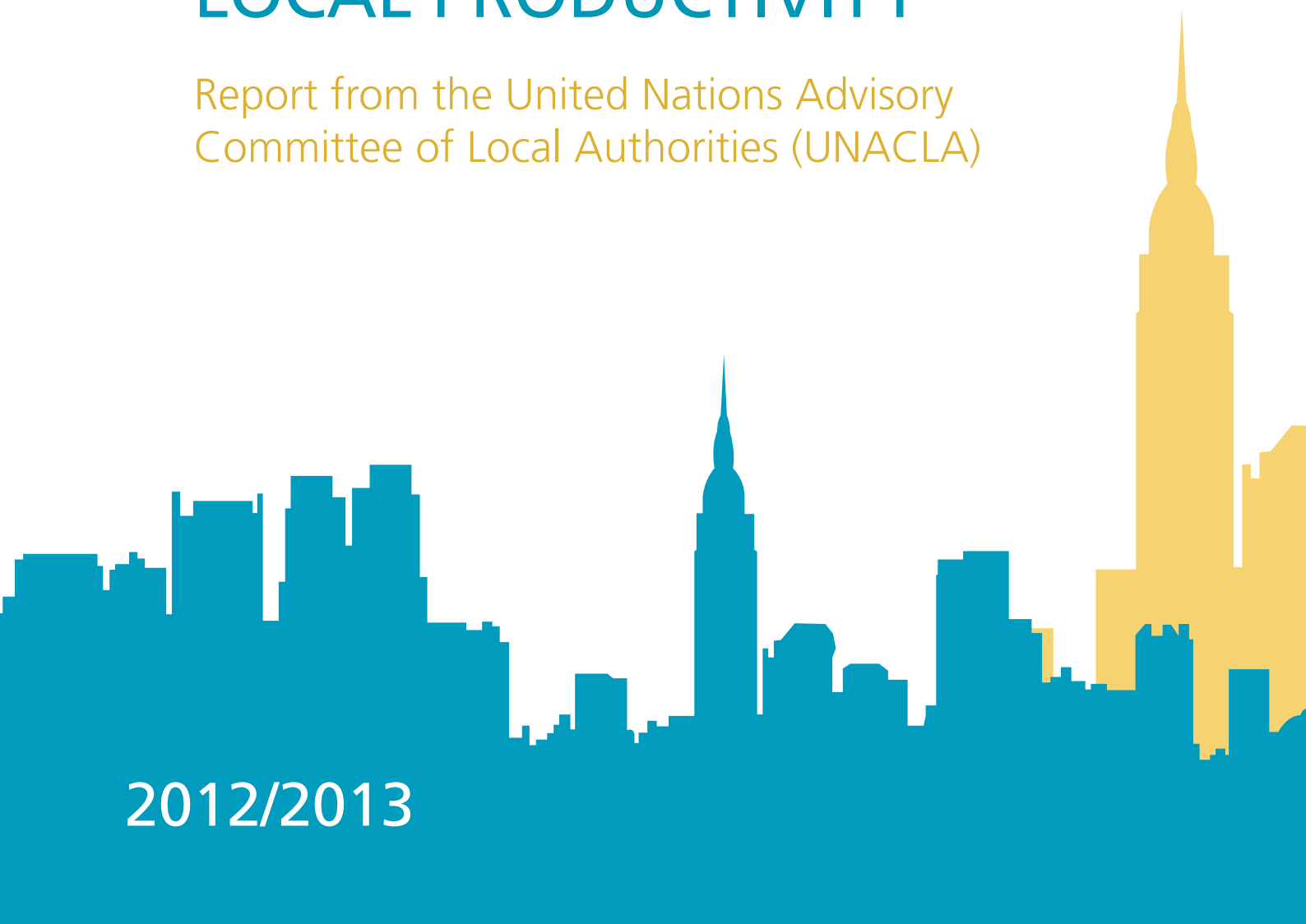


JOB CREATION AND LOCAL PRODUCTIVITY

Report from the United Nations Advisory
Committee of Local Authorities (UNACLA)

2012/2013



Message from UNACLA's Chairman

Mayors are elected officials who are closest to the people. Hence, they witness a myriad of complex issues on the spot and spend their entire political career trying to sort them out. At any given time, mayors are expected to be fulfilling the mandate in which they were elected, representing their constituents at various levels of government, acting as ambassadors on behalf of their country when abroad and managing the daily operations of their cities to name a few. On occasion, they are also faced with unique circumstances that are often a result of factors beyond the municipality's control. The global economic crisis, which compounded into the global unemployment crisis, was the result of an unanticipated shock that was felt throughout all levels of government and severely impacted all regions of the world. National governments looked to their local governments to reduce unemployment and ensure national GDP continued to grow, while at the same time voters looked to their locally elected leaders to lessen the blow that resulted from unemployment and to create meaningful work for all. This year's UNACLA theme focuses on job creation and local productivity, deploying effective solutions to unemployment- a theme that could not have been timelier while global unemployment stands at over 200 million in 2013. Today, one would be pressed to find a mayor that did not list job creation and local responsibility as a primary pillar of his or her mandate.



Kadir Topbas
Mayor of Metropolitan Istanbul,
Chairman of UNACLA, President of UCLG

This UNACLA report demonstrates that the days of viewing employment through the narrow lens of product and service output is no longer. This report shows that through a more holistic approach, a city can be transformed to create an enabling economic climate instead of solely targeting production. The principles that accompany this theme focus on creating an enabling environment through equal access to jobs, productive urban design, innovative financing, a productive informal economy and rural urban linkages.

Where better to create these jobs than in cities where 53% of the world's population live! Cities are magnets for young people seeking education, employment and a fulfilling lifestyle that is unrivalled by the rural environment where many of these people were raised. By creating employment opportunities in cities, one does not only address the employment mismatch that results from a growing population and a shrinking job market, but the concentration of people, also encourages the exchange of ideas and provides education opportunities through proximity. A concentration of skilled labour has the profound opportunity to stimulate innovation and encourage knowledge sharing and skill development.

UCLG is excited by its partnership with UN-Habitat as together we have the opportunity to bridge the gap between the local level challenges and solutions with the global capacity and reach of the United Nations. Without this relationship, such a publication would not be possible.

It will be useful to have a glance at these innovative case studies. Based on these studies, you can equip your cities with the necessary tools and ideas that can turn your local economy into a productive economy that harnesses the human capital derived in your cities.

Message from the UN-Habitat Executive Director

The United Nations Advisory Committee of Local Authorities (UNACLA) was created to serve as a window for local authorities into the United Nations system. By definition, this mechanism promotes the exchange of knowledge between local authorities and the United Nations system on a global scale in hopes of sharing and developing novel approaches to many of the global challenges cities are faced with today. The aim of this publication is to encourage the exchange of knowledge and approaches on the topic of job creation and local productivity.

It is so often the case that when UNACLA mayors come together at international events or forums, that they deliberate and challenge conventional wisdom, usually enhancing the subject matter in a practical way. This was certainly the case when I served as a member of UNACLA; consulting fellow mayors to discuss the challenges my city was facing and receiving valuable inputs that led to overcoming hurdles and achieving positive outcomes. This report does just that. It places new knowledge into the hands of those who have the ability to influence, inspiring new solutions to combat unemployment and creating meaningful work to achieve a more equitable society.

I encourage all mayors to read this report and follow up with colleagues to learn more from these experiences. I also encourage those mayors who have developed successful strategies towards job creation to reach out and share your expertise with the hopes of making an impact beyond your municipal borders- this is the role that UNACLA was established to serve.

This year's thematic emphasis for UNACLA has been placed on job creation and local productivity, a challenge that most towns and cities the world round are faced with. This exchange of case studies draws the causes and solutions related to unemployment to the forefront of the discussion and puts forward thoughtful suggestions for replicating these strategies. Understandably, it is the mayors and local practitioners who understand the context of their cities best, therefore I encourage all to take these recommendations and tailor the appropriate suggestions to fit your city. The principles in this report will help guide your administration in creating jobs and spurring productivity within your cities.



Joan Clos
Under Secretary General of the United Nations
Executive Director of UN-Habitat

JOB CREATION AND LOCAL PRODUCTIVITY 2012/2013

Report from the United Nations Advisory Committee of Local Authorities (UNACLA)

The onset of the global economic crisis has exacerbated many of the challenges that cities have been struggling to address. One of the most preoccupying of these challenges is that of unemployment. This illustrated report not only aims to provide elected officials and decision makers with insight into the root causes of unemployment, but furthermore to suggest effective tools and recommendations for restoring a productive economy. The report contains a collection of case studies from around the world that aim to inspire members of the United Nations Advisory Committee of Local Authorities (UNACLA) and other local government officials to provide meaningful employment and decent work for their constituents. The report revolves around five principles of job creation and describes how cities can create productive economies through the interventions in each of these five areas: providing improved employment opportunities to all, harnessing the economics of urban form, innovative financing, enhancing the productivity of the informal economy and strengthening rural-urban linkages.

Ultimately, it is the role of mayors - as closest level of governance to the people - to improve the quality of urban life for their citizens. Access to meaningful employment provides the foundation for thus enhancing living conditions. This report is designed to share, inform and hopefully inspire a wide variety of readers on innovative approaches to job creation and local productivity. UNACLA believes that the dissemination of good practice and the sharing of knowledge, especially by and among cities, can facilitate sustainable policies and solutions to the practical issues faced by cities.



“Economic historical studies have established that there is a positive correlation between urbanization and development.

It is also clear that throughout history, urbanization has been, and continues to be a source rather than only an outcome of development. Because of this, urbanization can be used as a powerful tool for creating employment and livelihoods. This requires a mindset shift on the part of decision makers, away from viewing urbanization mainly as a problem, towards viewing urbanization as a tool for development.”

Quote from Dr. Joan Clos, Under-Secretary-General of the United Nations and Executive Director of UN-Habitat on the Occasion of the Sixth Session of the World Urban Forum, Naples, Italy, 3 September, 2012





燒牛肉麵
生豬腳
腳麵線
七年級
王水餃

麻辣鴨血
清蒸臭豆腐
七年級
藥燉排骨
藥燉羊肉

牛排

七年級
王水餃
腳麵線
生豬腳

花生豬腳
各式小菜
藥燉排骨
藥燉羊肉

魚頭
肉肉
肚肚肉
雞雞
鴨鴨
20 30 40 50 60

魚頭
肉肉
肚肚肉
雞雞
鴨鴨
20 30 40 50 60

藥燉排骨
藥燉羊肉

魚頭

雞
肉
麵
線
20
40
80

TABLE OF CONTENTS

Message from UNACLA's Chairman	2
Message from the UN-Habitat Executive Director	3
Introduction to Job Creation and Local Productivity	8
Five Principles of Job Creation and Local Productivity	14
PRINCIPLE 1: The role of cities in creating improved economic opportunities for all	16
PRINCIPLE 2: Economics of Urban Form	24
PRINCIPLE 3: Financing for Urban Development	32
PRINCIPLE 4: Enhancing Productivity of the Urban Informal Economy	40
PRINCIPLE 5: Rural-Urban Linkages	48
Challenges for Job Creation and Local Productivity in Cities	56
Policy and Programmatic Responses recommended by UNACLA	57
UNACLA at Work	62
List of References	63

INTRODUCTION TO JOB CREATION AND LOCAL PRODUCTIVITY



The nature and dimensions of the urban employment challenge

Today, mayors throughout the world are tasked with many responsibilities and expectations: fulfilling their elected mandate, representing the voice of their constituents at multiple levels of government and even acting as ambassadors on behalf of their countries in international forums. Additionally, the economic uncertainty that has disrupted the world in recent years has presented new challenges surrounding job creation and local productivity. Although job creation is typically not seen to be within the core mandate and responsibility of urban authorities, they nonetheless are increasingly obliged to respond since the employment challenge is now an urban challenge. Not only does the share of the world's population residing in urban areas continue to grow, but the structure of employment continues to move away from agriculture towards industry and services.¹ However city governments not only face different challenges, but also benefit from a certain number of strengths and comparative advantages which will be the subject of this report and the case studies it contains.

