

Employment strategies for industrial areas

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Employment Promotion in Development Cooperation

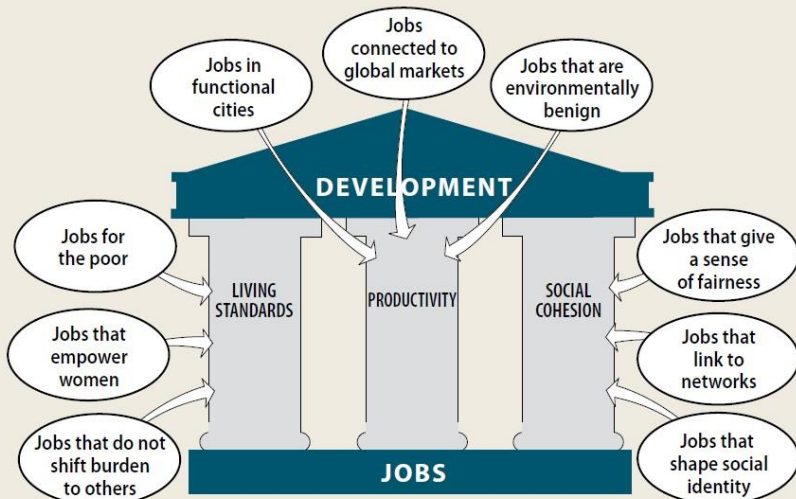
Cairo, Egypt

ILO's Global Employment Agenda

- Adopted in 2003, the ILO's Global Employment Agenda is a central element of its **Decent-work agenda**
- **thematic guide for the formulation, revision, and reorientation of national employment policies.**
- The Agenda links employment promotion to **economic, social, and development policy** and places them at the hub of these three policy areas.

WDR 2013: Why does employment matter?

FIGURE 12 *Some jobs do more for development*



Source: World Development Report 2013 team.

World Development Report 2013 on „jobs“: **Development happens through jobs!**

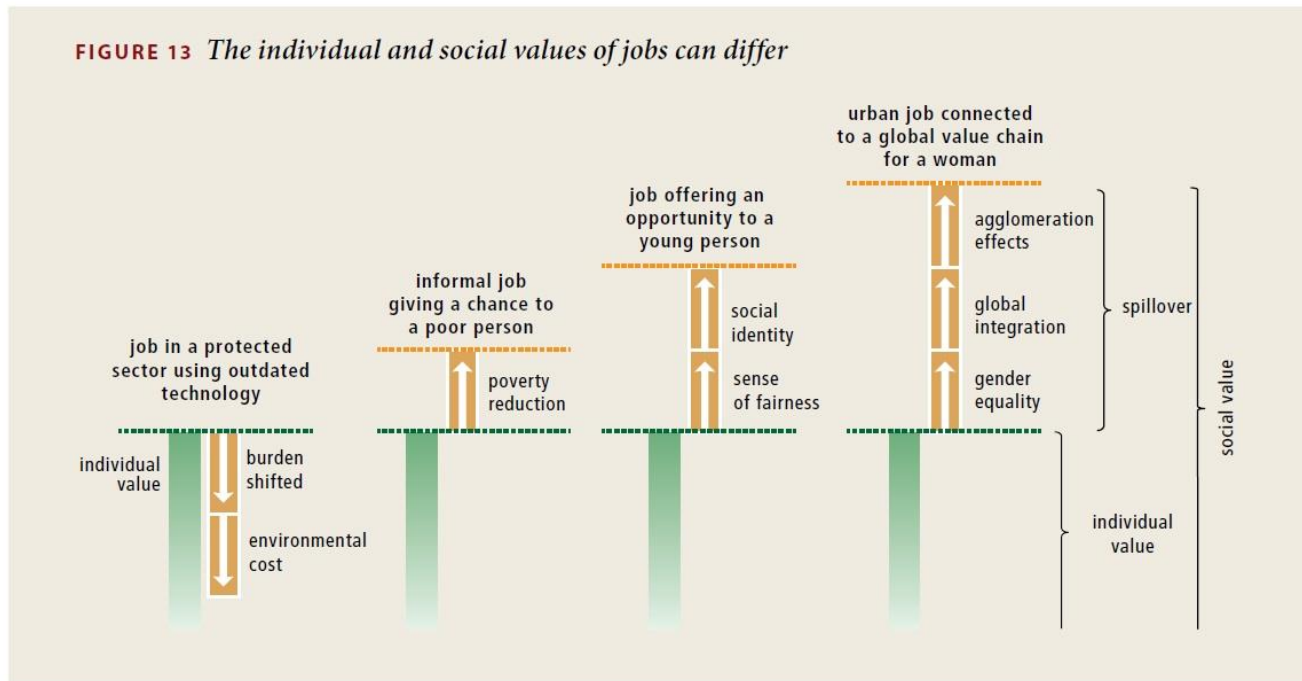
Jobs are not a byproduct of growth, but development through them:

- "good jobs for development"
- "bad jobs"

Dimensions of employment: quantity and quality

- **Quantitative:** Employment creation, reduction of unemployment
- **Qualitative:** higher income, reduction of underemployment, formalization in accordance with the criteria of the decent work concept of the ILO
- **Short-term, medium-term and long-term employment effects:** Quick wins vs. sustainability that preserve and safeguard jobs through an increase in productivity in the long term

