



International
Labour
Organization

Boosting Local Economies

Meeting global and local challenges

Regions, localities and cities around the world are increasingly turning to Local Economic Development (LED) strategies in response to the challenges of globalization and the drive for decentralization. While areas with competitive firms have been able to prosper in the international economy, less competitive regions have suffered unemployment or employment of lower quality. Local authorities are assuming ever bigger responsibilities in devising and implementing strategies that build on local economic potential and address poverty, unemployment and obstacles to enterprise development.

Growing opportunities for locally driven initiatives bring their own challenges. Do local governments have the capacity and resources to live up to these new duties? What is good practice in promoting decent work locally? How can the participation of the private sector, social partners, women and youth be ensured? How can multinational enterprises contribute to the development of local economies in a sustainable way? And how do local strategies fit into the broader national policy framework?

The ILO approach to Local Economic Development

Local Economic Development case studies

- National adoption of LED in Ghana following creation of successful LED forums;
- Promoting peace through economic growth and job creation in two districts of Nepal;
- Read more about these case studies on page 3.

The ILO's approach to Local Economic Development aims to promote decent work - productive employment that delivers a fair income, provides social protection, and allows women and men to participate meaningfully in the development process. It does this by:

- focusing on a specific territory or area;
- targeting sectors with economic potential;
- linking job quality to enterprise competitiveness;
- building capacity of local and national employers', workers' and social and solidarity economy organizations;
- prioritizing strategies and tools that benefit the poor.

LED means more than just economic growth; it means providing opportunities for women and men to obtain decent work at the local level. LED is people-centred, and locally-owned and managed. It promotes participation and local social dialogue, connecting people and their resources for more and better employment and a higher quality of life. The ILO strategy addresses the need for practical decent work policies and programmes from the outset, while encompassing both rural and urban economies in a coherent and integrated manner.

LED approaches were used in communities hit by the decline of coal mining in Europe in the 1970s. During the late 1980s and 1990s, the ILO and other UN agencies adapted the

LED approach to assist the transition from war to peace (for example, Central America, Mozambique and the Balkans) and political transition (for example, South Africa). More recently, LED strategies have aimed to help certain groups, such as workers in the informal economy or youth (for example, Ghana, Indonesia, the Philippines, Sri Lanka); to address social problems such as lack of social protection, crime and violence, or child labour (for example, Cameroon); or have been a response to economic crisis (loss of jobs due to closure of industries, youth unemployment, and so on). Current ILO work also points to the potential of LED in helping to meet the challenge of adapting to climate change.

The ILO in action: Local Economic Development solutions

The LED approach has been used successfully, with ILO support, by 36 countries around the world. LED can comprise a wide range of interventions to:

- stimulate development of entrepreneurship, businesses, cooperatives and other social and solidarity economy enterprises;
- improve enterprise competitiveness and exports;
- upgrade value chains to generate local benefits and attract inward investment and tourism;
- upgrade skills and improve access to local labour market information;
- facilitate access to a range of financial services including savings, insurance, money transfer services, and credit;
- facilitate access to social protection;
- improve physical and financial infrastructure;
- strengthen local institutional frameworks and governance.

Practical tools	Reading material
<p>Sensitizing on LED: ILO: <i>Sensitizing package on LED</i> (Geneva: 2005), Available at http://www.ilo.org/empent/Whatwedo/Publications/lang--en/docName--WCMS_112301/index.htm</p> <p>Promoting LED: Centro Internacional de Formación, <i>Desarrollo Económico Local + Empleo. Material para promotores</i> (ILO: Turin: 2008)</p> <p>Formulate inclusive LED strategies: ILO: <i>Gender Mainstreaming in Local Economic Development Strategies</i>. A guide (Geneva: 2010), http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---led/documents/publication/wcms_141223.pdf</p> <p>Implementing LED: ILO: <i>An operational guide to Local Value Chain Development</i>, (Colombo: 2007) http://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/@ifp_seed/documents/instructionalmaterial/wcms_101319.pdf</p> <p>Knowledge sharing about LED: join the LED knowledge platform more than 200 LED practitioners exchange and learn: http://www.ledknowledge.org</p>	<p>Illustrating good LED practices:</p> <ul style="list-style-type: none"> • A series of “ILO LED Stories” illustrating innovative LED strategies in a range of countries <p>A meeting report of ILO-OECD: <i>Routes out of the crisis - strategies for local employment recovery, skills development & social protection in Asia</i> (ILO: Geneva: 2009).</p>

