is an integral part of the decent work deficits worldwide; a result of the non-inclusive growth patterns and hence policy responses need to promote inclusive job rich growth path and broad access to social protection.

### The ILO Response

Since 2002 an overarching framework for the ILO’s work on the informal economy has been set in place through a number of Resolutions, notably the Resolution on Decent Work and the Informal Economy adopted in that year by the International Labour Conference (ILC).

More recent ILC Resolutions have made specific recommendations with respect to the informal economy, such as the promotion of sustainable enterprises (2007), rural employment for poverty reduction (2008), skills development (2008), gender equality (2009) and the conclusions concerning the recurrent discussion on employment (2010).

The 2002 Resolution proposed a comprehensive tripartite platform for action composed of representatives of governments, employers’ and workers’ organizations of all ILO member States. Acknowledging the diversity of informal work, it called for all action addressing decent work deficits in the informal economy to take this diversity into account.

In subsequent policy discussions, the ILO constituents reconfirmed the objective of “moving out of informality” as the ultimate goal. They recognized that there are many ways of making the transition to formalization easier, and that formalization is a gradual process cutting across several policy areas.





The global financial and economic crisis has highlighted the importance of formal employment, as the crisis has hit both informal economy workers and entrepreneurs without access to social protection. The Global Jobs Pact adopted by the ILC in 2009 recognizes informal economy workers amongst those particularly vulnerable to the crisis and proposes policy measures to mitigate its impact and speed up recovery. These include the implementation of employment guarantee schemes, targeted employment programmes, public works, support to micro- and small enterprises and the promotion of a social protection floor.

The ILO's approach to the informal economy is thus an integrated one. Its programme is organized around three principles:

- a more systematic approach by all ILO programmes to deepen their understanding and work with respect to the challenges of informal economy;
- an integrated and coherent perspective to analyze and support the transition to formality across the four decent work objectives;
- responsiveness to the diversity of local demands.

These principles are being put into practice according to the following priorities:

- **promoting an integrated and coherent perspective on transition to formality:** informality by its very nature calls for interdisciplinary analysis, including:
  - evidence-based country reviews, using the integrated diagnostic framework set out in the diagram below;
  - capacity-building of constituents on policy development and organization;
- **conducting research and technical cooperation on the dynamics of informality in key areas** such as growth strategy and quality employment generation, the regulatory environment, equality, social dialogue, entrepreneurship development, social security, local development, response to the crisis and follow-up to the Global Jobs Pact;
- **facilitating dialogue and exchange of good practices** across regions through a web-based resource platform;
- **improving data** collection and measurement at the global level;
- **developing partnerships** with regional and international institutions such as the European Union, African Union, Asian Development Bank, other UN agencies and OECD.

## Key Tools and Resources

In addition to the above-mentioned ILC Resolutions:

International Labour Office (ILO). 1964. *Employment Policy Convention, 1964 (No. 122) and Recommendation, 1964 (No. 122)* (Geneva).

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—. 2012a. *The informal economy and decent work: A policy resource guide – Supporting the transition to formality* (Geneva). Forthcoming.

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Working Paper Series on the informal economy (available at [http://www.ilo.org/employment/Whatwedo/Publications/lang--en/WCMS\\_123366/index.htm](http://www.ilo.org/employment/Whatwedo/Publications/lang--en/WCMS_123366/index.htm))



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## Trade and Employment

### The Challenge

Over the past decades trade and Foreign Direct Investment (FDI) flows have played an increasingly important role in the world economy, contributing significantly to economic growth both at the global level and within individual countries. Yet not all countries, enterprises or individuals have found it easy to take advantage of the most recent waves of globalization.

The challenges arising appear to be threefold:

- The structure and levels of employment resulting from increased openness can be more or less favorable to the labor force and to economic growth;
- Openness – while helping to buffer domestic shocks – can increase the vulnerability of domestic labor markets to external shocks as witnessed during the Great Recession;
- The gains from globalization are not distributed equally and some workers and firms may lose in the short and even medium-run.

For the ILO, the challenge is to better understand how trade and FDI policies affect decent work opportunities and to assist policy-makers at global, regional and national levels to design policy solutions that optimize the positive effects of trade and FDI on employment.



### The ILO Response

The 1944 Declaration of Philadelphia mandates the ILO to examine all economic and financial policies and measures in the light of the objectives established by the International Labour Conference. The Declaration also requests the ILO to collaborate with other international bodies, notably to “avoid severe economic fluctuations”. These mandates have been renewed by the Declaration on Social Justice for a Fair Globalization (2008). The Global Jobs Pact (2009) emphasizes the need for trade and financial flows to take place within a well-regulated global framework.

The ILO’s approach to meeting the challenges outlined above has evolved around three lines of work:

- Assessing the employment effects of trade;
- Examining the interactions between employment, trade and FDI policies;
- Contributing to the design of national policies to enhance the employment gains from trade.

Together these three lines of work contribute to a better understanding of the **design of coherent employment, trade and FDI policies**. They also contribute to a better understanding of institutional settings that are most conducive to the implementation of coherent employment, trade and FDI policies.

