

ILO Presentation for ECOSOS Round Table on the Brussels Plan of Action for LDCs
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Mr. Chairman, distinguished participants –

1. Many LDCs are now recognizing that employment is critical for sustained poverty reduction. With a steadily growing number of these countries, ILO is collaborating to develop PRSPs, private sector development strategies and investment policies that are more explicit in terms of employment outcomes for the poor.

Some examples are: Bangladesh, Ethiopia, Mali, the United Republic of Tanzania, Madagascar and Mozambique.

2. But poverty reduction is not just about creating income and employment of any kind. Almost all the poor are working, out of necessity, for survival. But many of them do so under precarious, hazardous and sometimes exploitative conditions. The improvement of the lives of the poor must happen by providing opportunities for *decent work* – i.e. opportunities for women and men to obtain productive work in conditions of freedom, equity, security and human dignity.

3. The report of the ILO 2002 International Labour Conference “Working out of Poverty” provided a grim picture of the conditions under which the rural and urban poor operate, some of them as workers, others as self-employed micro entrepreneurs. The report highlights the importance of enabling global and national frameworks for poverty reduction. It shows the convergence of ILO’s work with the Brussels P.O.A.

M. Chairman, please allow me to give a few examples of initiatives in LDCs that reinforce efforts to achieve the goals of poverty reduction and environmental sustainability through employment.

4. At the **country** level, progress has been made through the implementation of support to national and local initiatives for job creation and improvement among women. An example is **Benin**, where women micro enterprises in food processing have been supported in their efforts to form solidarity groups for savings and loans. Through guarantee funds and training, they have been able to expand their business. Now, mutual health insurance schemes are being built on these nascent structures of self—help organizations. This in turn has led to the creation of small business associations. Their voice contributes to an extended social dialogue with the private sector that can influence a more appropriate enabling environment also for micro enterprises operating largely in the informal economy.

5. In Tanzania, local governments have adopted a public-private partnership approach to improve municipal service delivery, with support of ILO and others. In Dar es Salaam, for example, about 50 community-based and small-scale enterprises are franchised to collect solid waste throughout the city. This has resulted in more than 2,000 new jobs – many of them taken by the poor, esp. women and youth. Collection services now cover previously excluded settlements with poor households. Waste collection in Dar es Salaam has increased 10-fold over 4 years, providing for cleaner streets and markets. A new recycling sector has emerged too, adding more job opportunities. Moreover, this mobilizes private investments. This clearly is a promising step forward in terms of improving the life of slum dwellers – a target of the MDGs. It also illustrates how various Commitments of the Brussels Programme of Action can be brought together in a meaningful and sustainable way. (1, 2 and particularly 6, Section A, par 75.)

6. The main challenge here is how to ensure long term pro-poor impact and bring this approach to the national level and other service sectors such as sanitation and community infrastructure. The critical issue is how to improve local governance for pro-poor service delivery and, simultaneously, strengthen the capacity of the small-scale private sector to mobilize investment finance and manage their enterprises and workers well.

7. In Madagascar, real progress towards poverty reduction has been made by the Government in respect of resource mobilization and capacity building through their

roads building programme. The Government and the World Bank have adopted the the ILO supported labour-based approach – as opposed to capital-intensive - by shifting some US\$ 50 million (or 50% of the road component of the Transport Sector Programme) to rural roads executed with labour-based technology.

8. As a result, the labour-based component of the Transport Sector Programme will:
 - Generate annually 100 to 150 contracts of US\$ 75,000 to US\$ 120,000 each for labour-based contractors;
 - Generate some 16 million workdays of employment between 2002 and 2007, i.e. the equivalent of 16,000* full time jobs per year over the five-year period (instead of 4,000 jobs if equipment-based techniques were used). The net effect of adopting this approach is thus at least 4 times more than what would be achieved without it.

Conclusion:

9. This are just a few examples of progress. Hand-outs of others are placed at the back of the room. They illustrate how good jobs, “decent work”, can be created through mobilizing and redirecting domestic resources to beneficial and lasting outcomes for the poor. This can best be sustained by improving dialogue among representative organizations of the poor - to better understand policy processes and to contribute actively to reform and action for poverty reduction.