An overview of employment trends across regions can help better understand the urban employment challenge.

Growth

Although global economic growth is expected to recover to around 4 per cent in the coming years, growth in East Asia will fall to around 6.5 per cent as compared with around 10 per cent in 2010. While global growth has recently been driven by developing countries, bottlenecks in terms of human capital and infrastructure threaten to erode these gains. Furthermore, shifts in US monetary policy have caused turmoil in some of the emerging markets which have become known as the “fragile five.”² Overall, the growth that has been achieved since the Great Recession is not creating enough jobs to satisfy new labour market entrants and uncertainty surrounding global demand continues to discourage new hiring. While cities usually “punch above their weight” in terms of economic growth, the challenge is for mayors to harness their relatively privileged position and translate this growth into sustainable job creation that is beneficial to all.

¹ ILO. Global Employment Trends 2014: Risk of a jobless recovery? Geneva: ILO, 2014, p. 96, Table 10A.

² The “fragile five” are Turkey, Brazil, India, South Africa and Indonesia. See Thomas, London. “‘Fragile Five’ Is the Latest Club of Emerging Nations in Turmoil.” New York Times, 28 Jan. 2014.

Global unemployment

Globally, the number of unemployed stands at 202 million in 2013; an increase of nearly 5 million since the year before. New entrants to the labour market are largely concentrated in East Asia and South Asia, followed by Africa and Europe. The global financial crisis of 2008 has opened up a global jobs gap of 62 million jobs, composed of 32 million additional jobseekers, 23 million who have become discouraged and given up looking for work, and 7 million economically inactive people. Since over 53 per cent of the world population lives in urban areas, and in view of the fact that urban employment rates are typically higher than those in rural areas, this global employment crisis needs to be viewed through an urban lens.

Youth employment

Urban areas attract young people in hopes of finding employment. Youth employment is a particular concern to mayors because the labour force in urban areas is typically younger than at the national level. Ever since the global financial and economic crisis that engulfed the world in 2008, not only did youth unemployment rise dramatically, but participation of young people in labour markets took a nose dive. Young people make up 37 per cent of the worlds unemployed. The youth unemployment rate stands at 13.1 per cent which is nearly three times as high as the adult rate. Youth labour market participation is a growing problem and has fallen continually since 2000 from 53 to 47 per cent.³ This can be positive if young people leave the labour market to extend their education and improve their future employment potential. However, in many parts of the world, participation rates have dropped as young people have given up hope of finding a job; and almost one quarter of young people aged 15 to 30 are neither in employment, nor in education or training (NEET).⁴ In other cases, young people curtail their studies and are forced back into employment to support their families.

Policy makers and urban authorities in particular should bear in mind that young people face a particular disadvantage which can lead to growing frustration and “scarring.” “Perhaps the most important scarring is in terms of the current young generation’s distrust in the socio-economic and political systems. Some of this distrust has been expressed in political

protests such as anti-austerity movements in Greece and Spain.”⁵ City governments are often at the forefront of such protests.

Young people continue to be attracted to urban areas and have a higher chance of successfully navigating the school to work transition if they live in urban as opposed to rural areas. The ILO has released the results of new school-to-work transition surveys undertaken in ten developing countries. This research found that “young males are more likely than young females to complete the transition to stable and/or satisfactory employment. Household wealth, greater investment in education and urban origins are also seen to offer advantages in the labour market transition of youth.”⁶ In most of the ten countries surveyed “working youth have a higher likelihood of being satisfied with their employment if they live and work in an urban setting rather than a rural setting.” Although the “youth in urban areas are far more likely than youth in rural areas to transit to stable employment, they are also more likely to be unemployed (with a ratio of two unemployed urban youth to one unemployed rural youth).”⁷

Vulnerable and informal employment

These challenges facing mayors are further compounded by the fact that those who are in employment are likely to be in vulnerable or informal employment and decades of progress in reducing working poverty appears to have stalled. The ILO reports that nearly half of all employment worldwide is vulnerable, that is, either self-employment or work by a contributing family member. The rise in vulnerable and informal forms of employment, and stalled progress in reducing working poverty presents urban authorities with the challenge of improving productivity and incomes of employment.

These data and trends provide the broader context which mayors and urban authorities face in addressing the urban employment challenge. This challenge goes beyond that of unemployment, to include also declining labour force participation, precarious and vulnerable employment, the disconnect between educational attainment and available employment and the prevalence of work in the informal as opposed to the formal economy.

³ ILO. 2014, pp. 11 and 91, Table A3.

⁴ ILO, 2014, p. 11.

⁵ ILO. Global Employment Trends, 2013: Recovering from a second jobs dip. Geneva: ILO 2013, p. 2.

⁶ ILO. 2013, p. 5.

⁷ Ibid., p. 55.



Photo: © Shutterstock

Since urban areas contribute disproportionately to economic output, it is natural to expect urban areas to be stronger job creators than rural areas. Research shows that “urban economic activity accounts for up to 55 per cent of gross national product in low-income countries, 73 percent in middle-income countries, and 85 per cent in high-income countries.”⁸ Nevertheless, urban residents, particularly those in developing countries, find themselves in a more desperate situation with respect to employment since they lack the traditional safety net provided by rural agriculture. Hence most of the urban poor cannot afford to be unemployed and are obliged, as a survival strategy, to take on unproductive and poorly paid activities in the urban informal economy.

With a few notable exceptions (such as Japan), the stimulus programmes put in place immediately following the global financial crisis of 2007/2008 have been winding down and given way to calls for austerity and budgetary rigor. Restrictive fiscal policies have been largely out of sync with monetary policies which have attempted to support recovery with lower

interest rates. It is in this larger macro-economic context that city governments must decide how they can best stimulate economic recovery, boost productivity and support job creation at the local level.

There are a number of areas under the direct or indirect control of mayors and local authorities which can be brought to bear to support job creation. These, to name a few, include education and training of the local workforce, support to business start-ups and enterprise development, reviewing local regulatory frameworks (such as procurement, business registration or zoning regulations) for increased employment impacts, public procurement, and infrastructure planning and investment.

Policy Options for Urban Job Creation

Job creation is habitually perceived to be a result of sound macro-economic policies, of efforts to promote private sector development, including through a competitive business environment and reducing the cost of doing business, and finally of correcting mismatches between job seekers

⁸ Rubble, Blair A. The Challenges of the 21st- Century City, Policy Brief. Washington, D.C.: The Woodrow Wilson International Center for Scholars, 2012, p. 2.

and employers in the labour market. Traditionally this has meant fiscal and monetary policies which focus on reducing public debts, targeting inflation, encouraging foreign direct investment and promoting exports as means to stimulate economic growth which in turn – it is argued - will create jobs. At the municipal level, job creation is largely focused on support to “local economic development” which can include efforts to attract investments, to make regulations more conducive to private sector development and reduce the cost of doing business, to encourage entrepreneurship development and to address skills gaps through education and vocational training. Beyond this overall framework for job creation, policies for youth employment or for other vulnerable groups in the labour market have been largely targeted and based on special labour market programmes in the fields of training and self-employment.

Lack of appropriate skills and work experience are seen to be key entrance barriers to the labour market, particularly for young people. In a Youth Employment Inventory carried out by the World Bank, “thirty eight per cent (111 out of 289) of youth employment interventions recorded in 2007 addressed skills barriers through training.”⁹ Training has become the standard, conventional wisdom with respect to barriers youth face in making the school to work transition. However, despite the importance given to such programmes, evidence is often lacking with respect to the effectiveness of training as a job creation strategy. Vocational training programs have typically been evaluated in terms of number of youth trained and successfully placed in employment, whereas longer term retention and issues of job displacement have not been addressed systematically. Local authorities can support the longer term tracking of such programmes and address them when appropriate.

One avenue to improve youth employability includes making general and technical secondary education more skills and career oriented. Often the knowledge and skills acquired in formal education are poorly adapted to the needs of employers and to the self-employed; and therefore supplementary training is required to make young people “employable” by industry standards. This can be done by bringing the workplace into schools and also by bringing schools into the workplace; municipal governments are well placed to serve as a broker between the two.

While education and training are key factors for labour market access, the global work force (particularly young people) today is already the best educated generation; education and training do not necessarily create jobs. Furthermore, underemployment in the informal economy, rather than unemployment, is the primary indicator of labour market malaise for most of the world.

While the private sector is the main driver and source of job creation, private sector industries are not creating sufficient decent jobs to meet the requirements of those entering the labour force. These structural constraints cannot be solved only by “matching” or “signalling” a greater number of job seekers with a lesser number of “decent jobs.” There is always a danger that the matching process will channel the most qualified job seekers to the limited number of decent jobs, thereby exacerbating marginalization and informality amongst the rest.

Although the limitations of training policies and programmes are generally acknowledged, the remaining solution traditionally proposed for job creation tends to be self-employment and entrepreneurship development. While municipalities can indeed support job creation in this field, local authorities also need to recognize that most “entrepreneurs” are self-employed and entrepreneurs by necessity – that is, by lack of salaried, regular employment, rather than entrepreneurs by vocation. **It is as if policy makers are telling the unemployed that since there are not enough decent jobs available, you have two options: either accept employment which does not meet with your expectations, or create your own!**

Therefore local authorities should also consider adopting job creation strategies leading to the creation of new and additional jobs. Such programmes should be designed to complement, rather than to replace or compete with, the private sector's primary role in job creation. Appropriately designed, such direct public sector driven job creation programmes provide a means of maintaining human capital during financial, civil or political crises or economic downturns while at the same time providing basic infrastructure and services which will help the private sector improve its productivity. Public job creation programmes can also provide “green jobs” through work which protects the natural resource base, restores the environment, addresses climate

⁹ Betcherman, Gordon, et. al. Global inventory of interventions to support young workers: Synthesis report. Social Protection Discussion Paper No. 0715. Washington, D.C.: World Bank, 2007.

change and resilience and builds a foundation for sustainable job creation. Such programmes can involve direct hire labour, or can be undertaken through contractual arrangements with the private sector, cooperatives or associations of informal sector workers.

The following Case Studies are conceptually organized by these five thematic components. However, the components are often interrelated, and many case studies in fact illustrate more than one principle.

UNACLA's work plan on Job Creation and Local Productivity

In preparation for the Sixth World Urban Forum held in Naples in September 2012, UN-Habitat organized an eDebate on "Productive Cities: Urban Job Creation." The main areas discussed during this eDebate provided UNACLA with a framework through which to view the various cases studies presented in this report. These include:

- Employment in urban peri-urban agriculture, food security and the urban environment;
- Urban informal economy, employment and regulations;
- Community and local economic development; and
- Housing, infrastructure and employment

Furthermore, following the conclusions of this eDebate, the theme of Job Creation and Local Productivity was discussed during the UNACLA Special Session at the World Urban Forum 6 (WUF6) held in Naples, Italy. Based on recommendations from this meeting and collaboration with international partners and experts from the United Nations International Labor Office (ILO), UNACLA opted to develop the theme of Job Creation and Local Productivity according to the following components:

1. The role of cities in creating improved economic opportunities for all
2. Economics of urban form
3. Financing for urban development
4. Enhancing productivity of the urban informal economy
5. Rural-urban linkages

The following Case Studies are conceptually organized by these five thematic components, but many case studies in fact illustrate more than one principle which are often interrelated. The Case Studies then present a series of snapshots of measures local authorities can implement to create jobs and enhance the quality and sustainability of employment.