While policy makers can build on a rich body of evidence about the effects of trade and FDI on the gross domestic product (GDP), evidence of the effects of trade and FDI on decent work opportunities is relatively scarce. A significant part of the ILO’s work on trade and employment therefore takes the form of **assessments of the employment effects of trade**. Relevant efforts are geared towards building a strong evidence base to enrich the policy debate and towards the building of evaluation tools. Capacity-building efforts conducted jointly with the International Training Centre of the ILO in Turin, Italy, aim at strengthening constituents’ capacity to use such tools in the preparation of policy design.

Relevant tools developed by the ILO have already been applied to evaluate the labour market effects of trade shocks during the Great Recession in countries such as Brazil, Egypt, India, Liberia, South Africa and Uganda. Country-specific tools are in the process of being developed for Bangladesh, Benin,

Indonesia and Guatemala and first assessments of the employment effects of trade in those countries have been conducted. Some of the relevant work has concentrated on trade in specific sectors, such as agriculture or services (including Mode 4 trade). Other studies have focused on labour market adjustments following trade liberalization, the linkages between trade and the informal economy or the gender aspects of trade.

ILO work on the **interactions between employment, trade and FDI policies** also often takes the form of empirical and policy research. Much of this is carried out in collaboration with other international institutions, in particular, United Nations Conference on Trade and Development, the World Trade Organization and the World Bank. The Trade and Employment Program has built strong partnerships with academia which have resulted in high level publications and research events involving globally recognized academic experts.

Findings of the analytical work are channeled into the policy debate at the global, regional and national level through events and debates organized in collaboration with other international organizations, national think tanks or ILO constituents. In many cases such policy debates do not only involve representatives of employer and worker groups but also representatives of different ministries including the ministries responsible for labour, trade, investment and development issues.

ILO work on **national policies to enhance the employment gains from trade** mainly takes the form of policy dialogue, technical assistance and capacity building. Technical assistance in this field is often conducted in the context of the United Nations Chief Executives Board (UN-CEB) Cluster on Trade and Productive Capacity that ILO joined in 2010.

Technical assistance in this area benefits from research conducted under the other two lines of work. Research conducted on the role of education and skills for export diversification and economic growth, for instance, has significantly shaped the design of the recently developed technical assistance tool called STED: Skills for Trade and Economic Diversification. STED is a methodology that provides guidance for the integration of skills development in sectoral policies. It is designed to support growth and decent employment creation in sectors that have the potential to increase exports and to contribute to economic diversification and as such is a tool that targets donors active in trade-related technical assistance and relevant line ministries (e.g. trade, economy, industry) at the national level.

## Key Tools and Resources

International Labour Office (ILO). 2004. *Final report of the World Commission on the Social Dimension of Globalization: A fair globalization: Creating opportunities for all* (Geneva).

Bacchetta, M; Jansen, M.; Von Uexkull, E. 2010. *Trade and employment in the Global Crisis* (Geneva, ILO).

Jansen, M.; Peters, R. ; Salazar-Xirinachs, J.-M. 2011. *Trade and employment: From myths to facts* (Geneva, ILO).

Skills for Trade and Economic Diversification (STED): a brochure presenting the STED technical assistance tool, available at <http://www.ilo.org/STED>



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## Industrial Policy for Productive Transformation

ENGLISH

### The Challenge

Development experience shows that a group of countries have been high performers not only in having grown at a high and sustained rate for a long period of time, but with a pattern of growth that has led to productive diversification, a high rate of technological change and productivity growth, as well as relatively rapid job creation, growth of wages and incomes, and therefore rapid poverty reduction. In short, a group of countries that have relatively rapidly caught-up with developed countries in terms of standards of living. Development experience also shows that some kinds of growth reduce poverty more effectively than others, that some kinds of growth lead to faster productive transformation, faster learning, structural change and diversification and faster decent work creation than others.

The interpretation about what factors and policies separate such high economic and social performers from others has been a matter of strong debate, but as the Commission on Growth and Development recognized in its report, if an economy is failing to diversify its production structure and exports or generate productive jobs in new industries, governments should look for ways to jump-start the process. Such efforts to accelerate the process of learning and structural transformation are widely used in developed and developing countries and are known by various names: competitiveness policies, innovation, technology and economic diversification policies, or policies to promote clusters or value chains. These are all variants of productive transformation and industrial policies. At their core, they all have one aspect in common: mechanisms, measures and incentives to promote strategic collaboration between the private sector, workers and the government with the objective of removing obstacles to growth, promote technological upgrading and diversification and accelerate processes of learning and productivity growth.

The instruments to promote productive transformation/industrial policies have changed over time partly as a result of better understanding of what works, and partly because trade agreements have reduced the space for the use of some of the instruments that were widely used in the past. However, there remains ample space, beyond the cross cutting measures to improve the enabling environment for sustainable enterprises, to also use institutional, incentive and partnership measures to promote productive transformation and diversification in sectors with high growth and job creation potential.

The recent economic crisis has renewed interest in industrial policies and many Governments are formulating industrial policies to support recovery and to foster development and productive employment through rapid economic transformation, adoption of new technologies, and diversification into higher value added goods and services.

Many lessons have also been learned to design these policies in ways that avoid the problems of industrial policies in the past, such as excessive incentives, lack of transparency and accountability, and getting the process right.