ILO LED Training Programmes

The International Training Centre (ITC) of the ILO offers a range of training programmes on local development. Courses cover varying topics, depending on the participants, such as enterprise development, green jobs, infrastructure development, access to finance for Local Economic Development, tourism, disaster risk reduction and economic recovery. ITC offers tailor-made training on LED strategies. Courses can be face-to-face, on-line, or a mixture of the two. For instance, the DELNET programme offers an online combination of training, specialized information, technical advice and networking. <http://www.delnetitcilo.net/en>

The ITC-ILO is part of a larger partnership network of international organizations and academic institutions with which the ILO shares best practice and knowledge of local development. <http://emld.itcilo.org/en>

Local Economic Development in Ghana and Nepal

LED in Ghana: from local to national impact

How can the institutional and policy impacts of LED projects be maximized? ILO's LED activities in Ghana between 2002 and 2011 show how LED can have sustainable impact and achieve scale at both local and national levels. The Ghana Decent Work Project started by creating self-sustaining LED forums in eight districts to improve conditions for workers in the informal economy. The project had four important characteristics:

- It fostered local ownership and financial independence through capacity building rather than direct funding;
- It empowered local stakeholders to shape the LED approach according to local norms and values, thus enabling the emergence of public-private dialogue and effective partnerships;
- It facilitated sustainable access to financial services by fostering engagement of local savings and credit cooperatives to finance business development and employment creation

- It enabled access to public resources and enhanced the policy influence of the programme, by embedding the LED forums within local government structures and the existing legal framework.

The ILO's work and other LED initiatives were picked up at the national level, resulting in establishment of a national LED commission and the development of a national LED policy. LED is now part of the training curriculum for local government officials at Ghana's Institute of Local Government Studies.

In February 2014 the Ghanaian government launched a Local Economic Development policy to mainstream LED in all districts in the country as part of the broader Decentralization Policy (2011-2015). The guide produced to assist local government officials is based on the LED assistance to Ghana by the ILO from 2002-2009.

Lesson: sustained investments in national capacity building pay off.

Source: Tijmstra, S. *Upscaling LED. Lessons from the Ghana Decent Work Programme* (ILO, Geneva: 2012). http://www.ilo.org/empent/Publications/WCMS_201096/lang-en/index.htm

LED in Nepal: peace through economic growth and jobs

An ILO project in Nepal promoted peace through economic growth and job creation in two districts that had long suffered from conflict. The districts had significant shares of landless and other marginalized groups, high emigration, and weak capacity for planning, coordination and implementation of pro-poor development initiatives. The project tackled these challenges with a locally driven, participatory and integrated approach that included:

- An inclusive LED forum in each district, enabling local public-private dialogue to design, coordinate, facilitate and monitor a pro-poor strategy and initiatives to implement it;
- Skills development to participate in social dialogue and to access productive jobs;



- Improved local infrastructure to facilitate market access;
- Effective market linkages for local tourism and agribusiness;
- Engagement of local financial service providers in financing value chains.

The project resulted, amongst other things, in the development of two tourism trails centred around the production of a unique artisan cheese, which involved the indigenous community through home stays, guides and locally produced goods.

Source: http://www.ilo.org/kathmandu/whatwedo/projects/WCMS_112924/lang-en/index.htm

The ILO and Sustainable Enterprises

The ILO Sustainable Enterprise Programme helps create more and better jobs through enterprise development. It connects business growth and competitiveness with the needs of people to make a decent living in a healthy environment - today and in the future. Anchored in the ILO's mission to create decent work for all women and men, this programme is centred on three pillars:

- An enabling environment for enterprises - Creating the right framework that enables businesses to start, grow and create decent jobs;
- Entrepreneurship and business development - Helping entrepreneurs, in particular youth, women and marginalized groups, to start and build successful enterprises;
- Sustainable and responsible workplaces - Demonstrating the link between productivity gains and improved working conditions, good industrial relations and good environmental practices.

The programme combines evidence-based policy development with capacity building and enterprise support services, delivered at the international and country levels, through advisory services and a large portfolio of technical cooperation. It works with governments, employers' and workers' organizations, in partnership with other UN agencies, financial and academic institutions, donors and others.

Further reading

ILO's LED programme - www.ilo.org/led

Knowledge-sharing with LED practitioners from across the world - www.ledknowledge.org

Training programmes on Enterprise, micro-finance and local development / International Training Centre of the ILO - <http://emld.itcilo.org/en>

Contact details

Local Economic Development Programme

Enterprises Department

International Labour Organization

4 Route des Morillons

CH-1211 Geneva 22

Switzerland

Tel: +41 22 799 7095

Fax: +41 22 799 7978

E-mail: led@ilo.org

www.ilo.org/led

Roberto Di Meglio,

Senior Technical Specialist on Local Development and Social Economy

dimeglio@ilo.org