FIVE PRINCIPLES OF JOB CREATION AND LOCAL PRODUCTIVITY

1. The Role of Cities in Creating Economic Opportunities for All

City governments not only have a role in creating economic opportunities for all, they furthermore have a number of policy tools which enable them to fulfill this role. Mayors can support education and training programmes to ensure workers have the skills and qualifications called for by employers. They can also work to create new job opportunities by stimulating growth and local economic development, reviewing regulations to improve their impact on employment and even funding direct job creation programmes.

Unemployment and vulnerable forms of employment disproportionately affect youth and women. However, it is these groups that have great potential to drive innovation and development if they are well supported. Young men and women today are the best educated in history. If they transition into adulthood in an environment that supports secure and equal employment, cities will reap enormous benefits. Not only will scarce funds spent on welfare, public safety and social services be transformed into increased tax revenues, but furthermore cities will benefit from the innovations and development which young people and other marginalized groups are able to contribute.



2. Economics of Urban Form

Urban form can consist of density, mixed land uses, transport connectivity, planned infill development and public space, to name a few. Urban form designates the overall spatial configuration of the city. A strong correlation exists between urban form and the economic activity in a city. Properly implemented, urban form can create efficient, functional, equitable and sustainable cities that provide easier access to employment opportunities.

On the other hand, unplanned and unguided urban form with the absence of the aforementioned elements, specifically, low density, is associated with negative impacts on the functioning of the city. It is therefore advisable for urban authorities to understand and harness the economic and social impact urban form plays within a city.

Therefore the spatial configuration of cities strongly influences the availability of jobs (mixed-use developments), the accessibility of jobs (transportation), social encounters (human capital exchange) and the creation of attractive environments for businesses to establish themselves (revitalization of run-down areas.)



3. Financing for Urban Development

Cities contribute to a higher than average proportion of GDP. However, local governments are still plagued by lack of resources and need to cover their financial needs from a variety of sources, including tax revenues, registration fees, deficit financing, attracting domestic and foreign investment and public-private partnerships.



As a result of the austerity measures which have swept the world in the wake of the 2007-2008 financial crisis, cities are under pressure to limit expenditures which can result in decreasing productivity and exacerbating the slow-down in economic activities. Regulations are especially problematic; some see them as an obstacle to private sector growth and hence to job creation, while others see their potential, when properly designed, to increase employment opportunities. In order to determine how best to approach urban finance, both investment decisions and regulatory frameworks should be evaluated with respect to their employment impacts.

4. Enhancing Productivity of the Urban Informal Sector

Often overlooked by urban economic development policies, strategies and programmes, the informal sector plays a fundamental role in the national economy and job creation. The informal sector is often viewed as an unregulated, disorganized and marginalized sector; on the contrary, the informal sector is central to the overall productivity of the urban economy.

The informal economy is a source of employment for a vast majority of the urban poor - including rural to urban migrants who settle in a city looking for economic opportunity. In the face of high unemployment in both the developed and developing nations, vulnerable groups look to the informal sector as a survival strategy. Since the informal economy forms a permanent and significant share of national economies, local governments would benefit by focusing on enhancing the productivity, incomes and working conditions of its workers.



5. Rural-Urban Linkages

Rural to urban linkages influence the prosperity and employment outcomes of cities. Cities offer more work opportunities and higher salaries, and therefore are an attraction for unemployed or underemployed rural workers. While urbanization may fuel migration and result in overcrowded low income settlements with high levels of unemployment, growing urbanization on the other hand may reinforce rural-urban linkages and lead to improved employment opportunities in both rural and urban areas and an increase in the flow of capital from urban to rural settings in the form of remittances.

Facilitating spatial mobility and rural-urban integration can facilitate job creation. Large cities promote the active inclusion of their surrounding hinterland by financing investment in infrastructure and social services in the small cities and rural areas under their influence.

The lessons to be drawn are that rural-urban linkages are numerous (migration, spatial mobility, transportation, agriculture and food supply, and so on) and that cities can and should promote such linkages in order to lessen rural-urban disparities and improve employment outcomes for the urban workforce and for their rural counterparts.



PRINCIPLE 1: The role of cities in creating improved economic opportunities for all

The central role of employment creation and decent work in the process of urban growth has received peripheral attention in comparison with the main foci of what might be called the “urban conventional wisdom”: housing, infrastructure, land and governance. This approach to urban issues could be characterized as if urban analysts and practitioners “have entered the city through the house and the bathroom”, i.e. through housing and residential infrastructure, rather than through the place of work and the market. This entry point not only reflects the early historical role of architects and urban planners in urban thinking and assistance to cities, but fails to address the important role of cities in national development, reduction of poverty and inequality, and the multiple impacts of global economic and environmental processes on urban areas.¹⁰

Another reason for this neglect arises from the fact that city officials are caught up in day-to-day management and “fire-fighting” revolving around providing basic urban services, transport, social assistance and infrastructure maintenance – and as a consequence have little time or preparation to analyze how these management functions can be reconciled with more fundamental objectives of urban development, poverty eradication and employment creation. City governments are the first to feel the impacts of unemployment in terms of insecurity and crime, a deteriorating investment climate and increasing costs of doing business, declining revenues and increased social transfer payments – factors which are wreaking havoc on municipal budgets. But they often feel powerless when it comes to job creation.

The first step to taking on an active role in job creation is to understand the changing nature of urban labour markets. Nearly half of the world’s population find themselves in vulnerable and informal forms of employment with no social safety nets. And progress in reducing working poverty has stalled. While young people are three times more likely to be unemployed than adults, youth unemployment is only the tip of the iceberg. Increasing numbers of young people have given up hope of finding a job and dropped out of both the labour market and education altogether.

Although the situation varies markedly from one region, as well as from one country and one city to the next, women continue to face huge disadvantages in the labour market. Not only is the estimated 2013 global unemployment rate for women 6.4 per cent as compared with 5.8 per cent for men, but only 47.1 per cent of women globally are employed, compared to 72.2 per cent for men. Furthermore only 50.3 per cent of women globally participate in the labour market compared with 76.6 per cent for men.¹¹



¹⁰ Miller, Steven and Cohen, Michael (2008). “Cities without Jobs: a Discussion Paper on Urban Employment,” unpublished manuscript.

¹¹ ILO (2014), Tables A2 (p. 90), A5 (p. 92) and A8 (p. 94)

Photo: © Shutterstock

In developing an urban job creation strategy, care therefore should be taken to include traditionally marginalized groups such as youth and women. Furthermore “active labour market policies and skills development initiatives, along with investments in public infrastructure and in strong social protection systems should be prioritized . . .”¹² Local authorities can play a key role. Not only do they have the capacities, when recognized and nurtured, but also distinct comparative advantages, to contribute to these policy measures.

Cities will reap enormous benefits from integrating all marginalized groups into the labour market. Not only will scarce funds spent on welfare, public safety and social services be transformed into increased tax revenues, but furthermore cities will benefit from the innovations and development which young people and other marginalized groups are able to contribute.

The whole notion of what constitutes an urban employment strategy is often poorly understood. The common view is that employment creation should be a residual or indirect goal, rather than one which is approached explicitly and directly. Rightly or wrongly, cities address the problem of

unemployment by going down the well-beaten paths of fostering a competitive business climate, of creating an enabling environment for local economic development and by working to attract foreign investments, either from the private investors or from official development assistance. While some case studies will validate these approaches, others will point to additional avenues for directly creating jobs.

In conclusion, urban authorities in fact not only have a distinct role in creating improved economic opportunities for all, they furthermore have a number of areas of comparative advantage. The following case studies show some examples of how mayors can better harness these often-underestimated capabilities.

¹² ILO (2014), p. 81.





Case Study 1.1: Political Leadership: the case of Stuttgart, Germany

I. Challenges faced by the city

In January 1997 the City of Stuttgart Germany was faced with an unemployment rate of over 10 per cent with young people especially affected. The incoming Mayor wanted to create jobs, decrease unemployment and increase productivity by transforming Stuttgart into one of the leading high tech cities and regions in Europe. To achieve these goals, the Mayor developed broad-based partnerships, including with entrepreneurs, scientists, researchers, teachers, bankers, the chamber of commerce and job placement agencies.

II. Description of the intervention at the local government level

The Department of Economic Promotion was part of the Mayor's office, allowing him to directly influence decisions impacting on local economic development and job creation. The Department was transformed into a one stop shop, helping potential investors and economic agents navigate a diversity of complex legal and administrative procedures, providing a single front to the public.

The Mayor was in daily contact with the business community. Almost every week, he visited a small, medium or large enterprise in order to keep informed, understand the problems they were facing and to create an atmosphere of trust. He furthermore encouraged corporate social responsibility by engaging businesses in local activities, particularly to create jobs for young people.

A key element of the job creation strategy was the provision of good infrastructure: efficient traffic management, reliable public transport for the employees, zoning laws and land availability to facilitate the enlargement of existing companies and to establish new companies. Furthermore the city invested in human

capital through schools, continuing education, technical and management training, and a system of life-long learning. The Mayor also lobbied in favour of the city's universities and research institutions for applied science.

Business start-ups were supported in cooperation with the chamber of commerce and industry, the chamber of craftsmen and with the universities by providing:

- Free consulting services, for example, advising clients on how to develop a business plan,
- Affordable work spaces and incubator centres in fields such as media, design, software, etc., and
- Reasonable financial conditions (registration fees, etc.) for starting and improving one's business.

To motivate existing companies to invest in Stuttgart and to attract new businesses, the City developed a sophisticated marketing strategy entitled: "Stuttgart: My Engine of Growth." Heads of companies, research institutes and cultural institutions were invited to give testimonials demonstrating that Stuttgart stands for technology, talent and tolerance and that Stuttgart is prepared for the future in a globalized world.

III. Impact the intervention had on the city

The Mayor created a global network called "Cities for Mobility". Furthermore, the city is cooperating with different thematic networks and programmes of the European Union with a double impact: improve the City's competitiveness and demonstrate its strength. Today, the Stuttgart region is no. 1 in exports and one of the leading high tech regions of the European Union.

IV. Key elements for replicating

The City Government regularly carries out analysis of how it can tap into and benefit from national and international trends in the fields of tourism, retail trade, health, education, science and research on cutting edge technologies for sustainable development, particularly with respect to mobility and urban transportation. The key to success and replication is political leadership: economic promotion must remain a priority for the Mayor and the local authorities.

Source: Prof. Dr. Wolfgang Schuster, Mayor, 1997 – 2013, Managing Director, Institute for Sustainable City Development, 70173 Stuttgart, Germany
Photo: © Shutterstock

Case Study 1.2: City Business Plans: The Case of Bihar State, India

“ In the city of Biharsharif in Bihar State, India, a long-running skills training programme has not delivered the desired outcomes, particularly for women and youth. Therefore City Business Plans have been developed to identify a city's economic potential, followed by training needs assessments and the development of enterprise development centres. ”

I. Challenges faced by the city

Bihar State is the third most populated State in India, and the poorest, with 81 per cent of the population living in poverty. Biharsharif, with a population of nearly 3,000,000, faces enormous challenges in creating jobs which can lift its residents out of poverty. With a female labour market participation rate of only 12 per cent, a major challenge for the City is identifying and providing decent work for women and drawing them into the labour market.