## The ILO Response

The Resolution concerning the Recurrent Discussion on Employment adopted at the International Labour Conference of 2010 mandates the ILO to strengthening its industrial policy expertise with a view to evaluating the employment and decent work impact of such policies. The Resolution calls upon the ILO to increase its capacity to undertake research and analysis with the aim of informing policy advice.

As a first step in meeting these challenges, the ILO has developed a research programme to fill knowledge gaps and to improve understanding of the link between industrial policies, productive transformation, employment and decent work. This policy oriented research addresses both conceptual and empirical research.

The role of productive transformation and industrial policies can be seen as facilitating the process of productive transformation and learning at all levels. This process embraces agriculture, industries and services sectors, urban and rural areas and the design of industrial policies in the light of national development goals and aspirations, National Employment Policies and National Development Strategies.

Recent ILO research provides two important policy lessons. First, manufacturing has a high potential to drive the catching up process as it provides wide potential for increasing returns, and broad learning opportunities in an increasing variety of technologies and occupations. Tradable services can play a similar role in particular country context. Second, education policies play a central role in shaping the dynamics of productive transformation and pro-employment growth by transforming the education structure in the labour force. There is strong empirical support that educational transformation needs to precede economic transformation.

The ILO is currently undertaking empirical research and country studies with a view to providing lessons on good practices for the design of productive transformation and industrial policy interventions and instruments in specific country contexts. The objective is that this improved understanding will provide the basis for developing ILO capacity and technical expertise to provide practical guidance to constituents, as mandated by the Recurrent Discussion on Employment. The ILO is also preparing policy guidelines on industrial policies for productive employment and decent work. Furthermore, the ILO is currently actively engaged in international policy debates on industrial policy and employment and collaboration on this issue has started with the UN Conference on Trade and Development and the UN Industrial Development Organisation.

## Key Tools and Resources

Rodrik, D. 2007. "Industrial policy for the twenty-first century", in *One economics, many recipes* (Princeton University Press).

Commission on Growth and Development. 2008. *The Growth Report. Strategies for sustained growth and inclusive development* (Washington D.C, World Bank).

International Labour Office (ILO). 2011. *Growth, employment and decent work in the least developed countries: Report of the International Labour Office for the Fourth UN Conference on the Least Developed Countries, Istanbul, 9-13 May 2011* (Geneva, ILO).

Nübler, I. 2011. *Industrial policies and capabilities for catching up: Frameworks and paradigms* (Employment Working Paper No. 77, Geneva, ILO).

Ronnas, Per. 2011. *Challenges for achieving job-rich and inclusive growth in Mongolia* (Employment Working Paper No. 94, Geneva, ILO).

Salazar-Xirinachs, J.-M.; Kozul-Wright, R. (eds.). Forthcoming. *After the money's gone: Why industrial policy matters for inclusive growth and job creation* (Geneva, ILO and UNCTAD).

Nübler, I. Forthcoming. *Capabilities for productive transformation and employment* (Geneva, ILO).



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## Green Jobs

### The Challenge

Two major 21st-century challenges need to be tackled simultaneously. The first is to avert dangerous climate change and a deterioration of natural resources that would seriously jeopardize the quality of life for present and future generations. The second is to deliver social development and decent work for all.

Climate change, climate-related disasters and over-use of natural resources already affect hundreds of millions of men and women around the world.

Adaptation to climate change and efforts to arrest it, by reducing emissions and shifting to more sustainable production and consumption patterns, have far-reaching implications for economic and social development and thus for enterprises and for jobs.

Solutions to these two challenges can work in synergy to simultaneously realize the right to development, create decent jobs – in particular for youth and for women – and lift hundreds of millions out of poverty while moving to a sustainable, low-carbon economy.

The transformation towards a green economy will affect employment in four different ways: new jobs will be created, other jobs, especially in the highly carbon-intensive sectors, will be substituted or even eliminated and many existing professions will be re-defined with new profiles and skills.

Green jobs are central to the positive link between climate change and development. Providing decent work for women and men, green jobs make Millennium Development Goal 1 (eradicate extreme poverty and hunger) and Millennium Development Goal 7 (ensure environmental sustainability) mutually supportive.

### The ILO Response

All ILO work on employment derives its current mandate from the Global Employment Agenda (2003) and the ILO Declaration on Social Justice for a Fair Globalization (2008). In June 2007 the ILO Director-General launched the “Green Jobs Initiative” in his report *Decent work for sustainable development*. The notion of Green Jobs summarizes the transformation of economies, enterprises, workplaces and labour markets towards a sustainable, low-carbon economy providing decent work for all.

Built around partnerships with the United Nations Environment Programme, the International Trade Union Confederation and the International Organization of Employers, the initiative mobilizes governments, employers and workers to engage in shaping and implementing coherent policies and effective programmes. Green Jobs are decent work which:

- reduces environmental impact of enterprises and economic sectors to levels that are ultimately sustainable;
- contributes to cutting the need for energy and raw material, avoiding greenhouse gas emissions, minimizing waste and pollution, to adapt to climate change and to restoring ecosystem services such as clean water, flood protection or biodiversity;
- can be created in all countries, across all sectors and types of enterprises, in urban and rural areas, and includes occupations ranging from manual to highly skilled.

The 2009 Global Jobs Pact promotes the shift to a low-carbon, environment-friendly economy that helps to accelerate the jobs recovery, reduces social gaps and supports development goals.

