Job Creation after Disasters

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Measuring the impact of a disaster

THE RECOVERY NEEDS ASSESSMENT

WHY?

WHAT?

HOW?
The Recovery Needs Assessment

**Why?**

- To respond based on the 2008 UN, EU and World Bank Joint Declaration to the government’s request to carry out an assessment
- To produce a credible, impartial and internationally recognised assessment
- To provide a report for the donor’s conference that details recovery needs and costings

**What?**

**How?**
Measuring the impact of a disaster

THE RECOVERY NEEDS ASSESSMENT

An assessment based on six sectors:

1) Transport (and communications)
2) Energy
3) Housing and local infrastructure (to cover education, health and social services facilities)
4) Agriculture (including livestock, fisheries, forestry) and other relevant productive services
5) Water and sanitation (including flood control)
6) Employment and livelihoods (E&L)
Conduction of an enterprise survey
Collection of data across FBiH, RS and BD between 2 - 12 June 2014
Analysis of direct and indirect damages (physical assets) and losses (reduction in financial flows) reported
Use of proxies and quantitative estimations
The 2014 Floods hit a country that already grappled with a fragile labour market

- Socio-economic distress derived from:
  - legacy of the 1992-1995 war
  - transition to market economy and structural reforms
  - 2008 global financial crisis

- There are three major constraints of BiH’s socio-economic development
  1) A shrinking population and a maturing demographic
  2) High rates of unemployment and inactivity
  3) Large gender differences in access to and in sectoral distribution of employment
What is the flood impact on Jobs?

The floods have caused:
1. severe damages to commercial, industrial and agricultural premises, equipment & machinery, raw material and finished products
2. severe losses in terms of increased cost of business operations and reduction in turn-over and productivity

Most employers have thus far kept their workers
→ Layoffs are only an option of last resort while alternative working modalities should be considered (reduced wages, mandatory leave, etc.)
→ In few cases, additional workers have been hired to accelerate debris removal

If there is no quick recovery to revitalize the local and regional economy, employers may be forced to lay-off additional workers
→ restoration of key-enterprises to re-establish value chain is crucial!
Case Study: Disruptions in the value chain

Before floods
• Large enterprises located in BiH that produces bed bases for the European export market
• Employs 265 people and has a 29-32 million BAM of annual revenue
• Subcontracts approximately 80 additional enterprises in BiH that manufacture specialised components and fabric for production line
→ creation of additional 800 jobs

After floods
• Enterprise recorded damages of 6 million BAM and additional losses of 5 million BAM in terms of increased cost of business, lost revenue and reduced productivity
• Out of 265 employees, 113 had to be laid off, additional 50 jobs are at risk.
• If production is not resumed to pre-flood levels within the next two months, the enterprise will be out of business given tight competition on the European market
→ affects subcontractors and jeopardizes further 800 jobs.
Recovery Needs

Coherent enterprise recovery and decent employment promotion strategy at local level

- **Supply side:**
  - Enhance the financial abilities of enterprises
  - Support the replacement of equipment and tools
  - Improve the skills of workforce

- **Demand side:**
  - Support local authorities to create an enabling environment for disaster resilient enterprises
  - Expand local markets and create additional demand for labour

- Build Back Better & Disaster Risk Reduction
  - Strengthen physical assets and people’s capacity to anticipate and cope with disasters in the future

Involve:
- authorities at municipality and canton level,
- the private sector, including public and private business and financial service providers
- Workers’ and employer’s organisations
- Civil society and international organisations
ILO Recovery Framework

The three-track approach: Stabilizing income generation and creating emergency employment

Main characteristics:

- **Track A (SHORT TERM 6-12 MONTHS)** aims at stabilizing income generation and creating emergency employment and cash-transfer programmes for high-risk groups and groups with urgent needs.

- **Track B (MEDIUM TERM 1-3 YEARS)** aims at promoting employment opportunities where recovery takes place. The scope of participating actors is wider, and capacity and institution building becomes central.

- **Track C (LONG TERM 5 YEARS OR LONGER)** involves support to policies and institutional capacity development at the national level.
ILO Recovery Framework: Track A

Track A: Stabilizing income generation and creating emergency employment opportunities for impacted individuals

Income security / access to basic social services

Short term intervention (6-12 months):

- Short cycle skills training and kits for recovery and construction-related skills
- Rapid enterprise finance programme for recover full business operations, replenish inventories, repair equipment, and reconstitute working capital
- Temporary employment creation in the recovery
- Quick recovery of assets and livelihoods for most vulnerable groups
- Short-term vocational and business start-up and management training for job seekers and micro/small entrepreneurs
ILO Recovery Framework: Track B

Track B: Local economic recovery initiatives that create employment opportunities

Medium term interventions (1-3 years):

- Enhance access to innovative employment services (e.g. career counseling, coaching, internships, training) in cooperation with local institutions
- Enhance the capacity of public and private local business service providers as well as financial service providers (MFIs, banks) to cater for starting entrepreneurs,
- Capacity building of local institutions and entrepreneurs including a ToT on “Multi-hazard Business Continuity Management”
ILO Recovery Framework: Track C

Track C: Stabilizing income generation and creating emergency employment opportunities for impacted individuals

- Income security / access to basic social services

Long term interventions (5 years and longer):

- Support authorities to create an enabling environment for disaster resilient enterprises to enhance legal and regulatory framework, strengthen the rule of law, reduce informal economy, promote entrepreneurial culture, enhance social dialogue etc.

- Facilitate and establish canton/municipality broad-based public-private dialogue mechanisms to define local economic and disaster risk reduction strategies based on risk assessments, value chain assessments, local economic development potential

- Reinforce positive development trends in selected sectors (e.g. tourism, agricultural product processing).
ILO Recovery Framework

The three-track approach: Stabilizing income generation and creating emergency employment

Income security / access to basic social services

Reconstruction / recovery process

Track C

Track B

Track A

Decent Work
The Seven E’s for Operating in Disaster Settings

EDUCATION
ENGAGEMENT
EMPOWERMENT
EQUITY
EXPECTATIONS
ENTREPRENEURSHIP
EXPERIENCE
Some useful resources

ILO’s Role in Conflict and Disaster Settings

Multi-hazard Business Continuity Management

Relancer l'emploi à travers le processus de reconstruction en Haïti