II. Description of the intervention at the local government level

The city of Biharsharif developed a City Business Plan (CBP) with a view to mapping economic development opportunities, enabling an interface between government agencies and business communities for attracting investment and improving the business climate of towns. The Plan identified skills gaps as a basis for designing and implementing market-based skill and enterprise development programmes. The CBP also provided road maps for enterprise development, promotion of local business opportunities and streamlining the approval processes for business startups. It furthermore helped strengthen fiscal and financial capacities of urban local bodies for improving local infrastructure.

The CBP began with a city profile, including not only an economic profile of the Biharsharif Urban Area, but also of adjoining Nalanda District which provides its rural base. The profile sets the City within its institutional context including the institutional framework at the State and Municipal levels, the spatial growth of the city and its financial status. The CBP then analyzes the key economic sectors including the situation of the workforce in these sectors and elsewhere. These include the agriculture and allied sectors, the household sector, biomass-based energy and service-based industries.



The analysis of key economic sectors was followed by a business competitiveness assessment of the city wherein recommendations are made for the further development or the initiation of new economic activities. The CBP then makes recommendations for “synergy for alignment,” in other words, measures to ensure coordinated and effective interventions of multiple levels of government ministries, agencies and programmes, including the Prime Minister's Employment Generation Programme. The plan also includes a business approval assessment, a section on leveraging assets and promoting partnerships, a strategy for human resource development, a catalogue of existing businesses and industries and an implementation plan.

III. Impact the intervention had on the city

The CBP made specific recommendations for the following sectors with a potential for further development and employment creation: Food Park-cum-Agri Business Centre on a Cluster Basis, the Dairy Industry, the Leather Sector, the Biomass Energy Sector, Handloom Sector, Tourism Sector, Health, Hospitality and Skill Development Sectors through PPP and support interventions for Unorganized Sector.

IV. Key elements for replicating

Replication of the approach within Bihar State and beyond is conditional upon many factors such as positive governmental response to entrepreneurial ventures, ease in business approval processes and transactions, policy support for public-private partnerships in infrastructure development for agro-based industries and creation of alternative marketing channels so that small-scale farmers can avoid the rampant exploitation which characterizes the current trader-dominated marketing system.

Sources: City Business Plan, Biharsharif, Final Report. Support Programme for Urban Reforms in Bihar, submitted by Feedback Infrastructure Services Private, Ltd. 2013. Miller, Steven. Report on eDebate on Productive Cities: Urban Employment, a report prepared for the Sixth World Urban Forum, UN-Habitat, June 2012.

Photo: © Shutterstock



Case Study 1.3: Empowerment of Female Entrepreneurs: the Case of “Women in Business” in Asker, Norway

“Asker municipality, the county, the local chambers of commerce and the governmental organisation “Innovation Norway” have cooperated on providing start-up services for new businesses. These services are now amongst the best in the country. In addition, female entrepreneurs and business leaders benefit from a separate network and training program tailor-made for women, encouraged and financially supported by Asker municipality and the county.”

I. Challenges faced by the city

Asker is a suburban municipality situated twenty kilometres west of the Norwegian capital Oslo. Asker has nearly 60,000 citizens, and a large percentage of the people of employable age have education at university levels. Even though several large international corporations are located in Asker, the local business life is dominated by small firms, as half of the businesses have less than 20 employees. On average, three new local businesses are established every day, making Asker one of the municipalities in Norway with the highest entrepreneurship rate.

The women’s business network dates back to 1998, when local women grew tired of the male domination in the workplaces and in the established professional networks, and initiated a business forum exclusively for women. In 2011 this network merged with the equivalent organisation in the neighbouring municipality Bærum, resulting in the organisation “Women in Business”. Today “Women in Business” consists of 220 female entrepreneurs and business executives.

II. Description of the intervention at the local government level

“Women in Business” is a meeting place with the goal of providing the members with inspiration, growth, business opportunities and professional support. This is achieved through various activities and development programs for women who have started or wish to start their own business, and for established leaders who want their firm to grow. All programs are subsidised and available at a low cost.

- The program “Be a professional” helps participants become more familiar with operating commercially. The program is organized as monthly workshops, courses and lectures
- The program “Grow” covers topics such as networking, lessons learned from emerging businesses and knowledge of conditions, challenges and opportunities for success
- The Mentor Program provides support in all phases of business development. Over the course of an entire year, a mentor will give individual and constructive assistance to help the participant gain greater confidence in their work, personal development, increased self-awareness and new insights
- The leadership program addresses members that are employed as leaders and want to widen their network

The organisation collaborates closely with the local chamber of commerce, encouraging members to participate in both networks, and co-hosting networking activities.

III. Impact the intervention had on the city

The merger with the women network in the neighbouring municipality has contributed to new connections for the individual members, as well as increased impact in the local community for the organisation. After two years of operation, “Women in Business” has achieved their additional goal of being consulted on matters that affect trade and industry in Asker and Bærum. Both the political institutions and the municipal administration see the network as an important partner and advisor in questions regarding local as well as regional business development.

IV. Key elements for replicating

The support of the Asker Municipality plus links with neighboring municipalities are crucial elements for replicating this initiative elsewhere within Norway and beyond.

Source and Photo: Elisabeth Løvseth, Communication advisor, Asker Kommune (www.asker.kommune.no), Norway.

Case Study 1.4: Participatory Urban Planning for Slum Upgrading and Job Creation in Kitale, Kenya

“ Three slums in Kitale Town conducted participatory needs assessments, which informed the design and preparation of neighbourhood plans that integrated improved access to infrastructure with employment creation. The key partners were the Kitale Municipal Council (KMC), the Kenya Institute of Planners, local, national and international NGOs and the slum dwellers themselves and their organizations. ”

I. Challenges faced by the city

Kitale, a secondary town in Kenya, with an estimated 220,000 inhabitants, has an annual population growth rate of 12 per cent, which is expanding even more rapidly than the national urban average of 7 per cent. The town's un-abating influx of both rural and urban migrants has far outstripped the pace of infrastructure and service provision, formal housing development and employment creation. As a result, two-thirds of the town's residents live in slums, without access to municipal infrastructure services, and with high levels of waterborne disease, unemployment, socio-economic marginalization, delinquency and crime.

II. Description of the intervention at the local government level

Infrastructure improvements implemented under community contracts included water supply projects (protected springs and water kiosk), sanitation facilities and road accessibility improvements. For example, the Shimo La Tewa settlement constructed a 130m span footbridge across a ravine that divided the settlement causing pedestrian safety, accessibility and connectivity problems. Despite its limited financial resources, the Kitale Municipal Council met 30 per cent of the monetary cost of the bridge and the project the remainder.

Youth group members in all three settlements were trained in the production of stabilized soil blocks and each group was given a block press to enable them to start a business.



Protected springs and a water kiosk are managed by a women-led Water and Sanitation Committee, who are establishing a seedling nursery to cover maintenance costs. The group also plans to establish a commercial vegetable garden to support them in protecting the stream's catchment area. The communal sanitation block is managed by a locally appointed committee and residents are charged a small fee to use the latrines, showers and laundry facilities, helping ensure continued operation and maintenance by the women's group running it.

III. Impact the intervention had on the city

The case studies illustrate the close links between health, sanitation and job creation. These interventions not only contributed to health and environment benefits, but also to job creation. Direct jobs were created through the use of labour-intensive construction techniques. Sustainable jobs were the result of the income earning activities which the construction projects made possible. Improving the capacity of local authorities to engage in pro-poor participatory planning empowered slum dwellers. The case studies point to the effective role that slum communities can play in the delivery, operation and maintenance of basic urban infrastructure.

IV. Key elements for replicating

An enabling environment for participatory planning and partnership should be created and institutionalized at the municipal level. Furthermore municipal governments should adopt labour-based methods, including community participation and contracting, in slum upgrading. The linkages established with the Association of Local Government Authorities of Kenya facilitated the sharing of project experience and knowledge amongst local authorities nationwide.

Source: Michael Majale (2008). "Employment creation through participatory urban planning and slum upgrading: The case of Kitale, Kenya," Habitat International 32 (2008), pp. 270–282.

Photo: © Shutterstock / Meunierd



Case Study 1.5: Youth Employment through Creative and Cultural Industries: the Case of “CONTACT in Manchester UK”

“ This Case Study demonstrates how the Manchester City Council supported youth employment in the arts and cultural industries. The initiative “CONTACT, Manchester” is core funded by the Association of Greater Manchester authorities, Manchester City Council, the University of Manchester and the Arts Council England. Contact offers a diverse range of opportunities for training and career development in a competitive industry, helping to equip young people with the skills they need for employment. ”

I. Challenges faced by the city

Although Europe’s future is in its cities and over 70 per cent of the population lives in urban areas, employment opportunities for young people in Europe’s cities are scarce. Europe 2020 – a European strategy for smart, sustainable and inclusive growth states: “The recent economic crisis has no precedent in our generation. The steady gains in economic growth and job creation witnessed over the last decade have been wiped out . . . 23 million people - or 10 per cent of the active population – are now unemployed.” Young people under the age of 25 have been massively and disproportionately affected by this crisis, accounting for almost a quarter of the total unemployment increase since spring 2008. (Eurostat 2010)

II. Description of the intervention at the local government level

“CONTACT, Manchester”, was founded in 1972 as Manchester Young People’s Theatre and a part of the University of Manchester. Contact offers a diverse range of opportunities for training and career development in a competitive industry, helping to equip young people with the skills they need for employment. CONTACT empowers young people through projects which include:

- Workshops which coach young actors, offering them professional performing experience and training young people in media, music, production and back-stage skills.
- “Future Fires”: a tailored programme of training, mentoring and support to young emerging artists.
- Jobs: jobs and unpaid roles are offered to young people across the organization.
- Mentoring to start-up artistic companies, giving them the training and skills to become independent theatre companies.

III. Impact the intervention had on the city

“Around 70,000 people come into our building a year including audiences and participants,” says James Stanley, Communications Manager at CONTACT. “Our primary target age is 13 to 30 with 65 per cent of our audience being under 30. It’s hard for us to track people who have left Contact but many do go onto professional careers in the arts but also use their skills in other sectors such as business, medicine and the law.”

IV. Key elements for replicating

A number of factors contribute to success in helping young people into employment in the creative industries. First CONTACT shows young people clear employment paths into the music, theatre and different cultural and artistic occupations. Young people’s opinions and ideas are valued and they are represented at all levels of the organization. This builds young people’s confidence and prepares them for the workplace. Finally, young people are supported creatively and entrepreneurially in areas ranging from marketing, finance, administration and technical fields as well as by participation in the Board of Directors.

Source: http://creativecities.britishcouncil.org/files/data/kbfcj/fcj_case_study_8_contact.pdf. For more information see : <http://ec.europa.eu/progress>.
Photos: © Shutterstock



PRINCIPLE 2: Economics of Urban Form

A strong correlation exists between the built environment and the types of economic and employment opportunities that characterize a city. Although urban planning has given way to more free-market *laissez-faire* policies during recent decades, urban authorities have the opportunity for organizing the spatial configuration of cities in such a way as to maximize and improve economic activities and jobs. If factors such as the built environment, land use patterns, density, transportation systems and urban mobility are left unguided, sub-optimal or negative employment outcomes will result. It is therefore advisable for urban authorities to understand and harness the economic and social impact which urban form plays within a city.