A significant number of countries have adopted economic stimulus packages with major investments to green their economy in the 2009 economic crisis, others have integrated a green economy or green growth into their development strategies.

In order to make green jobs a reality, the ILO has established a Global Programme on Green Jobs which bundles relevant ILO expertise and capacity across the Office. The Programme assists governments and employers' and workers' organizations through:

- generating knowledge and analytical tools;
- policy advice and assistance for implementing practical measures;
- capacity building.

The ILO Programme currently includes the following areas of work:

1. Tools for diagnosis of labour market impacts and to inform policy formulation;
2. Practical approaches for greening of enterprises;
3. Waste management and recycling;
4. Renewable energy and energy efficiency;
5. Sustainable jobs and enterprises in adaptation to climate change and a just transition to a low-carbon and sustainable economy.

The Green Jobs Programme has been growing rapidly since it was established. Activities include:

- active participation in international policy; debates such as the climate negotiations, the G8 and the G20;
- global analysis and research;
- implementation of green jobs programmes in over 20 countries;
- awareness raising, knowledge sharing and capacity building of employers and workers as well as of other key partners – the basis for active participation in the formulation and implementation of relevant policies.

The International Training Centre of the ILO in Turin, Italy, offers a range of training courses on Green Jobs.

The Green Jobs Initiative responds to “Delivering as One on Climate Change” as a priority for the UN system. The ILO actively participates in the negotiations and work under the United Nations Framework Convention on Climate Change. The aim is to advance inclusion of the social and decent work dimensions of climate change and of related policies. The ILO also contributes to make decent work, green jobs, social protection and a just transition part of the outcome of the United Nations Conference on Sustainable Development (Rio+20) summit.

## Key Tools and Resources

International Labour Office (ILO). 2007. *Decent work for sustainable development – The challenge of climate change*. Governing Body document GB.300/WP/SDG/1, 300th Session (Geneva).

—. 2008. *Employment and labour market implications of climate change*. Governing Body document GB.303/ESP/4 303th Session (Geneva).

—; UNEP; IOE; ITUC. 2008. *Green jobs: Towards decent work in a sustainable, low-carbon world (The Green Jobs Report)* (Geneva).

For further information please refer to our homepage [www.ilo.org/greenjobs](http://www.ilo.org/greenjobs)



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## Rural Employment and Decent Work

### The Challenge

Rural areas are home and workplace to half the world's population, 75 per cent of the poor and a majority of the jobless and underemployed. Contexts are complex: modern, productive and high-return agriculture and industries coexist with widespread small-sized, traditional, survival-type rural activities. Some developing countries, mainly in Asia and in Latin America, have achieved rapid poverty reduction through increased agricultural productivity, improved local processing, storage, transportation, and access to global markets, as well as better-enabled human resources.

Rural policies need to be context-specific and integrated – reflecting local features and potential as well as addressing important deficits. They also need to be interconnected as regards investment, incentives, infrastructure, labour market institutions, skills, entrepreneurship, working conditions, social protection, labour rights and workers' and employers' representation, to defend local interests and guide national strategy and resources towards rural areas.

Today's sharp reevaluation of rural development is linked to pressing concerns such as the poverty reduction drive of the Millennium Development Goals, food security, the environment and climate change, economic growth, youth employment, women's empowerment, the management of migration flows, and socio-economic stability, that push to unleash rural potential for sustainable growth, employment, wealth creation and resilience to crisis.



### The ILO Response

ILO's current rural employment work builds on the solid foundations of over 40 years of ILO work on rural areas, peaking in the 1970s - 80s, that offers a host of powerful concepts, approaches, tools and lessons learned.

In 2008 the International Labour Conference adopted a Resolution and a Plan of Action on *Rural employment for poverty reduction* that emphasize the employment dimensions of rural development alongside labour standards, social protection and social dialogue, pointing to their interconnectedness and mutually reinforcing nature, and calling for coordination and cohesion both within the ILO and in the countries concerned. Supporting ratification and implementation of relevant ILO Conventions such as the Employment Policy Convention, 1964 (No. 122), the Labour Inspection (Agriculture) Convention, 1969 (No.129) and of some 30 others targeting rural activities forms part of this.

In 2011, the ILO Governing Body strongly supported a strategy for *Unleashing rural development through productive employment and decent work*. Pillars of that strategy are: making rural work and development an ILO priority; a combination of shared responsibility, coordination and synergies in ILO rural work; advocating for diversification and up-grading of rural economies; multidisciplinary, integrated approaches; external partnerships; an emphasis on capacity building for rural work; and on rural youth and women empowerment.

The ILO Rural Employment and Decent Work Programme prompts, coordinates and monitors ILO action; produces and helps disseminate and advocate products and approaches to promote rural work; engages in and supports strategic initiatives; and promotes external linkages.

Rural dimensions are mainstreamed into about half of ILO's Decent Work Country Programmes and over 80 ILO projects target wholly or partially rural areas, mostly in Africa and Asia. Major ILO global policy frameworks such as the Global Jobs Pact (2009) integrate rural components, prompting constituents to "recognize the value of agriculture ... and need for rural infrastructure, industry and employment". The International Labour Conference's conclusions concerning the recurrent discussion on employment



(2010) also underscore that “increasing rural productivity and investment in agriculture and rural areas are essential to reducing inequalities and promoting more inclusive economies”.