Individual and social values of jobs



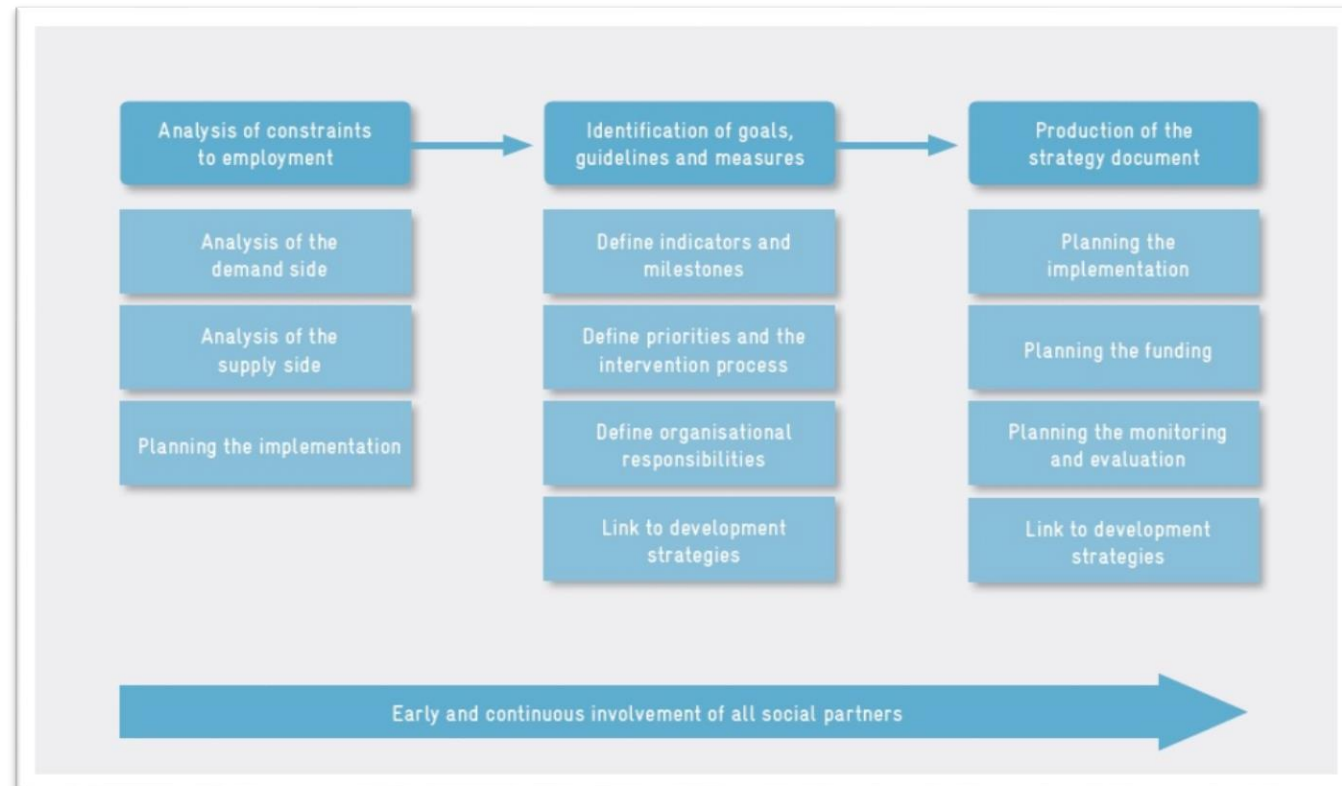
Source: World Development Report 2013 team.

Employment challenges and employment strategies

- Context-appropriate job strategies are necessary:
Agricultural countries, urbanizing countries, formalizing countries, resource-rich countries, countries with a high proportion of youth or ageing population, small, isolated countries, countries shaped by KFG ...
- The promotion of employment with a focus on either living standards, productivity or social cohesion can lead to tensions depending on the context.

Formulation of an employment strategy

- On the regional level
- On the national level
- On the local level
- On the level of industrial areas...



Employment strategies with a regional focus

- The **European employment strategy (1997)**: pivotal role in the coordination of EU policies and core of European employment
- Lisbon process since 2005: In consultation with the European Commission, the EU Member States formulate common employment policy objectives and guidelines that are then implemented in the **National Reform Programmes (NRPs)**

Employment strategies in the focus of development cooperation

- More and more projects in development cooperation have employment objectives
- Marshall plan with Africa, Compact with Africa and the G20 initiative in Rural Youth Employment are clearly focused on employment: “20 million jobs for Africa”
- Employment is also key in the context of the Syrian crisis, e.g. Jordan Compact to promote employment through special economic zones

Why are employment strategies important for industrial areas?

- New jobs are not created automatically
 - New jobs require new skills
 - Job losses in shrinking sectors (e. g. informal sectors) may have to be compensated
 - The transfer of workers from the informal economy, other regions, other occupations etc. requires a flexible and effective labour market
- Industrial areas must be planned and implemented in an employment-oriented manner!

Success factors for employment promotion in industrial areas

- Start by identifying constraints to more and better jobs
- Identify sectors with employment potential
- Choosing your site, consider labour supply
- Optimize technical and vocational education and training
- Create linkages to the local economy
- Develop clusters to promote innovations

Success factors for employment promotion in industrial areas

- Set up public and/or private services to support enterprises and job seekers
- Meet labour standards and monitor them
- Improve the business environment
- Set smart incentives for employment creation
- Implement structural policies to mitigate negative externalities
- Develop infrastructure in a labour intensive way

Thank you very much for your attention!

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