Although increased density and city size provide superior labour market and environmental outcomes, the fact remains that trends in developing and developed urban areas points towards greater de-densification. Increased city size is associated with higher wages and productivity and more educated citizens.¹³ By increasing awareness of these trends, cities can leverage their policy environment to have positive impacts on job creation. Therefore cities should organize urban form through planning and transportation policies and the built environment so as to optimize productivity and employment outcomes.

Urban form is closely linked to labour mobility, which can be viewed according to the following three dimensions:

1. Mobility within the labour market (i.e. across labour market segments)
2. Spatial mobility (domestic and international migration)
3. Mobility within a given activity (upward and downward mobility in earnings and working conditions)¹⁴

Although all three aspects of mobility provide policy levers that mayors can use to improve access to employment, enhancing spatial mobility is integral to the economics of urban form. “Freer movement of labour increases the ability of workers to take advantage of the best employment opportunities available to them, thereby producing a net economic gain.”¹⁵

Policies to stimulate growth and jobs, and to improve income distribution need to address both regulatory and non-regulatory barriers to spatial mobility. Spatial regulations can have a strong impact on job creation, ranging from the location of markets to the recognition that for many working in the informal economy, the home is the workplace. Regulations for public procurement can influence infrastructure investments with major impacts on job creation.

Non-regulatory barriers include the lack of a basic level of disposable income which may be a barrier to labour force participation within municipalities since labour force participation carries costs (e.g. transportation, clothing, job search, etc). Small-scale transfer payments, such as a basic income grant or revenue earned from public employment programmes, can improve labour mobility among poor



¹³ Guzmán, L. “The Economics of Urban Form: a literature review,” New York: The New School, 2013, p. 2.

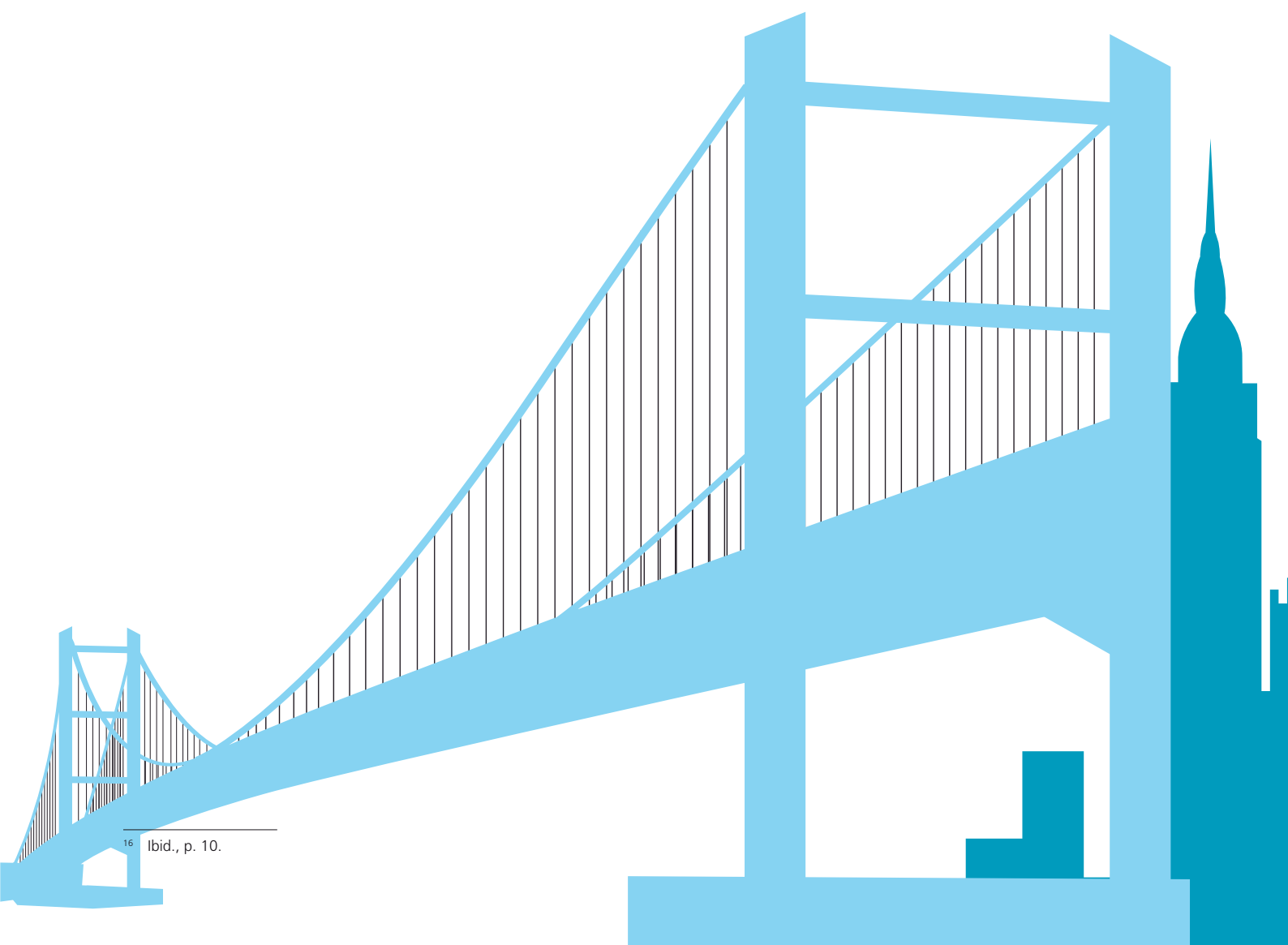
¹⁴ These arguments are taken from Heintz, J. “Growth, Employment, and Poverty Reduction.” Discussion paper prepared for the workshop “Growth, Employment, and Poverty Reduction,” held at the UK Department for International Development, 17 March 2006.

¹⁵ Ibid., p. 9.

Photo: © Shutterstock

households. In fact, a number of programmes and policy levers under the control of municipal governments, such as housing development, policies which support rather than threaten slum dwellers, infrastructure, urban amenities, and transportation facilities all influence the dynamics of labour supply and demand within cities so as to directly generate jobs as well as facilitate access to employment opportunities.¹⁶

In conclusion, urban authorities can design the spatial configuration of cities so as to influence their economic and employment dimensions, by helping businesses to prosper, providing improved access to employment opportunities or by creating new ones.



¹⁶ Ibid., p. 10.



Case Study 2.1: Markets as Drivers for Urban Regeneration and Employment: the Modernization of Street Markets in Barcelona, Spain

“ Markets are key drivers of job creation within the urban landscape as they contribute to local economic development, urban regeneration and sustainable living. Barcelona is developing a plan for the modernization of the markets, as part of the municipal policy for boosting local commerce, economic development, employment, entrepreneurship in the market and the surrounding areas, reinforcing local cohesion, improving the environmental conditions, boosting tourism and creating a food culture. ”

I. Challenges faced by the city

At the end of the 1990s, the 43 markets of Barcelona were in poor condition, faced with competition from the new supermarkets that were beginning to spread around the city. Then, a visionary political decision was undertaken to modernize and renew the markets of Barcelona as drivers of employment, social life and economic growth at the neighbourhood level.

II. Description of the intervention at the local government level

Viewing markets as crucial to urban renewal of local communities and to job creation, the City Council of Barcelona, in agreement with the traders, has invested in modernizing and remodelling 22 markets through the contribution of public and private funds. The new markets have moved their logistics underground, creating unloading bays, selective waste collection and parking places, with brand new shops in the markets. The surrounding areas have been transformed into clean and orderly public spaces, for the most part pedestrian walkways.

Today the Barcelona's 43 municipal markets have:

- 3,278 commercial stalls
- 2,656 Small and Medium Enterprises (SMEs)
- 7,500 people working in the markets
- 206,769 square metres of built area
- A turnover of around 1,000 million euros a year.

III. Impact the intervention had on the city

Being located within or around a market, boosts employment and helps maintain the livelihood of the SMEs. Most of the enterprises began as family companies and are managed by the owners, but 66 per cent hire complementary staff. The 43 markets provide a estimated total of 7,500 direct jobs. There are also a large number of indirect jobs generated by the market activity – the supply chain, wholesale market, cleaning, security, etc., and others created thanks to the influence of the market in boosting commerce in the surrounding area. 56 per cent of those who work in the markets are women, and 70 per cent of the owners foresee their future in the markets for at least 15 more years.

The renewal of 22 of these 43 markets has meant securing and protecting the future of the 3,125 workers and the creation of more than 670 new jobs. With 6 new refurbishments already begun, it is foreseen to preserve about 4,500 jobs and the creation of 1,100 new job openings over the next few years. Furthermore, there has been an increase in the number of visitors and in the turnover in the markets (in the order of 20-25 per cent), greater satisfaction and public acceptance of the new spaces and services. In addition, the markets have been important for tourists visiting the central markets of the city.

IV. Key elements for replicating

Markets in Barcelona are a public space with an economic and social life, providing jobs for the neighbours, a space for interactions between citizens and a practical means for local inhabitants to improve the quality of food and promote healthier eating habits and the Mediterranean diet.

Today Barcelona continues to drive the remodelling of markets as a tool for the creation of employment and regeneration of the neighbourhoods and the city. By renovating the markets, Barcelona is transforming the economics of urban form.

Source: Núria Costa Galobart, Cap de Comunicació, Institut Municipal de Mercats de Barcelona: www.bcn.cat/mercats
Photos: © flickr/mercatsdebarcelona/sets/

Case Study 2.2: Investing in long-term spatial transformation: Dongguan, China

I. Challenges faced by the city

In 1978 what today is the city of Dongguan in China's Guangdong province was but a collection of villages and small towns midway between Guangzhou to the north and Shenzhen, China and Hong Kong to the south. The area's population of 400,000 - though not the poorest in China - was not especially prosperous.

II. Description of the intervention at the local government level

Today Dongguan is home to about 7 million people. More than 5 million of its residents are migrants who work in the thousands of factories that dot the city, churning out a wide range of products in such huge volumes that recent media accounts have assigned Dongguan the label of "factory of the world."

Location and favorable factor prices undoubtedly spurred Dongguan's early growth. For the first decade and a half after China's reforms began, small and medium enterprises from both Hong Kong and Taiwan were attracted to Dongguan by plentiful supply of land and low-cost labor, and by its proximity to both Guangzhou and Hong Kong. In addition to location, Dongguan benefited from economies of scale, whether in the production of intermediate goods or differentiated products, and agglomeration effects, within and across industries.

Although Dongguan's transformation has been facilitated by these exogenous factors, the Municipality has been in the driver's seat. Apart from making flexible arrangements with foreign investors for export processing, the municipal government has invested heavily in transportation and telecommunications infrastructure. The bulk of capital has been mobilized by local governments and from different channels including bank loans, foreign investors and even self-financing. State budget allocations accounted for only a very small proportion of the capital invested, and local governments were responsible for the capital mobilized from foreign and local sources.



The local highway network doubled in length between 1978 and 2002. By 2000 Dongguan had more highways per square kilometer than any other prefectural municipality in the country. Dongguan was the very first municipality in China to install a digital telecommunications system in 1978 to connect its towns and villages to 250 cities domestically and to 150 countries and regions internationally.

The role played by local governments has been instrumental to the spatial restructuring of production activities. To reduce the cost of transportation so as to keep and attract foreign investment, the municipal government mobilized 1.74 billion yuan and started to build an alternative highway connecting Dongguan with Shenzhen and Hong Kong. The project became China's first highway that was planned, invested and constructed completely by a prefectural municipality without any input from the central or provincial government. New foreign investment and export processing activities are now moving into the Western Wing of Dongguan.