Partnerships with key actors play a major role, given the magnitude and complexity of rural challenges and opportunities. They include links with the Food and Agriculture Organization, International Fund for Agricultural Development, International Co-operative Alliance, and increasingly with other United Nations Agencies and Organizations as well as Non-Governmental Organizations, academia and the media. The ILO is also a member of the UN High-Level Task Force on the Food Crisis.

Building capacity is ILO’s overarching priority in rural work. It comprises:

- strengthening rural data collection systems;
- prompting inclusion of rural dimensions in national employment policies;
- developing local economic development approaches, including value chains benefiting rural stakeholders;
- advocating and supporting employment-intensive infrastructure development and maintenance;
- helping develop local demand-based skills, extend national training systems and provide career guidance to rural areas;
- promoting entrepreneurship adapted to micro-, small and medium rural enterprises, including rural cooperatives;
- developing rural micro-insurance and micro-credit solutions;
- strengthening social protection, and a culture of occupational safety and health;
- advocating for the application of labour law to all rural workers;
- developing rural employment and decent work integrated approaches in technical cooperation, and helping mainstream successful approaches into national policies;
- providing practical guidance on technical issues through policy briefs;
- reviewing best practices worldwide on effective rural transformation policies, programmes and initiatives, to identify drivers of rural development and productive, decent job opportunities;
- promoting young rural men and women’s access to the media and modern technology to acquire “a voice”, to access and share labour market, success stories and other information, and establish synergies;
- preparing guides and training materials, for example on rural labour inspection, rural tourism, and integrated approaches to rural employment and decent work;

- making available relevant ILO tools for rural employment, including on entrepreneurship, career guidance, skills development, Occupational Safety and Health, HIV/AIDS, disadvantaged groups, strengthening the social partners.

Special attention is paid to youth and women, as real “engines” of rural development, whose potential remains largely under-appreciated, under-developed and under-used. Comprehensive approaches that encourage the active participation of youth and women are indispensable to build their capacities, give them a voice and increase their contribution to productive farm and non-farm activities and rural transformation.

## Key Tools and Resources

In addition to the above-mentioned ILC Resolutions: ILO: Over 38 Conventions and 23 Recommendations providing commitment and guidance in advancing rural decent work. See <http://www.ilo.org/ilolex/>

International Labour Office (ILO). 2008. *Promotion of rural employment for poverty reduction*, Report IV, 97th Session of the International Labour Conference, Geneva, 2008 (Geneva).

—. 2011a. *Report of the Committee on Employment and Social Policy*, GB.310/13 (Rev.) (Geneva).

—. 2011b. *Unleashing rural development through productive employment and decent work: Building on 40 years of ILO work in rural areas*, GB.310/ESP/1 (Geneva).

De Luca, L., et al. 2012. *Unleashing rural development potential through decent work: Building on the ILO rural work legacy, 1970s-2011* (Geneva, ILO).

FAO-IFAD-ILO: Set of 7 policy briefs on Gender and Rural Development

ILO: Set of over 25 policy briefs on rural technical issues, groups and sectors

ILO: Toolkit of over 55 ILO rural-relevant technical tools

FAO-ILO website *Food, Agriculture & Decent Work*, at <http://www.fao-ilo.org/>



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## Youth Employment

### The Challenge

The current global youth employment crisis is unprecedented, as globally young people are on average three times more likely than adults to be out of a job, and four out of every ten people unemployed worldwide are young people. According to ILO estimates, the world faces a monumental challenge of creating 600 million jobs over the next decade, in order to absorb the current 200 million unemployed plus the 40 million new job market entrants each year. More youth are poor or underemployed than ever before: some 309 million young people work but live in households that earn less than the equivalent of US\$2 per day. Millions of young people are trapped in temporary and involuntary part-time or casual work that offers few benefits and limited prospects for advancement at work and in life. Young women often face additional barriers.

Young people today build the foundations for the economies and societies of tomorrow. They bring energy, talent and creativity to economies and make important contributions as productive workers, entrepreneurs, consumers, agents of change and as members of civil society. Yet the lack of sufficient or sustainable decent jobs makes young people extremely vulnerable. The youth employment crisis is not only an integral element of the broader general employment situation; it has specific dimensions.

In industrialized countries, the youth employment challenge revolves mainly around finding decent jobs for millions of youth who are entering the labour market each year. In developing and transition countries, the challenge is more fundamental – not only creating jobs, but improving the quality of work for young people who are often underemployed and working in the informal economy.

Decent and productive employment for youth is a major component of the Millennium Declaration. Achieving full and productive employment and decent work for all, including women and youth, is a target of the Millennium Development Goals 1 which aims to eradicate extreme poverty and hunger.

### The ILO Response

In June 2005 the International Labour Conference agreed that tackling youth employment requires an integrated approach combining supportive macro-economic policies and targeted measures addressing labour demand and supply as well as the quantity and quality of employment. The Conference adopted a Resolution concerning youth employment setting out ILO policy and an overarching framework for the ILO's work in this area. The Resolution also contains a list of the main international labour standards relating to young people. The International Labour Conference of 2012 will hold a general discussion on the youth employment crisis.

