

Employment and Development

What Do We Know and What Can We Do?

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Workshop 4 Summary

“Employment Creation in Fragile States”

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The following document is oriented on the discussion that took place in the workshops, while summarising and aggregating certain issues and themes that repeatedly came up during the day.

Introduction

The purpose of the workshop was to share knowledge and experiences from different backgrounds, to discuss best practices, to identify knowledge-gaps, and to inspire innovative solutions. It was designed to address a number of key questions, including:

- How do typical characteristics of fragile or conflict-affected states, (such as weak institutions, adverse business climate, violence) affect employment? How does this vary across different cases?
- What role does, or could, employment play in fragile states? Under what circumstances does employment contribute to stability? And how does this interact with fragile statehood?
- What are realistic options for employment creation in fragile states? Which supporting measures are needed?
- How should short-term and long-term measures be sequenced and made complementary? How can the private sector temporarily assume tasks of public entities in the employment context?
- How can economic integration be complemented

with social integration, in particular with regard to youth?

Short presentations

Christina Kükenshöner (Joyn-Coop Consulting) and Tilman Brück (DIW) gave short introductory notes in order to bring some detailed input into the discussion part of the workshop.

Session 1:

Input presentations

Tilman Brück: Employment creation in conflict-affected and fragile states

- Background
 - Conflicts are detrimental to economic development. They drain the countries' resources substantially. Globally, the economic cost of violent conflict has been estimated at 16% of the world's GDP.
 - The concepts of conflict and fragility cannot be discussed in isolation because they overlap.
 - Fragile states are characterised by weak institutions, which, among other things, have failed to create employment.
 - One of the key challenges in fragile environments is job creation. This is exacerbated by the absence of clear property rights, continued violence, internal displacement.
- Policy implications of programs designed to create jobs should identify the actual level where interventions should be based. These could include:
 - At the individual level: increase human capital
 - At the household level: needs of the household, “portfolio” holistic perspective

- At the national level: resource extraction

Christina Kükenshöner: How to foster employment in fragile states:

Lessons learned from 10+ years of engagement

- Background
 - It is imperative to address employment needs, both in the short and long-term. KfW focused on short- and long-term employment projects.
 - There is great need to evaluate all possible measurement effects and identify the measures that have the most important impact on employment creation.
- Policy implications
 - Employability of people needs to be addressed.
 - Applied measures should be conflict sensitive.
 - Conflict is complex but we need to simplify measurements / solutions.
 - Implementation should not exclude the local population; there is a need to build local capacity to sustain projects.

Insights and challenges:

From the presentations and the subsequent brainstorming session the following insights and challenges were derived:

- Data and measurement issues:
 - How do we define status of countries over time, when do we remove “fragile”, “conflict” or “post-conflict” from a country description?
 - How do we measure conflict effects and impacts?
 - How do we design interventions with measurements?
 - How do we facilitate data collection and data availability in a fragile states environment?
- Policy issues:
 - How can we achieve a meaningful scale of employment creation in post-conflict areas?
 - How do we incentivise the private sector for job creation with scale and sustainability?
 - Youth: how to train young people who have lost

education and skills due to conflict

- What is the relationship between emerging powers and donor programs?
- How do we create political coalitions for employment? How to prioritise focus among “fragile” states...?
- How can we align elite interests and the interests of the working poor?
- Who to partner with and at what level? Local, regional or national level? “Tailor-made” approach?
- How do we address conflict and employment when states and institutions are part of the problem?
- How do we improve skills for long-term investment? invest in human skills? (restore trust in the future)
- What is the opportunity cost of unemployed young men? How do we get them off the streets on a large scale and in a reasonable way (conflict traps)?
- How do we reach the most vulnerable groups?
- Criminality (activities), security à employment
- “Bottom-up accountability”

Session 2:

Out of the various issues that participants identified as key for creating employment opportunities, three main themes were identified and presented in the plenary session:

Theme 1: Supporting hybrid structure to boost agriculture

with Tony Addison (UNI-WIDER), (Jan Köhler (ARC Consulting), Marlis Sieburger (KfW), and Elke Stumpf (GIZ)

State institutions in fragile states are usually very weak or non-existent. However, there often exist traditional institutions in communities that secure property rights and reduce risks associated with production and settlement. In the context of fragile states it might be necessary for programs designed to promote job creation through agriculture to enhance the capacity of

these institutions. In the absence of functional traditional institutions, communities could be assisted to establish functional and acceptable proxy institutions. Through this framework, cooperative arrangements and other services could be promoted to enhance productivity and link farmers to relevant markets. Where state or self-imposed institutions exist, interventions could aim at building cooperation and trust between traditional structures and higher hierarchies.

Theme 2: How to make implementing agencies accountable

with Alexander Klein (DEG), Christina Kükenshöner (Joyn-Coop Consulting), Bakh Mirkasimov (DIW), Silvia Popp (SWP)

One of the weaknesses of interventions is that implementing agencies are rarely held accountable for failures. Absence of relevant local performance checks hinders successful interventions. The working group came up with an idea of a "Rating Agency" (called "Standard for the Poor, S&P") to increase bottom-up transparency and accountability. This agency will collect information from local citizens about the employment effects of various programs (local and international) in terms of successes and failures. It will give voice to beneficiaries of such employment programs. The information will be collected by the "Rating Agency" via surveys, mobile phone applications and online. One enforcement "accountability" strategy is to have public disclosure of failed programs via traditional media outlets, etc. This enforcement is extremely important in the context of conflict-prone and fragile environments because failure could cost lives. On the other hand, the "Rating Agency" will also publicly disclose successful (this could even provide friendly competition for local NGOs

and international implementing agencies to measure employment programs, etc).

Theme 3: Building trust, building jobs

with Tilman Brück (DIW), Beatrice Dück (KfW), Elena Lau (GIZ), Davies Stuart (DFID)

Employment opportunities may be limited, in part because fragile states are characterised by intergroup tensions, high degrees of mistrust, missing infrastructure and weak state capacities. One starting point could be to instill group cohesion, managing individual and group expectations and public works at the local levels, both in the short-term and long-term. This calls for a participatory approach in designing and implementing interventions, designing labour intensive activities, encouraging partnerships and capacity building. The point is to focus on the long-term approach to building jobs and building trust because this takes time.



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