DAC Network on Poverty Reduction

SUMMARY RECORD OF THE MEETING OF THE POVNET TASK TEAM ON EMPLOYMENT AND LABOUR MARKETS

5 June 2007, OECD, Paris

Contacts: Michael Laird - Tel: +33 (0) 1 45 24 90 33 - Email: michael.laird@oecd.org
Laura Delponte - Tel: +33 (0) 1 45 24 84 57 - Email: laura.delponte@oecd.org

JT03230282
I. Adoption of the agenda [DCD/DAC/POVNET/A(2007)7]

1. The agenda was adopted.

II. Review of donors’ policies and practices related to employment and labour markets (Output 1)

2. The revised version of the review of donors’ approaches and interventions related to employment and labour markets was discussed. In particular, Task Team members welcomed the new introductory section that synthesises the main trends emerging from the exercise. However, the stocktaking paper can still be improved, as the information on several donors’ programmes is incomplete and fragmented. Some members pointed out that they have difficulties in determining what is most relevant for employment and labour markets, because there is not a commonly agreed definition of policies and interventions that generate employment outcomes. It was therefore agreed that members will include information about their agencies’ policies and programmes when employment is an objective of interventions.

3. The Secretariat will work further on the review, in order to prepare it for submission to the next POVNET meeting on 30-31 October 2007. Several Task Team members agreed to help update the information concerning them presented in the stocktaking paper. Following discussion in the POVNET in October 2007 it is hoped that the review will be extended to include other DAC members not participating in the Task Team.

III. Conceptual framework (Output 2)

4. Janine Berg (ILO) introduced a note on the conceptual framework that draws upon the work previously done by SIDA on Integrated Economic Analysis and by the World Bank. Task Team members expressed their appreciation for the work done and Sweden indicated it is ready to work with the ILO to take this work further forward.

5. Discussions on this agenda item highlighted important points to take into account in developing the conceptual framework:

   - It should explain why POVNET is looking at this issue and how it links to promoting pro-poor growth and achieving the MDGs, as well as its relevance to and connection with the Paris Declaration.

   - As well as the supply and demand for labour, the conceptual framework should consider the important role of labour market institutions and regulations in shaping employment policies and in creating more and better jobs.

   - It should help build a common understanding among donors of relevant concepts and terminology, such as “employability”, “formal employment” and “informal employment”.

   - It should summarise in a convincing way the evidence on the linkages between growth, employment and poverty reduction and identify the policy areas and instruments that are relevant for improving the employment outcomes of donors’ interventions.

   - It should clarify which variables are important for starting and maintaining a virtuous circle of increasing growth and employment - this could include for example women’s economic empowerment, the informal economy and agricultural employment/jobs in rural areas.
• It should highlight some of the unresolved issues, such as whether the focus should be on more jobs or increasing productivity, and potential trade-offs in the short and medium term.

• It should contain some clear policy messages. One message proposed was that employment is not just a by-product of development assistance, it is a central goal and an important indicator of success. Employment should consequently be a main area of focus but for many donors that is not yet the case.

• It should not try to reproduce existing theoretical frameworks.

6. It was agreed that the ILO will expand the note into a short outline that takes account of comments made during the meeting. The Task Team members were also invited to send to the ILO, by the end of June 2007, any relevant material they would like to see included in the conceptual framework. A draft will be circulated by 20 July and Task Team members will have 2 weeks to provide comments.

7. The discussion also considered the value of producing a short advocacy paper that builds on the conceptual framework. This could be a short evidence-based advocacy statement that could be used to promote the key messages and outputs coming out from the Task Team’s work at high levels within DAC development agencies.