The youth employment challenge is high on the international policy agenda. Youth employment has featured prominently in the discussion and deliberations of the G20 Leaders. At the 2011 Cannes Summit, G20 leaders established an Employment Task Force, with its immediate priority for 2012 being youth employment. This Task Force has been convened under the Mexican Presidency of the G20 with the ILO supporting its work together with other partners. The review of youth employment policies and programmes of the G20 countries and the proposal for a youth employment strategy are among the priorities discussed by the Task Force meeting in Mexico City (December 2011).



With its tripartite constituency and global alliances, the ILO can be a catalyst for action on youth employment. At the national level, governments, along with employers' and workers' organizations, are major players in the development of youth employment policies and programmes. At the international level, the ILO's leading role in the UN Secretary-General's Youth Employment Network (YEN) – a global partnership of the World Bank, the United Nations and the ILO – provides a major opportunity to build international consensus and influence the international agenda through a comprehensive strategy for employment and social inclusion of young people.

The ILO Programme on Youth Employment operates through a global network of specialists working in the technical departments across the ILO at its head-quarters in Geneva and in more than 60 offices around the world. It provides assistance to countries in developing coherent and coordinated interventions on youth employment. Work in this area includes:

- data collection on the nature and dimensions of youth employment, unemployment and under employment;
- analysis of the effectiveness of country policies and programmes on youth employment;
- policy advice to strengthen in-country labour market policies and programmes for youth employment and capacity building for governments and employers' and workers' organizations;
- technical assistance in formulating and implementing national youth employment programmes that focus on employment-intensive investment, skills development, youth entrepreneurship, access to finance and other targeted active labour market measures;
- advocacy and awareness-raising activities to promote decent work for youth with a focus on employability, employment and workers' rights;
- advisory services through the YEN partnership, including evaluation clinics and support to YEN lead countries;
- strategic partnerships on youth employment through the promotion of cross-country and global peer networks, inter-agency cooperation across United Nations and other international agencies, and collaboration between the private and public sectors at the international, regional and national levels.

## Key Tools and Resources

In addition to the above-mentioned ILC Resolution:

International Labour Office (ILO). 2008a. *Guide for the preparation of national action plans on youth employment* (Geneva, ILO).

—. 2008b. *Youth employment: Breaking gender barriers for young women and men*. Brochure (Geneva, ILO).

—. 2010. *ILO school-to-work transition survey: A methodological guide* (Geneva, ILO).

Resource guide on youth employment. Online information resource, regular updates.  
<http://www.ilo.org/public/english/support/lib/resource/subject/youth.htm>

Youth employment knowledge sharing platform. Online resource, regular updates.  
<https://papyrus.ilo.org/YE>

ILO Global Job Crisis Observatory. Online information resource, regular updates. Section on youth employment.  
<http://www.ilo.org/pls/apex/f?p=109:1:0>



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## Gender and Employment

### The Challenge

Women constitute 40 per cent of the global workforce, and their active engagement in productive employment contributes not only to faster economic growth, but also its long-term sustainability. Yet, despite the progress made in advancing towards gender equality in the world of work during the last few decades, women continue to be over-represented in more precarious, informal and less remunerated work than men. This is largely due to slow progress in social change in many societies, burden of unpaid care work that mostly women continue to undertake, and gender blindness of macroeconomic and development policies.

In 1995 the United Nations Fourth World Conference on Women held in Beijing set global objectives for action in the world of work. These included the promotion of women's economic rights and independence, women's equal access to resources, employment, markets and trade, improved training, the elimination of occupational segregation and all forms discrimination in employment and occupation, and a better sharing of family responsibilities between women and men.

Much progress has been made towards achieving these goals, but today, gender disparity both in terms of opportunities for and quality of employment persists:

- Female employment-to-population ratios have generally increased over time, but remain at levels well below those of men, thus missing out on the productive potential of women as key resources in development;
- Nearly one-fourth of women work as unpaid contributing family workers, meaning they receive no direct pay for their work;
- Entering formal employment, women receive less pay and benefits than men workers in similar positions;
- Women continue to face higher barriers for access to education and training due to persisting gender bias in many societies;
- There is a clear sex segregation in occupations and sectors that are generally characterized by low pay and precariousness, often in informal employment arrangements. In some countries the share of women in vulnerable (own account and unpaid family work combined) employment is over 75 per cent;

- More women than men take up part-time and often precarious work, either because this is the only type of jobs made available to them or because it allows them to balance work and family responsibilities.



### The ILO Response

Promoting full, productive and freely chosen employment, including equal access to employment, is stated in the Employment Policy Convention, 1964 (No. 122). This is further articulated in the Global Employment Agenda (2003), and reaffirmed in the ILO Declaration on Social Justice for a Fair Globalization (2008), as well as the Conclusions concerning the recurrent discussion on employment (2010). Key equal rights and principles at work<sup>1</sup> guide ILO's Policy on Promoting Gender Equality (1999). Furthermore, the Resolution concerning gender equality at the heart of decent work adopted by the International Labour Conference in 2009 reaffirms the ILO's pivotal role in promoting gender equality in access to decent and productive employment and income.

The ILO promotes equality in employment through a rights-based and life-cycle approach, as well as from an economic perspective. To ensure that women will enjoy an equal share of fruits of development (particularly the most vulnerable – young and older women, those in rural and informal economies, and migrants), gender sensitive and cross-cutting approach is essential. This implies mainstreaming gender concerns across all the ILO's work on employment promotion, including areas of macroeconomic policy-making.