III. Impact the intervention had on the city

For the past decade, Dongguan has been highly ranked among the top Chinese exporting cities. It now has about 25,000 manufacturing enterprises, and its economy has grown at more than 20 per cent annually since 1980.

IV. Key elements for replicating

Although municipal politics and governance is often dominated by short-term crisis management and "firefighting," the Municipality of Dongguan adopted a long-term vision of infrastructure investment focusing on transportation and telecommunications. These investments have and continue to ensure sustainable investment, growth and job creation.

Sources: Shubham Chaudhuri for World Bank (2009). Reshaping Economic Geography, World Development Report 2009. An East Asia Renaissance: Ideas for Economic Growth. Washington, DC: World Bank. China's Urban Space: Development Under Market Socialism. New York: Routledge.
Photo: © Shutterstock



Case Study 2.3: Street Trading and Urban Space: the Case of Warwick Junction, Durban, South Africa

I. Challenges faced by the city

The story of Warwick Junction begins in 1996 when the South African Constitution enlarged the autonomy of the local government and specified local economic development as an essential function of government. Simultaneous to the increased scope of local government, legislation prohibiting street trading was relaxed. Thus the newly emboldened local government was met with a dramatic increase of traders and a challenge to manage their activities. Census data from this time identified 20,000 street traders, 60 per cent of whom were women. To tackle the management of street trading and the development of market facilities, the Department of Informal Trade and Small Business Opportunities was erected. This unit has overseen the development and support of informal traders through the provision of training, shelters, storage, water, and ablution facilities.

Warwick Junction is the primary transport node for Durban. The area emerged during the apartheid era when Black and Indian busses were forbidden from entering the city and as a result stopped on the outskirts of Durban. Overtime the area became overwrought with traders, many of who slept under plastic sheets at night. Traders lacked the physical infrastructure to display their products, which meant merchandise spilled onto the pavement and the street. The unorganized mass of traders caused environmental, health, and planning concerns. Being faced with the choice of evicting the sellers or improving their conditions, the city chose the latter course of action.

II. Description of the intervention at the local government level

The city government established a forum comprised of the Departments of Informal Trade and of Health, which also spurred the creation of an organized traders' street committee. The synthesis of traders' voices allowed a more coherent expression of their needs and facilitated dialogue with stakeholders. Subsequently, the council searched for an appropriate location to move the traders. A vacant piece of land 500 meters from the original trading place was chosen. The land was connected to the city via a highway on one end; a steel bridge connected to a raised pedestrian walkway was built to link the market to the city.

Street traders receive financial literacy training from banking institutions and are instructed in basic financial management, budgeting, and banking.

III. Impact the intervention had on the city

Today Warwick Junction supports between 6,000 and 8,000 traders who service the estimated 450,000 daily commuters. Vendors enjoy the use of permanent stalls and other services such childcare facilities and affordable overnight accommodation. Traders maintain the organization and attractiveness of the area, which is relatively crime free.

IV. Key elements for replicating

Access to financial literacy and instruments is necessary to move some candidates from the path of entrepreneurship as a survival strategy to one of job creation within sustainable SMEs. Street vendors receive training on how best to display products in order to attract customers and protect merchandise from the elements. The vibrancy and dynamism of the Warwick Junction has transformed it into a popular tourist attraction. The 2010 World Cup offered an influx of tourists on a larger scale. In order to prepare vendors for this even greater influx of tourists, hospitality and customer care training was provided to ensure vendors could accurately give directions and serve as ambassadors to the city.

Source: This case study, quoted in an ILO draft paper (Nyanin, Nana. Informal Workers: Seeds for Employment Creation at the Local Level, unpublished draft paper, International Labour Office, June 2013) is taken either verbatim or paraphrased from Susanne David and Oliver Ulrich et al, "Managing Informality: Local government practices and approaches towards the informal economy - Learning examples from five African countries." SA LED Network/ SALGA and LEDNA 2012. Photo: © Shutterstock

Case Study 2.4: Integrated economic and enterprise development strategy: the case of Naga City, Philippines

I. Challenges faced by the city

Realizing that the city's old Central Business District (CBD) had not kept pace with the growth of businesses in the area, the city government in partnership with Naga City's business community undertook large-scale programs in establishing new growth zones within the city. The rationale for this was to decongest the old CBD and to expand investment opportunities in the city's peripheries. To attract businesses and investments into six newly identified growth zones, Naga City organized the financing for hard strategic infrastructure such as satellite or district markets, new transport terminals, and commercial buildings.

II. Description of the intervention at the local government level

To disperse development to identified growth areas and urban poor sites, the city government established satellite or district markets. Private investors were tapped to undertake the construction and operations of these markets.

Under its Urban Transport and Traffic Management Plan, Naga City relocated the city's transport terminals outside of the CBD. By doing so, it was able to bring development and employment to the peripheries while decongesting traffic in the old CBD. The abundance of human traffic has spawned the growth of commercial establishments and businesses in the area.

Through build-operate-lease arrangements, the city government was able to encourage private investors to construct new commercial buildings in the identified growth zones and other sites.

III. Impact the intervention had on the city

The emergence of these growth zones and hard strategic infrastructure provided two critical opportunities for Naga City's micro-entrepreneurs: access to work space and access to new markets. The growth zones provide opportunities for the



city's business investors, including micro-entrepreneurs, to be both physically and commercially integrated with existing and emerging markets.

Naga City created the Metro Public Employment Service Office (Metro PESO) to ensure that its constituents – and not solely investors - benefit directly from the ensuing economic development. Metro PESO functions as the delivery mechanism for employment facilitation, livelihood enhancement, cooperative development and manpower upgrading. Metro PESO adopts a highly systematic procedure for registering and matching workers with job opportunities and for monitoring adherence to labour standards. The Metro PESO, therefore, not only helps people look for and land jobs, but it also helps people keep their jobs and work within decent employment conditions.

The Metro PESO through its livelihood and enterprise development program is able to extend its original mandate from merely undertaking employment matching activities to carrying out employment-creation activities. It does this through a systematic upgrading of the skills, resources and network of the city's start-up entrepreneurs.

IV. Key elements for replicating

The Metro PESO cannot take on all these programs and activities without the financial support of national government agencies. Metro PESO works closely with these line agencies in identifying and developing programs and services that are suitable for the city's needs and circumstances. In turn, it is able to do away with duplication and is able to facilitate complementarity of public resources.

All these featured good practices of the Metro PESO has helped make Naga City successful in promoting employment and business opportunities among the city's indigent and low-income sectors.

Source: This case study was formulated by Reginald M. Indon, and taken directly from Indon, R.M. and Yu, S. Local governance and the informal economy: Experiences in promoting decent work in the Philippines. Employment Working Paper no. 135. Geneva: International Labour Office, 2012.
Photo: © Shutterstock



Case Study 2.5: Integrated Urban Upgrading for the Poor: Ribeira Azul, Salvador, Brazil

I. Challenges faced by the city

Ribeira Azul is a relatively small area in Salvador, Bahia, Brazil, covering approximately 4 square kilometers along an inlet with 40,000 families and 135,000 individuals. The settlement represents 6 per cent of Salvador's municipal population. At the start of the project, some 2500 families in the area lived in precarious stilt houses (palafitas) informally constructed over the inlet. While many of those living in the favelas migrate to the cities in search of work, unemployment in Salvador is reported at around 20 per cent, almost twice the national average. While data is not available for Ribeira Azul, the unemployment rate is thought to be substantially higher.

II. Description of the intervention at the local government level

The Ribeira Azul Program combines physical interventions with investments to improve the social and economic conditions of the area's population. Physical improvements included a number of infrastructure investments in the community including improved access roads, storm drainage, water supply and sanitation, solid waste collection, housing improvements, and resettlement to new housing for those living in risk areas, particularly the palafitas. The social programs including health, education, day care, nutrition support, assistance to children and youth at risk, job training, and income generation were supported by local cooperatives.

Community participation has been a fundamental aspect of the program. The project has been implemented by regional government (Urban Development Company of the State of Bahia) with the support of international and local NGOs, while the municipal administration has played a secondary role. Among the main municipal agencies involved in Ribeira Azul are those

in charge of garbage collection and street cleaning, drainage, construction permits as well as the Municipal Secretariat for Education and the Municipal Secretariat for Health.

III. Impact the intervention had on the city

Feedback from beneficiaries attest to general improvements in quality of life, reductions in urban violence, health and nutritional improvements from the social programs, expanding educational and training opportunities for children and youth, positive impacts from having educators in the community, and increased opportunities in the labor market through the cooperatives.

An explicit objective of the Program has been the creation of jobs through training and support to local cooperatives. Indirect impacts on job creation are expected through supporting local daycare (enabling women to work), improved access to public transport, and better access to health care. At present there are seven cooperatives working in the Ribeira Azul area in the fields of sewing, fishing, food production, and construction.

A major challenge has been a lack of involvement of the Municipality of Salvador in the operations and maintenance of community improvements. The Municipality is responsible for garbage collection, and the maintenance of paved roads, public spaces, and drainage. As no property taxes are collected in the favelas, funds for operations and maintenance are scarce.

IV. Key elements for replicating

As the programme scales up to cover other communities in Salvador or other municipalities in the State of Bahia, it will be important to link the training and cooperatives to the demands in the labor market, this will be important to ensure further opportunities for employment.

Among the key lessons for scaling up gleaned from this work are:

- Participation is critical to successful implementation and sustainability.
- Clear roles and responsibilities are needed in the institutional arrangements, but flexibility is also needed.
- Municipalities will need to play a greater role from the start, particularly to ensure program sustainability.

Source: Baker, Judy. Integrated Urban Upgrading for the Poor: The Experience of Ribeira Azul, Salvador, Brazil. World Bank Policy Research Working Paper 3861, March 2006. Photos: © Shutterstock



PRINCIPLE 3: Financing for Urban Development

Job creation is linked to economic growth. Since economic growth per capita is, on the whole, higher in cities than for rural areas, one would expect that cities are in an advantageous position with respect to employment, income and tax revenues necessary to finance increased productivity and to provide social safety nets. Nevertheless, city governments are subject to many constraints regarding their ability to raise fiscal revenues.

Financing urban development can be looked at from three perspectives: 1. what to finance, 2. how to finance it (e.g., whether to raise revenues from borrowing or from taxation, and if the latter, what kinds of taxes) and 3. how to raise revenues. Most cities (with nonetheless noteworthy exceptions in some industrialized countries) depend on property, sales, luxury and other fixed taxes for revenue, as opposed to usually more progressive income taxes. Cities lack the same degree of sovereignty as national governments, and may find themselves under pressure to lower taxes and regulatory burdens in order to attract businesses which can lead to debilitating competition with other regions and urban centers.

Regulations are one tool available to urban authorities which can help raise revenues and either spur or slow employment growth. These regulations cover a number of areas relevant

to municipal governments, including zoning, procurement, business regulations, building, safety and health codes, etc. Regulations can bring in tax revenues or decrease such revenues by discouraging those businesses that pay taxes. The World Bank in its Doing Business initiative¹⁷ ranks economies on 10 areas of regulation: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. Many of these areas of regulation can be influenced by municipal governments and have implications for financing urban development.

From a job creation perspective, city governments should not simply *assume* that putting in place tax holidays, easing regulations and taking other measures to attract investment and lower the cost of doing business will automatically lead to job creation. Therefore regulations need to be evaluated from a job creation perspective and municipal finance should be channeled into areas with optimal employment impacts. Jobs will not only increase municipal fiscal revenues, but also decrease budgetary burdens by alleviating the social costs of unemployment (welfare and other transfer payments, crime, drug abuse, etc.).