IV. Good practice papers (Output 3)

8. The purpose of the discussion was to agree and refine the list of topics for the good practice papers and to identify lead agencies that will move forward the Task Team’s work on specific areas related to employment and labour markets. It was agreed to prepare good practice papers on:

• Informality
• Fragile states
• Labour-intensive growth
• Migration
• Corporate social responsibility
• Women and youth employment, and
• Public sector reforms and privatisation

9. Table 1 below indicates individual responsibilities for leading work on specific topics, along with possible support agencies. Some members pointed out that there might be a need to refine the list of topics further, in order to anchor them to the categories that will be developed in the conceptual framework and to balance better the themes selected. Some issues, such as industrial relations and the role of social dialogue, do not currently feature strongly and there may well be some overlaps between different themes that could be avoided. Cases in point are the themes of fragile states and public sector reforms and privatisation, either of which could address issues such as displaced persons, ex-combatants, labour-intensive public works and stabilisation. The possibility of inviting experts to lead a debate on specific topics and to help identify “burning” issues for employment creation in developing countries was also considered for the next task team meeting. One possibility, amongst others, could be to invite the research-policy network Women in Informal Employment: Globalising and Organising (WIEGO).

10. The lead agencies agreed to prepare 1-2 page outlines for the good practice papers and to circulate drafts by e-mail by 22 July. The outlines should clarify the focus of the thematic work and its
relevance for creating more, better and more productive jobs. To guide preparation of the outlines, it was suggested to follow the structure used by the POVNET Task Team on Private Sector Development to prepare its Hot Topics Papers. These are:

- Why is the topic important for pro-poor growth and how does it contribute to increasing the impact of employment on poverty reduction?
- What do we know so far and/or still need to know?
- What are the big controversies (if any)?
- What are the good practices?
- What sort of policy implications and suggestions for donors can we give?

11. Developing synergies with the Social Protection and Empowerment Task Team through joint products is important for the POVNET and its Task Teams. Therefore, concrete opportunities for collaboration in specific areas were discussed and identified. For example, Sweden will lead the work on informality in both groups and Denmark will look at the corporate social responsibility approach as an instrument to improve both employment and social protection outcomes.

### Table 1. Good practice papers’ matrix

<table>
<thead>
<tr>
<th>Topics of the good practice papers</th>
<th>Lead agency</th>
<th>Co-operating agencies</th>
<th>Deadline for finishing and circulating first draft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informality</td>
<td>SIDA</td>
<td>AFD, OECD Development Centre, World Bank</td>
<td>If possible by 22 July, but not later than 31 August, 2007</td>
</tr>
<tr>
<td>Fragile states</td>
<td>Netherlands</td>
<td>Norway</td>
<td></td>
</tr>
<tr>
<td>Labour intensive growth</td>
<td>DANIDA</td>
<td>Finland</td>
<td></td>
</tr>
<tr>
<td>Public sector reforms and privatisation</td>
<td>Netherlands</td>
<td>Switzerland</td>
<td></td>
</tr>
<tr>
<td>Migration</td>
<td>Germany</td>
<td>OECD Development Centre, World Bank</td>
<td>If possible by 22 July, but not later than 31 August, 2007</td>
</tr>
<tr>
<td>Corporate Social Responsibility</td>
<td>DANIDA</td>
<td>Norway</td>
<td></td>
</tr>
<tr>
<td>Women and youth</td>
<td>DANIDA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### V. Engaging with others

12. The possibility of collaborating with the Commission on the Legal Empowerment of the Poor was discussed. The Chair pointed out that the work done by the Commission in specific areas, such as informality or labour rights, is clearly relevant to the Task Team’s work programme. However, for some members, the scope for liaising with the Commission needs to be better delineated so that modalities for future collaboration can be considered. A possibility might be to identify specific activities of mutual interest and to contact directly the thematic working groups in order to organise joint events and promote sharing of information between the Task Team and the Commission. Another opportunity could be through the participation of DAC members’ representatives at the Commission’s meeting in New York on 11-13 July 2007.
13. Timo Voipio (Finland), Leader of the POVNET Task Team on Social Protection and Empowerment, briefed participants about progress being made towards organising a consultation with the African Union (AU) in Addis Ababa. The possibility for the Employment and Labour Market Task Team to join this consultation was also discussed. Timo Voipio reported that the format of the event is still being discussed in Addis Ababa, with Sweden taking a leading role among donor representatives. A planning meeting may be organised in November 2007, in order to better define the scope of the consultation and the issues the two Task Teams would like to discuss and to prepare for a meeting with the AU in 2008.

