

# EVENT REPORT

Konrad-Adenauer-Stiftung e.V.

MULTINATIONAL  
DEVELOPMENT POLICY  
DIALOGUE

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## Jobs for Peace and Resilience in the Framework of F2F Cooperation

At the Fourth High-Level Forum on Aid Effectiveness held in Busan in November 2011 the “New Deal” framework was endorsed by the members of the g7+ and the main actors of the international donor community. Based on five peace-building and state-building goals (PSGs) and with country ownership as a basic guiding principle this framework was developed as a new approach to address the unique challenges faced by fragile states, namely increasing resilience and contributing to sustainable development. Fragile states are associated with episodes of conflict and violence, and one of the key-elements in any process of state and peace-building is employment. However, job creation is a great challenge in countries disrupted by conflict and characterized by an unqualified labor force and budgetary constraints to finance economic reconstruction and attract investments. With the aim to discuss the main challenges related to job creation in fragile states the Konrad-Adenauer-Stiftung the g7+ and the International Labour Organization jointly organized the conference “Jobs for Peace and Resilience in the Framework of F2F Cooperation”. The event was held on 30-31 March 2015 in Brussels. This report summarizes the main issues discussed by the participants of more than twenty countries at the conference.

Job creation is an essential element in any strategy towards the consolidation of peace. By generating employment, states are not only able to support economic recovery but are also able to reduce the risk of returning to conflict. Jobs contribute to mitigating a sense of social exclusion and are fundamental in the process of reintegration of ex-combatants. However, job creation is hin-

dered by many challenges in fragile states. Firstly, governments have to deal with a great number of ex-combatants who are used to making their living from violence and conflict. Secondly, most of the population constitutes a low-skilled work force. Thirdly, there is a lack of infrastructure. Fourthly, institutions are weak and government has a very limited capacity. Finally, countries have to face a scenario where the state budget is very low and the capability to attract investments is much reduced. In this context, the g7+ has identified nine areas that must be taken into consideration by fragile states in their efforts to develop successful employment strategies: (1) basic infrastructure development; (2) labor intensive industries and public works; (3) localized aid through local procurement of goods and services; (4) capacity building for local staff; (5) support to SMEs; (6) better statistics on employment; (7) reduction of perceived risks of investment; (8) programs for the reintegration of ex-combatants; (9) better prioritization and sequencing of programs.

The participants stressed that one of the main challenges for job creation is to provide people with the skills to perform on the job. It was claimed by representatives from fragile countries that donors are not putting enough emphasis on increasing job skills. Sustainability of jobs is a key-issue and investments are needed in statistics, proper diagnosis of the work force and professional education.

Another important issue discussed in the conference was the role of the private sector in job creation. Although there was a consensus that economic growth and job

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creation cannot be achieved without the support of the private sector, the participants engaged in a thorough discussion on who – private sector or government – is responsible for leading growth strategies. It was pointed out by some participants that both the government and the private sector are key actors, but in fragile states, due to the dramatic scenario found by investors in the aftermath of a crisis, government has the main responsibility to create an enabling environment for the reconstruction of economic activity. Fragile states are faced with problems related to infrastructure, access to finance and a low-skilled labor force, and that creates a very poor investment climate at the first moment.

On the other hand, it was also pointed out by some participants that crises can generate investment opportunities and the private sector, in close coordination with governmental institutions, can exploit these special circumstances to implement activities in strategic areas that can lead to job creation. In fact, the discussion showed that there is no perfect formula that fits all the cases. It is important to share experiences and lessons learned, but processes of economic recovery are country specific. Thus, it is essential that government, donors and the private sector maintain a regular dialogue and coordinate their joint strategies in accordance with the particular needs of each country. It has been shown that blending approaches that include the private sector and developing agencies can be very successful in such scenarios. The participants also stressed the importance of supporting SMEs and micro-enterprises, which have an important function for the creation and sustainability of jobs.

The participants underscored that many fragile states are actually countries rich in resources. The main challenges these countries face is to build the supply-chains that will allow access to value-chains and economic growth. Thus, coordination among government, the private sector and donors is essential for the buildup of the necessary infrastructure and the establishment of a supportive environment for growth. In addition to a strategic dialogue among relevant

stakeholders and good planning, investment is a key-issue. In this context, the participants stressed the importance of the Third International Conference on Financing for Development, which will be held in Addis Ababa from 13 to 16 July 2015. For fragile states New Deal principles must be streamlined in financing for development. Some of the priorities identified by the participants are: domestic resource mobilization; support to the private sector; and a commitment to aid from developed countries. Representatives from fragile states also claimed for a higher commitment from developing countries to support access to climate financing. The participants expressed their hope that the new development agenda might transcend the “North x South” divide, and that emerging countries will succeed in taking a step further and make concrete commitments to financing sustainable development in Addis Ababa. They moreover emphasized the necessity to establish a framework that is not only balanced but that also addresses the issue of implementation.

One important conclusion of the workshop is that there is a great benefit from “fragile-to-fragile” cooperation. Dialogue among fragile countries and the exchange of experiences and lessons learned can only contribute to the development of strategies to promote economic growth, create jobs and build resilience. Nevertheless, cooperation with other development partners is also essential. Fragile states should be able to develop their own strategies to overcome fragility but they also need the support of partners for aid, technology transfer, production of reliable statistics and access to financial resources. This collaboration cannot be interrupted and can only be improved by the intensification of fragile-to-fragile cooperation.

Finally, an important outcome of the conference was the agreement by the participants of a list of recommendations for job creation and buildup of resilience in fragile states. The document was made available to the public by the organizers after the conference.