<sup>1</sup> The key Conventions are Equal Remuneration Convention, 1951 (No. 100) and Discrimination (Employment and Occupation) Convention, 1958 (No. 111).





ILO's work on gender and employment therefore focuses on:

- **Integrating gender equality concerns into national, regional and international employment policies and dialogues**, taking into account all thematic areas of employment, and the burden of unpaid work on women;
- **Research** on gender dimensions of the impact of macroeconomic change on the world of work in the aftermath of the global economic crises; which contributes to the formulation of employment policies and programmes, following up on Global Jobs Pact (2009);
- **Technical assistance** for ILO constituents on women's entrepreneurship development, skills development for young women and men, and the gender dimensions of microfinance, employment intensive programmes, and employment policies, including gender responsive employment oriented budgeting;
- **Capacity building and awareness raising** for ILO constituents, in cooperation with the International Training Centre of the ILO, Turin, Italy, on the gender dimensions of various employment intervention areas at the international, regional and national levels;
- **Development of tools, advocacy and knowledge sharing of good practices** on gender and the promotion of productive employment, income and decent work;
- **Creating synergies** to promote the inclusion of gender concerns in productive employment and decent work at the international, regional and national levels through partnerships with United Nations agencies, international and regional financial institutions and bilateral donors, in particular, in **Decent Work Country Programmes** and **United Nations Development Assistance Frameworks**.

## Key Tools and Resources

In addition to the above-mentioned ILO standards:

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## People with disabilities

### The Challenge

Despite major gains in recent years, people with disabilities still face discrimination and other barriers to full participation in social, economic, political and cultural life. Of an estimated 1 billion people with disabilities, at least 750 million are of working age. They are more likely to be unemployed or earn less than non-disabled people and be in jobs with poor promotional prospects and working conditions, especially if they are women. Many work in the unprotected, informal economy. Few have access to skills development and other opportunities that would enable them to earn a decent living. The potential of very many disabled women and men remains untapped and unrecognized, leaving a majority living in greater risk of poverty, dependence and social exclusion.

Excluding disabled persons from the world of work has costs for societies, in terms of their productive potential, the cost of disability benefits and pensions and implications for their families and careers. The ILO estimates that this exclusion may cost countries between one to seven per cent of Gross Domestic Product.

Promoting equality of opportunity for – and inclusion of – people with disabilities is central to social and economic development, emergence from the global financial and economic crisis and achievement of the Millennium Development Goals.



### The ILO Response

ILO concern with disability issues is based on its commitment to social justice and achieving decent and productive work for all. All ILO work on employment derives its current mandate from the Global Employment Agenda (2003) and the ILO Declaration on Social Justice for a Fair Globalization (2008). These together with the Global Jobs Pact (2009) include an emphasis on enhancing support to vulnerable women and men, including disabled persons.

ILO standards, including the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), its associated Recommendation (No. 168), the Human Resources Development Recommendation, 2004 (No. 195) and the ILO Code of practice on managing disability in the workplace, 2002, provide the framework for the ILO's response to requests for support for this target group, emphasizing the inclusion of disabled persons in general training and employment-related programmes and in the open labour market. These are actively promoted through meetings, seminars and training programmes, both general and disability-specific.

In addition to advocacy work, the ILO promotes equal opportunities for disabled people in training and employment through:

- research and building of knowledge on good practices in vocational rehabilitation, skills development, promotion of employment and self-employment, as well as access to credit;
- capacity-building in response to specific requests and through courses offered at the International Training Centre of the ILO in Turin, Italy, focused on disability-related issues in training and employment; and
- technical cooperation services.

The ILO takes a twin-track approach to promoting equal opportunity, equal treatment and mainstreaming of persons with disabilities. **Track one** allows for disability-specific programmes or initiatives aimed at overcoming particular disadvantages or obstacles, while **Track two** seeks to ensure that disabled persons are included in general skills development as well as in enterprise- and employment-related services and programmes on vocational training and employment.

Currently, the focus is on:

- Continuing to develop the ILO Global Business and Disability Network, which is composed of multinational companies, employers' organizations and resource groups interested in including and retaining people with disabilities in the workplace ([www.businessanddisability.org](http://www.businessanddisability.org));
- encouraging greater involvement of workers' organizations in promoting skills training and employment opportunities for disabled persons;
- compiling and disseminating examples of good practice in inclusive vocational training and disability inclusion through the development of guides, and their translation into national languages;
- technical cooperation projects in selected countries of Africa, Asia and Central Europe to create better work and employment opportunities for men and women with disabilities, through the establishment of an enabling legal and policy environment, the promotion of skills and entrepreneurship development opportunities and measures to eliminate discrimination;
- international partnerships – in particular, collaboration with UN and intergovernmental agencies, the Inter-Agency Support Group for the UN Convention on the Rights of Persons with Disabilities, the UN Partnership for the Rights of Persons with Disabilities – a multi donor trust fund launched in 2011 – and UN country teams on including disability in poverty reduction and development programmes;
- communications campaigns based on media alliances in selected countries, to challenge mistaken assumptions and stereotypes concerning the working capacity of persons with disabilities;
- continuing the work of the Disability Inclusion Initiative, which encourages the inclusion of disability issues more widely in ILO activities, through tools, capacity building activities, the Disability Hotline, the Disability Inclusion Knowledge Sharing Platform and other measures which mark a renewed strategic commitment to disability mainstreaming;
- supporting inclusion through incorporating disability considerations into existing tools and initiatives and the development of policy briefs related to disability.