VI. Other business and date and location of the next Task Team meeting

14. Johannes Jutting (OECD Development Centre) briefly presented the Development Centre’s current work on “Work and Well Being” related to the informal economy. The aim of this work is to review the existing literature on informal labour markets, prepare country-specific case studies (initially on Mexico and Romania), draw policy lessons and promote an informed dialogue on these issues. Task Team members appreciated this presentation and welcomed the proposed approach to consider gender segmentation in the informal economy and to move beyond the conventional approach of setting the formal and informal economies against each other.

15. It was agreed the Task Team will meet again on 3 and 4 September 2007 at the OECD. The meeting will start in the afternoon of Monday 3 September and continue the following day. The afternoon of Tuesday 4 September can address corporate social responsibility and other relevant topics in a joint session with the POVNET Social Protection and Empowerment Task Team (which will continue to meet on 5 September).
ANNEX 1: PARTICIPANTS LIST FOR THE POVNET EMPLOYMENT AND LABOUR MARKETS TASK TEAM

Chairperson

Mr. Lasse MØLLER
Senior Technical Adviser
Royal Danish Ministry of Foreign Affairs
2, Asiatisk Plads
DK-1448 Copenhagen K- Denmark

Tel: +45 33 92 02 25
Fax: +45 32 54 05 33
Email: lassmo@um.dk

Finland

Mr. Timo VOIPIO
Senior Advisor for Global Social Policy
Department for Development Policy
Ministry for Foreign Affairs
P.O. Box 176
00161 Helsinki -Finland

Tel: +358 9 160 555 09
Fax: +358 9 160 561 00
Email: timo.voipio@formin.fi

Germany

Dr. Ruediger KRECH
Head of Section, Social Protection
Division of Health, Education, Social Protection
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
Dag-Hammarskjöld-Weg 1-5
Postfach 5180
65726 Eschborn -Germany

Tel: +49(61) 96 79 12 58
Fax: +49 (61) 96 79 80 12 58
Email: ruediger.krech@gtz.de

Mr. Frank TIBUTANZL
Gesellschaft für Technische Zusammenarbeit (gtz)
Dag Hammerskjöld-Weg 1-5
65726 Eschborn - Germany

Tel: +49-6196-791 211
Fax: +49-6196-791646
Email: Frank.Tibitanzl@gtz.de
Dr. Katja BENDER  
Planning Officer  
Department of Health, Education, Social Protection  
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH  
Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn -Germany  
Tel: +49 (61) 96 79 12 60  
Fax: +49 (61) 96 79 80 12 60  
Email: katja.bender@gtz.de

Netherlands  
Ms. Monique CALON  
Senior Policy Advisor  
Department for Sustainable Economic Development  
Ministry of Foreign Affairs  
Postbus 20061  
2500 EB Den Haag -Netherlands  
Tel: +31-70-348 7027  
Email: monique.calon@minbuza.nl

Norway  
Mr. Christian FOUGNER  
Senior Advisor  
Private Sector Development Unit  
Norwegian Agency for Development Cooperation (NORAD)  
OSLO - Norway  
Tel: +4722242263  
Email: christian.fougner@norad.no

Sweden  
Mr. Henrik HUITFELDT  
Senior Advisor - Private Sector Development  
Division for Market Development  
Swedish International Development Cooperation Agency (SIDA)  
Valhallavägen 199  
SE-105 25 Stockholm - Sweden  
Tel: +46(0)8 698 52 03  
Fax: +46(0)8 698 54 30  
Email: Henrik.Huitfeldt@sida.se

Switzerland  
M. Jean-Christophe FAVRE  
Advisor  
Deputy Head of the Employment and Income Division  
Swiss Agency for Development and Cooperation  
Freiburgstrasse 130  
3003 Berne -Switzerland  
Tel: +41 31 322 35 74  
Fax: +41 31 323 08 49  
Email: Jean-Christophe.Favre@deza.admin.ch