

Background Paper

Strengthening infrastructure and local community services through labour-intensive projects

Rationale for labour-intensive programmes

In the context of the Syria crisis, a large influx of refugees and internally displaced persons (IDPs) has **stressed the infrastructure and delivery of services** of hosting communities to the breaking point. Living space, roads, electricity, and water supplies have not been able to keep pace with population growth, and hospitals and schools cannot deal with the growing numbers of patients and students. In refugee and IDP camps, basic infrastructure had to be built from scratch and temporary public services had to be installed. To meet their economic needs, refugees and IDPs have had to seek opportunities in already **weak labour markets**. This has increased competition and put pressure on wages, especially in the informal sector, as formal employment is often denied to Syrian refugees.

Against this background, many donors support partner countries and host communities by addressing both needs – strained infrastructure and jobs – at once. **Labour-intensive programmes**, in many cases cash-for-work-interventions, have been launched that combine infrastructure rehabilitation or service delivery with the creation of temporary employment opportunities for host communities, refugees, and IDPs. The programmes range from seasonal agricultural work to large-scale infrastructure development and can include the payment of teachers' salaries or funding for health-awareness campaigns. Although such efforts can provide effective short-term relief, their long-term impact on labour markets and the quality of the assets they create and deliver are under discussion.

Potential for more sustainable impact of labour-intensive interventions

Cash-for-work-interventions can have beneficial medium and long-term impact for the communities through various channels, including the following:

- The delivery of **public goods and services** such as infrastructure and community services can support economic activity in the region. The indirect impact on job creation depends on the type of infrastructure or service provided and the potential for growth in related economic sectors. Experience in public works measures around the world suggests that significant potential to foster economic activity is especially engendered by the provision of infrastructure in the area of irrigation and water conservation; land development and rehabilitation; flood control; and road construction. (cf. Gehrke / Hartwig 2015, p. 3).
- Through **on-the-job training and other types of qualification packages**, these programmes can help to develop or enhance participants' skills and hence workers' employability. Indeed, complementary trainings have generally proven to be ineffective in helping participants to find longer-term employment opportunities. One reason might be the short-term nature of the trainings, which are often not market oriented and thus incapable of meaningfully improving participants' employability. Other obstacles in many host communities include stagnation within the private sector and generally low demand for additional labour. Moreover, as indicated above, refugees' access to legal employment, especially in the formal sector, is often restricted.

- Steady income perspectives provided by longer-term cash-for-work programmes encourage beneficiaries to **make productive investments**. The increased disposable household incomes lead to improved risk-management capacity, which can result in greater willingness to make productive investments. Relatively small investments, e.g. in a family business or self-employment, can increase the income of the business owner in the long term. The combination of cash-for-work interventions with microcredit or savings schemes has shown promising results in increasing productive investment.

Besides the effects on economy and employment, labour-intensive programmes often aim at improving **social cohesion** among refugees, IDPs, and host communities. An inclusive approach – through which job opportunities created are open to all groups – can increase interaction and understanding among them. Moreover, the rehabilitation of strained infrastructure and services can ease the burden of host communities. Although there is little rigorous evidence to document these effects, efforts that have involved the local community in project selection and implementation have so far apparently produced positive results.

Further challenges for labour-intensive programming

Harnessing the potential of combining short and long-term development through labour-intensive programming such as cash-for-work requires additional **planning and implementing capacities**. Points that have to be observed carefully include market distortions; project selection and quality of assets; and the alignment of humanitarian, transitional, and development cooperation.

Interventions that directly create employment, such as cash-for-work, may create **distortions in local economies** and labour markets. In order to avoid hampering private sector activity, the local labour market should be analysed rigorously and interventions designed carefully. Due to the temporary nature of employment-intensive programming, **exit strategies** should be outlined in the planning stage.

The **selection of the infrastructure to be provided** is sometimes not oriented toward economic development objectives, and the **quality of the resulting infrastructure** is often low due to lack of planning, but also due to the poor skill levels of the workers involved. Technical experts should be part of the team to ensure adequate project selection and the quality of the assets. Moreover, there should be a practicable strategy for maintenance of physical infrastructure.

While employment-intensive interventions have been relatively successful in addressing the immediate demand for jobs in Syria's neighbouring countries, there is still significant demand for **structural strengthening of the economies and labour markets**. Improved framework conditions for business and employment creation will benefit host countries, IDPs and refugees. Therefore, stronger consideration should be given to structural interventions, as well as to improved coordination of the variety of short, medium, and long-term measures. Promising examples such as the ILO's employment-intensive investment programming show that both quick wins and sustainable impact can be aligned.

Literature

ILO (2012): Towards the right to work: innovations in public employment programmes (IPEP), Geneva: ILO.

UNDP, ILO, and WFP (2017): Jobs make the difference – expanding economic opportunities for Syrian Refugees and Host Communities.

Gehrke, E. / Hartwig, R. (2015): How can Public Works Programmes create Sustainable Employment?, Discussion Paper 11/2015, Bonn: DIE German Development Institute.