## Key Tools and Resources

In addition to the above-mentioned ILO standards:

O'Reilly, A. 2007. *The right to decent work of persons with disabilities* (Geneva, ILO).

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## Response to Conflicts and Disasters

### The Challenge

In the wake of a crisis, whether a catastrophic event or a conflict, social and economic disruption is an unavoidable consequence and a dreadful reminder of how fragile human settlements and livelihood activities can be. Rebuilding communities and the livelihoods of those most vulnerable becomes a top priority for decision-makers and local administrators. In post-crisis reconstruction, creating decent jobs is an immediate and central need. There is a need for crisis victims and their families to get back an income, as well as dignity, self-confidence, hope, and a stake in the reconciliation and reconstruction of their communities. Employment contributes to short-term stability, reintegration, economic growth and sustainable peace. It can: *i)* support ex-combatants and returnees while sustainable reintegration efforts are being put in place; *ii)* bring home the peace dividend to communities most affected by conflict; and *iii)* provide the groundwork for a new development trajectory.

### The ILO Response

The ILO was established in response to a crisis as part of the reconstruction and peace building after World War I. Its work on crisis response intensified in the 1990s with the setting up of a programme on the reintegration of demobilized ex-combatants and another on skills and entrepreneurship training for countries emerging from armed conflict. By 2008 the International Programme on Crisis Response and Reconstruction had been established to spearhead the ILO's response to natural disasters and post-conflict environments. Since then the ILO has been working in several conflict-affected countries including Burundi, the Democratic Republic of Congo, Liberia, Nepal, Sierra Leone and Sri Lanka, as well as disaster-affected countries such as China, Indonesia, Madagascar, Pakistan, the Philippines, and Haiti following the 2010 earthquake.

The role of the ILO in crisis response focuses on "framing" or "influencing" the design and implementation of internationally supported programmes on crisis response and reconstruction so that they explicitly take account of decent work concerns. Acting as a facilitator for preparedness, initial response, capacity building and strategic partnerships, it is responsible for supporting its field offices in iden-

tifying entry points for livelihood recovery and providing the analysis needed for a meaningful contribution to the "one-UN" response. It focuses on:

- **knowledge management and capacity development**, including the development of tailor-made tools and guidelines;
- **support to country-level activities in crisis response and preparedness** including:
  - initial livelihood assessments;
  - policy advice to constituents and interventions in the immediate aftermath of a crisis; and
  - technical cooperation on employment creation and decent work post-conflict or post-disaster;
- **strengthening strategic partnerships and participation in core crisis response coordination frameworks** with other UN and non-UN organizations.

It does this through:

- **Post-conflict employment creation, income generation and reintegration**: in 2009 the programme helped develop and launch the UN Policy for Post-Conflict Employment Creation, Income Generation and Reintegration and its Operational Guidance Note, now being rolled out in selected countries. Under this framework, specific initiatives to foster employment to support peace and stability in the Horn of Africa and in Northern African countries began in 2011 in partnership with the African Union and regional intergovernmental organizations such as the Intergovernmental Authority on Development. Moreover, the programme is working towards the establishment of a Global Facility for Employment Creation in Fragile Situations in coordination with World Bank, African Development Bank, UN Economic Commission for Africa, UNDP and Peace Building Support Office. The Facility aims at promoting common approaches and joint programming for employment generation in fragile and conflict states with a view to reducing the duplication of efforts, maximizing synergies and impact.
- **Reintegration of ex-combatants, refugees and internally displaced persons (IDPs) into the community**: the ILO provides a policy framework and practical technical guidance on how to provide opportunities for decent work to ex-combatants and their community members to enable them to move on from a war-torn past to a productive future.



- **Local economic recovery:** in collaboration with the UN established Early Recovery Cluster, the ILO promotes employment recovery opportunities at the local level where reintegration ultimately takes place. Key programmes in this area include:
  - capacity development of local stakeholders, including the private sector;
  - local economic recovery programmes developed in consultation with local stakeholders, aiming at the expansion of the private sector and direct employment-support services.
- **Preparedness for livelihood recovery:** the ILO, the United Nations Development Programme, the United Nations International Strategy for Disaster Reduction and the World Bank-Global Fund for Disaster Risk Reduction partner to better prepare countries at high risk of disasters to reduce vulnerabilities of livelihoods at risks.
- **Assessing the impact of a disaster:** within the framework of the UN-World Bank- European Union approach to post-disaster needs assessment and in close collaboration with the respective governments, the ILO focuses on the impact of disasters in terms of employment and livelihood losses and needs. Joint post-disaster assessments are a critical step towards harmonization in allocating financial resources for post-disaster reconstruction to help people get back to work. They represent a robust platform for the next step – the joint elaboration of strategies and projects, in both rural and urban areas, to restore local production, re-establish economic and trade networks and revitalize local markets and the demand for local services and products.



## Key Tools and Resources

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