

»»» Harnessing the potential of an integrated approach to employment promotion

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Studies have shown that resilient individuals can overcome crises in a more stable manner and mitigate economic shocks more easily. A good job, secure income and social protection are among the essential factors that contribute to this personal resilience. The following article presents the “integrated approach to employment promotion” and the associated challenges as well as a tool that can assist in implementing the approach in the future.

Employment creates resilience

In many German Development Cooperation partner countries, individuals often cannot find work even when they have had the benefit of high-quality education and sound training geared towards the technologies of the future. There is frequently a lack of adequate employment opportunities. However, it has been shown that jobs that can be filled with suitably qualified workers have a stabilising effect both on individuals and the economy. They can relieve social tensions and reduce tendencies towards radicalisation. Promoting employment is therefore an objective of the German Development Cooperation.

Systemic analysis of the labour market

One strategy for taking a holistic view of the labour market is the integrated approach to employment promotion devised by the German Gesellschaft für Internationale Zusammenarbeit (GIZ). A key aspect of this approach is the recognition that good quality employment can only be created through the interplay between supply and demand and under conditions that support economic development. To this end, the interactive approach to employment promotion is primarily concerned with the determining conditions on the one hand and on the other, a systematic analysis of the three pillars of the labour market. These pillars are:

1. Demand for labour (from a business and agricultural enterprise perspective)
2. Supply of labour (from a household and worker perspective), and
3. Interaction on the labour market (coordination mechanisms).

The approach is recognised both nationally and internationally and is used by organisations such as the

International Labour Organization (ILO) and the World Bank.

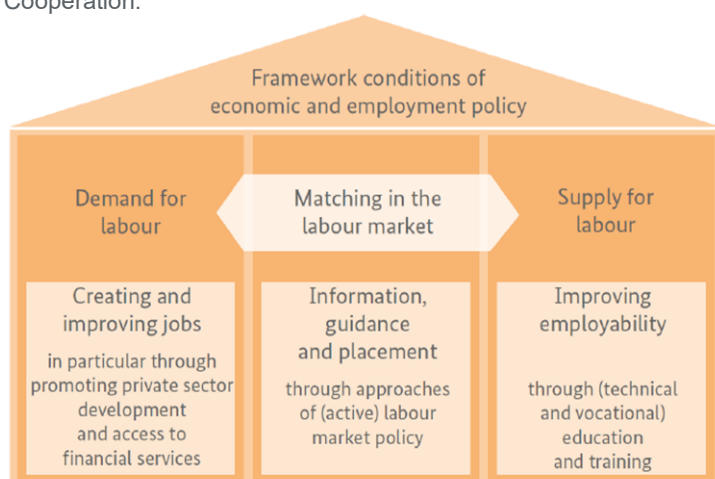
establish itself in the German Development Cooperation. The holistic nature of the approach is challenging to implement. The shift from looking at individual aspects of the labour market to portfolio development, with interconnected and complementary projects, requires intensive preparation as well as more financial capacity. Comprehensive approaches of this kind also require a longer lead time for planning; this should be “priced in” accordingly on the policy side.

Furthermore, new, appropriate tools need to be developed so that the integrated approach can be applied in a structured manner when preparing projects in a partner country. A “Playbook” is currently being developed on this in Financial Cooperation. It combines a labour market analysis checklist based on the integrated approach to employment promotion with a rich toolbox. By conveying key concepts of employment promotion, the Playbook aims to inspire and highlight new ways of applying and combining tools to address employment challenges. The first use cases of the Playbook can provide lessons to be learned for the future and encourage use of the integrated approach to employment promotion by the German Development Cooperation.

Conclusion

The integrated approach to employment promotion is important for developing effective and complementary projects that promote employment within a country. Its consistent implementation in portfolio development is more complex than planning individual projects but promises a more sustainable impact and therefore helps to create resilience in partner countries. ■

Challenges in implementing the integrated approach to employment promotion
However, the approach has not yet been able to



Dimensions of the integrated approach to employment promotion (3-pillar model). Source: GIZ Handbook on Employment Promotion, page 6.