Infrastructure investments are one area where municipal governments can leverage job creation. Public investments in infrastructure have been shown to have relatively high economic multipliers when compared with other categories of public expenditure and particularly with various forms of tax rebates. In situations of high unemployment, from a job creation perspective, it is preferable to fund infrastructure through deficit spending (e.g., floating municipal bonds), rather than



¹⁷ See <http://www.doingbusiness.org/reports/global-reports/doing-business-2014>.

Photo: © Shutterstock

through taxes. But when tax revenues are used, it is preferable to use progressive rather than regressive taxes.¹⁸ Regulations such as those imposing improved standards for energy-efficient construction or emissions control can also force new infrastructure investments by the private sector with significant employment impacts.

Municipalities can also choose the most appropriate methods for infrastructure construction, repair and maintenance from the job creation perspective. These activities can be undertaken by contractual municipal employees, by tendering to the private sector or even by innovative methods such as community contracting¹⁹ which can help target the employment impacts directly to the beneficiary communities of these investments.

Whereas the private sector provides the bulk of jobs within cities, municipal governments also have the possibility of directly financing job creation. These options include increasing municipally provided and financed services in new

areas (such as pre-kindergarten education which is being proposed in New York City) or in areas which are labour-intensive (education, community health services, the care economy, parks, environmental restoration, libraries, and so on). In addition, city governments may wish to explore the possibility of setting up municipal “employer of last resort”²⁰ programmes where the unemployed receive guaranteed work opportunities. Although at first glance, the costs of providing a universal job guarantee may appear to be prohibitive, the costs of direct municipal job creation should be compared with the costs of unemployment.

In conclusion, municipalities have various options for accessing new sources of finance to increase productivity and spur job creation. Financing and investment decisions should be the subject of systematic employment-impact assessments.²¹ Increased productivity and economic growth will provide the resources necessary to fund job creation initiatives, but job creation also increases the tax base and hence creates the revenue necessary for sustainable urban development.



¹⁸ See Bivens, Josh; Irons, John; and Pollack, Ethan. Tools for Assessing the Labor Market Impacts of Infrastructure Investment. Economic Policy Institute Working Paper. Washington: Economic Policy Institute, 2009, p.3. <http://www.epi.org/publication/wp283/>

¹⁹ See Tournee, J. and van Esch, W. Community Contracts in Urban Infrastructure Works: Practical Lessons from Experience. Geneva, Switzerland: International Labour Office, 2001. http://www.ilo.org/public/english/employment/recon/eiip/download/community_contr.pdf

²⁰ See Wray, L.R. “The Employer of Last Resort Programme: Could It Work for Developing Countries?” Economic and Labour Market Paper 207/5. Geneva, Switzerland: International Labour Office, 2007. <http://www.ilo.org/public/english/employment/download/elm/elm07-5.pdf>

²¹ See ILO. “The employment dimension of infrastructure investment: A review of relevant methods and tools” (unpublished working paper). Geneva, Switzerland: International Labour Office, 2012.



Case Study 3.1: Innovations in Tax Collection: Commune 1, Bamako Mali

“ The Case Study demonstrates that the transformation of urban space in order to accommodate vending is successful only through a sustained participatory, consultative, multi-stakeholder approach. ”

I. Challenges faced by the city

Street vending and public markets are a low-cost strategy to foster entrepreneurship, generate employment and new economic activity. Prior to the implementation of the delegated management approach, the Finance Committee and a cadre of municipal staff, including a market administrator and fee collectors, directly managed the markets. This system worked poorly in terms of resource mobilization and maintenance of market facilities.

II. Description of the intervention at the local government level

In 2005 Commune 1, an administrative subdivision of the Malian capital city Bamako, began the initiative in 5 markets, more than half of those in the municipality. The delegated management approach is a contractual system that redirects the authority of managing the market and collecting taxes to an independent third party. This approach seeks to elevate the sustainability of markets by levying a tax and preserving the integrity of market facilities. In designing the approach, Commune I established three key objectives:

- Partnership: cultivate cohesion among stakeholders within the municipality
- Tax: increase the collection of taxes within the market
- Working conditions: Improve the dynamic and working environment for informal traders.

Implementation involved a five step process. In the first step, a roster of direct and indirect actors was created in order to clearly identify respective roles and responsibilities. The second phase of the project bolstered the organizational capacity of market committees. In the third step, a taxpayers' census was conducted to assess the potential for mobilizing market taxes. The fourth phase involved agreeing on the actual contract, perhaps the most complex stage; the contract drafting process is fraught with conflicts of interests and difficult negotiations. In the fifth stage the contract is implemented; simultaneously a monitoring and evaluation system is deployed.

III. Impact the intervention had on the city

Tax collection in the markets has improved by nearly 100 per cent, the delegation process helped to establish a more targeted collection system. Traders were also more forthright in their payments understanding that the levy would contribute to the maintenance and development of the market. The fervor and enthusiasm as a result of the approach led traders to take on hygiene and sanitation operations of the markets. A dynamic partnership between the informal workers and local government was established, which in turn contributed to a policy climate that acknowledged the economic viability of the informal economy.

IV. Key elements for replicating

This initiative, the first collaboration between local government and informal workers in Commune I, established a precedent of cooperation between these two groups. This collaboration between the local authorities and informal workers, combined with improved services and revenues for all parties concerned, provide the key for replication elsewhere.

Source: This case study, quoted in an ILO draft paper (Nyanin, Nana. Informal Workers: Seeds for Employment Creation at the Local Level, unpublished draft paper, International Labour Office, June 2013) is taken either verbatim or paraphrased from Susanne David and Oliver Ulrich et al, "Managing Informality: Local government practices and approaches towards the informal economy - Learning examples from five African countries." SA LED Network/ SALGA and LEDNA 2012.

Photo: © Shutterstock

Case Study 3.2: Funding basic infrastructure through community contracting: Iloilo, Philippines¹

“ The project brought a double benefit in the improved access and drainage, but also through the job opportunities created during the construction. The community claimed that hiring a contractor from outside would not have made the work any easier. As most of the people employed by the project have worked for outside contractors anyway, the community possessed the required skills to carry out the work. ”

I. Challenges faced by the city

Iloilo, with a population of 396,127 inhabitants, is the ninth most populated city in the Philippines. As a low-lying coastal city, it is prone to flooding. The city's main approach to addressing shelter needs for informal settlers has been in-city relocation. Due to a lack of resources the city has not been able to fully service the resettlement sites and many have been occupied with little or no infrastructure in place.

II. Description of the intervention at the local government level

Communities in informal settlements have also used their own means to acquire land either by direct purchase, or by availing themselves of the Community Mortgage Programme (CMP). Upgrading of basic infrastructure in informal settlements is done incrementally by local municipal councils (barangays). Since local barangay councils have not been able to provide much financial assistance, local residents have been progressively upgrading their infrastructure largely through their own organization and efforts. Assistance also comes from local NGOs and in the case of Iloilo, the International Labour Office (ILO) has a presence.

The communities – 140 in all - are generally organized into home-owners' associations (HOAs) and an institutionalized Community Mortgage Programme facilitates the communities to purchase their land in common. The Home Owners Association is already running a savings scheme and has



successfully erected street lighting using a loan facilitated through the Homeless Peoples Federation of the Philippines (HPFP). The Barangay Captain pays for the electricity for the street lighting from his budget.

A typical such community comprising 21 households, decided through its HOA to make improvements in access to and through the community and to install basic drainage. A four-person Construction Committee was appointed by the HOA and a bank account set up to administer loan funding and household contributions to finance the works. The ILO funded an engineer to carry out the necessary survey and design options which were discussed by the community. Once the preferred arrangements had been agreed, a community contract was drawn up, defining what was to be done, by whom, and the costs. The Construction Committee then hired the necessary workforce and purchased the tools and materials.

III. Impact the intervention had on the city

The work was completed in four months. This generated 254 work days for local labour and the community benefited from the improved access and drainage. The majority of those who worked on the project were previously unemployed and the unskilled workers had the chance to learn construction skills.

IV. Key elements for replicating

The community represented by the Home Owners Association (HOA) was confident about their ability to manage such projects and encountered no problems in managing the work. They prefer contracting within their own community as they can deal with their own people more easily – as well as providing their own community with jobs.

Source: ILO. Community Infrastructure in Urban Areas: Creating Jobs while Improving Low-Income Settlements. Bangkok: International Labour Organisation, 2008.

Photos: © Chris Donnges, ILO



Case Study 3.3: Upgrading Unplanned Settlements through labour-intensive methods: the Case of Hanna Nasif, Tanzania

“ The local community, through its Community Development Committee (CDC) identified sub-projects, priorities and approved engineering designs, and awarded contracts to the Community Construction Committee (CCC) for execution. The CCC, with technical assistance, took full responsibility for the implementation of the contracts: supervision of procurement, organization of paid and unpaid labour, construction activities and quality control. Technical assistance was also provided to the CDC in managing the contracts, on legal and bookkeeping issues and in community participation. ”

I. Challenges faced by the city

The Hanna Nassif unplanned settlement of approximately 19,000 residents, situated 4 km from Dar es Salaam city centre, was confronted by chronic flooding and poor accessibility, combined with lack of employment opportunities. The community tried for several years to interest the government in upgrading the settlement. The first priority was to reduce the flooding of the area by constructing storm water drainage. Several plans were developed but all of them failed due to lack of funds and the need to demolish many houses associated with mechanized construction methods.

II. Description of the intervention at the local government level

In response to these issues, a pilot project was formulated based on high community involvement in all stages of the construction process and the use of labour based methods.

In 1993 a Community Development Committee (CDC) was formed. The Hanna Nassif Community-Based Upgrading Project started works in March 1994 and finished in August 1996. A total of 600 metres of main storm water channel, 1500 metres of side drain and 1000 metres of murrum road have been constructed, plus two protected drainage outlets, improved footpaths, and 10 vehicular culverts. All works were implemented through community contracts thereby combining infrastructure improvements with the creation of jobs in the local community. The city council, representative community-based organizations, project beneficiaries and technical service providers were all involved.

Based on agreements with the funding agencies, funds were transferred to a joint bank account of the CDC and the City Council. The Community Construction Committee participated in the preparation of the contract by the City Council Engineer, so that a full understanding of the contract by the community was assured prior to negotiation of the contract sum. The CDC and the City Council subsequently signed the contract, and thereafter funds were transferred to the CDC bank account.

III. Impact the intervention had on the city

Although the construction works took longer than originally envisaged, they were carried out within budget. The storm water drainage is working properly, flooding has been resolved and both vehicular and pedestrian access improved. Maintenance is taking place, although not yet on a regular basis, with road toll funds collected by the CDC. A community maintenance manual is in place and the CDC remains active, and the infrastructure improvements have led to various follow-up initiatives, such as the formation of solid waste management groups. Local employment creation remains an explicit feature of all interventions through the use of labour-based approaches.

IV. Key elements for replicating

Replication of labour based community contracting depends on the buy-in from many partners, but that of both the city council and representative community organizations is crucial. The City Council was an integral part of the process as they acted as the contracting authority jointly with the CDC, and furthermore seconded staff to the technical assistance team.

Source: Tournee, J. and van Esch, W. Community Contracts in Urban Infrastructure Works: Practical Lessons from Experience, ILO, 2001.

Photo: © ILO/Hanna Nassif

Case Study 3.4: Advocacy for funding Youth Employment Creation by the Council of European Municipalities and Regions

“ Based on the German experience, the programme would help over one million young people to start in a profession and at the same time improve public services. It would be aimed at the regions with youth unemployment higher than 10 per cent. ”

I. Challenges faced by the city

More than 7.5 million young people are without employment within the European Union and the number is still increasing. According to the Council of European Municipalities and Regions, this is a disaster from political, social and economic points of view, and should be addressed with all possible means. Faced by this challenge the Council of European Municipalities and Regions has been a strong advocate for job creation measures for young people.

II. Description of the intervention at the local government levels

This case study focuses on what European municipalities have proposed through lobbying and advocacy in favour of the EU-Starter Programme. The programme would assist young people between 16 and 27 years of age, who are currently without a job or without training or education, to get a first work experience. They would be hired to provide services to public authorities, public institutions, non-profit organisations, such as elderly homes, libraries, kindergarten, youth centres, hospitals, museums, sports facilities, local administration, schools, and so forth.

The engagement of the young people would be to offer additional services and therefore improve the quality of these services, rather than replacing the existing work force. Employment opportunities would be of one year duration with the possibility of renewing one additional year. Such a programme has already been implemented in Germany where urban youth are remunerated € 300 per month. In addition, approximately € 120 is paid for their social security; support is given for some daily expenses like lunch and for training; additional fees can be paid to cover travel costs.



The proposed financing arrangement would involve cost-sharing where the European Social Fund (ESF) would pay the remuneration costs and where social security, training, food and travel expenses would be paid by the employer and by the local, regional or national government. Based on a goal of supporting one million young people in all member states, an annual budget of €3.6bn would be required. Though important, this is only 6 per cent of the agreed amount of unused structural funds that are allocated for small and medium enterprises and for youth employment.

III. Impact the intervention will have on urban youth

The Programme could help a large number of young Europeans living in cities to find their feet in working life, taking on meaningful tasks and at the same time gain practical, working experience. This learning-by-doing approach transmits to young people the feeling that they are actually needed and will help increase their employability. The Programme can help improve the services of public facilities and non-profit organisations. The Programme offers a chance of promoting the establishment of a civil society and encouraging self-responsibility in the various cities. The Programme is a clear signal of European solidarity for the young people and would boost social cohesion within the EU. The Programme could be realised very quickly which, in the light of the massive unemployment and increasing lack of perspectives and social tension, is an important factor.

IV. Key elements for replicating

The sustainability and replicability of the EU-Starter Programme depends to a large extent on its implementation as the first step of a larger programme of initiatives such as vocational education systems, job promotion schemes and local economic development programmes.

Source: Prof. Dr. Wolfgang Schuster, Mayor, 1997 – 2013, Managing Director, Institute for Sustainable City Development, 70173 Stuttgart, Germany (www.i-nse.org) and the Council of European Municipalities and Regions

Photos: © Shutterstock



Case Study 3.5: Procurement Driven Development: The Case of Ceará Brazil

“ The following case study shows how local governments can use public procurement to support job creation in micro-enterprises and how they work best when supported by higher levels of government. The case study also demonstrates how public employment programmes can be an entry point into more sustainable job creation. ”

I. Challenges faced by the city

In 1987 a devastating drought in the State of Ceará, located in Northeast Brazil, left 600,000 rural workers unemployed for nearly a year.

II. Description of the intervention at the local government level

The local authorities of Ceará implemented a cost efficient public works programme while at the same time, tapping into the potential of procurement-linked assistance. In order to minimize costs, the state purchased the tools and materials for building from small producers within the drought affected area. The local government of the state of Ceará, located in Northeast Brazil, tapped into the potential of procurement-linked assistance. This increased the presence or expansion of small brick-making firms, wood workshops, stone quarries, and lime-burners. Furthermore the state directed its routine purchases (school furniture, repair and reconstruction services for public buildings, small metal grain silos) away from large firms located outside the state to small and informal firms in the drought-stricken interior. This move amounted to 30 per cent of the State's procurement budget, spent over a three-year period (1989-1991).

The procurement program was a joint effort led by the State Department of Industry and Commerce (SIC) and the Brazilian Small Enterprise Assistance Service (SEBRAE), a semi-public development agency. First a buyer contracted SIC to purchase goods or services. Next, SIC engaged in a second contract with SEBRAE to provide advice and technical assistance to small firms. SEBRAE would receive a commission of 5 per cent on the value of the contract. After, SEBRAE would draft a contract with a locally based association of small firms, artisans, or building tradesmen to purchase goods or services. When a product was not delivered on time or was defective, responsibility lay not with the individual firm but with the association of firms.

III. Impact the intervention had on the city

The procurement program reinvigorated the previously sleepy district of São João do Aruaru (SJA): 5 years after the humble order of 300 wheelbarrows, 38 sawmills were erected. In total the mills employed 1,000 people directly or indirectly, which amounts to more the 10 per cent of the total population of the district.

The district used their public contract as a stepping-stone to acquire new skills and contacts, and as a result gained access into new private markets (furniture for summer homes and hotels), where they remain competitive.

IV. Key elements for replicating

This case study demonstrates the credence of procurement-induced development. Additionally, the story shows that preferential procurement policies for small firms is not an additional strain on the public purse, it may even reduce government's operational costs. The state was able to generate employment and stimulate growth through purchases that it would have made irrespective of the public procurement program.

Source: This case study, quoted in an ILO draft paper (Nyanin, Nana. Informal Workers: Seeds for Employment Creation at the Local Level, unpublished draft paper, International Labour Office, June 2013) is taken either verbatim or paraphrased from: Judith Tendler (1997). Good Governance in the Tropics. Baltimore: The Johns Hopkins University Press.

Photos: © Shutterstock



PRINCIPLE 4: Enhancing Productivity of the Urban Informal Economy

Since urban employment is largely synonymous with informal employment, an urban employment strategy should necessarily include informal workers. Furthermore, the formal and informal economies work in symbiosis rather than in isolation which means that an urban employment policy should take an integrated approach.

Informal workers, including those in micro- and small enterprises, suffer from lack of organization and representation. Therefore, giving a voice to workers in the informal economy should be a necessary measure, and efforts to organize informal workers are important for providing access to more and better employment opportunities. Municipal governments have been instrumental in providing protection, support services and marketing space for street

vendors in Durban, South Africa or in the organization of waste pickers in South America. Municipal authorities promoting the development of Small and Medium Enterprises should recognize and reach out to micro and small enterprises of the informal sector, through for example, registration facilities, banking services and quality and design inputs.

Cities often are the entry point for migrant workers who find themselves in informal employment. While open competition and free enterprise are typically seen as virtues, at the same time free flow of labour is harshly regulated or criminalized. Better protection of migrant workers provides one avenue for improving employment in the informal economy. The impact of migrants on wages and employment is the subject of controversy. Whereas evidence varies according to the skill and education level of migrant workers, overall migrant workers exert little impact on wages and jobs for formal sector nationals when compared with other labour market conditions. In variance with popular perceptions that they steal employment opportunities away from local labour, in some instances they could actually help improve wages and working conditions for all.

Since in most urban areas, the majority of workers are involved in informal employment relationships, a clear understanding of the heterogeneity and the dynamics of informal work are important to helping create new employment opportunities while at the same time addressing decent work deficits. On the one hand, citizens may be *excluded from* formal institutions and employment opportunities. On the other hand, “workers, firms and families, dissatisfied with the performance of the state or simply not finding any benefit to interacting with it, [voluntarily exit the formal economy and] *opt into* informality.”²² A different perspective views informality less as a result of individual choice and more as the result of lack of alternative employment opportunities. Lack of State capacity or political will to create decent employment in the formal economy are the root problem.²³

²² Perry, Guillermo E.; Maloney, William F.; Arias, Omar S.; Fajnzylber, Pablo; Mason, Andrew D.; and Saavedra-Chanduvi, Jaime. Informality: Exit and Exclusion. Latin American and Caribbean Studies, the World Bank. Washington, D.C.: World Bank, 2007, p. xi.

²³ International Labour Office (2002). Decent Work and the Informal Economy. Report of the Director-General, Report VI. International Labor Conference, 90th Session. ILO, Geneva. <http://www.ilo.org/public/english/standards/relm/ilc/ilc90/pdf/rep-vi.pdf>



Not all informality can be ascribed to excessive regulations driving economic agents into the shadows of informality. There are activities or groups that fall outside of both national and local regulatory frameworks, such as the self-employed, domestic workers or new forms of employment like subcontracting. Where laws exist, lack of compliance and enforcement in the informal economy may be the problem. Yet, in some instances, the regulatory framework is not seen as provider of basic protection and an instrument for creating a level playing field, but rather as an impediment to employment creation and a factor contributing to the spread of informality.²⁴

Since informality is often characterized by long hours, low productivity and revenues and poor working conditions, the challenge is to improve working conditions, productivity and earnings. Policy interventions have tended to focus on training and capacity building efforts for workers and enterprises in the informal economy, a *supply-side approach*. However, a focus on the *demand* for the goods and services produced by the informal economy is also called for, one which not only takes into account the heterogeneity of informal work and production, but also addresses its varying degrees of integration within the formal economy. Municipal authorities should devise their support measures specifically with respect to the source of demand to which informal economy operators are responding. For example, informal operators can be responding to demand coming from within informal settlements or communities of the urban poor. But they can also be responding to demand from higher income groups or businesses from within the city or beyond (i.e., nationally or

internationally). Many formal businesses or individuals turn to the informal economy for goods and services in order to cut costs and circumvent labour regulations.

The informal economy is often viewed by local authorities as a spatial problem (i.e. where to locate informal trading zones or how to deal with street vendors) rather than as an integral feature of the local economy, and key to preventing even higher levels of unemployment.²⁵ The informal economy is strategically captured not only by the survival strategies of informal workers, local micro- and small enterprises and their dependents, but also by industries and economic sectors seeking to take advantage of global supply chains.

In summary, there are a number of areas where urban authorities can address decent work deficits in the informal economy:

- support better organization of and dialogue with informal workers,
- reach out to actual and potential clients of the goods and services produced in the informal economy to increase employment opportunities and protection of informal workers, and
- review municipal regulations (such as those governing zoning, business start-ups, etc.) from a job creation and job quality perspective.

However, the most important action is to promote the creation of decent work in the formal economy.



²⁴ International Labour Office (2007). The informal economy. The Governing Body, Committee on Employment and Social Policy, Document GB.298/ESP/4. Geneva, Switzerland: International Labour Office.

²⁵ David, S., Ulrich, O., Zelezeck, S. and Majoe, N. (2012) . "Managing Informality: Local government practices and approaches towards the informal economy - Learning examples from five African countries." SA LED Network, SALGA – and the LEDNA – a programme of the UCLGA, p. 20.



Case Study 4.1: Ways in which cities can support the informal economy: Shanghai Municipal Government

“ There is a growing belief on the part of both the government and the laid off workers that the private economy went hand in hand with economic growth. This attitudinal and ideological shift regarding the private economy created the gateway through which the informal economy could be accepted and eventually adopted. ”

I. Challenges faced by the city

The onset of state enterprise reform in 1993 was a watershed in the government's development of the informal economy. In the period between 1995 and 1999, state owned enterprises in China cut over 15 million jobs and 12 million jobs were created within the private economy. The threat of rising unemployment concerned officials due to the costs of providing a social safety net and social instability. Furthermore, as a result of the Cultural Revolution the number of private individual workers sharply declined, which led to the erasure of vital consumer goods and services such as tailoring, hair-dressing, restaurants, and repairs of household goods. China's state enterprise reform caused one million workers in Shanghai to be deemed redundant between 1996 and 2000.

II. Description of the intervention at the local government level

To facilitate the re-absorption of laid off workers the Shanghai Municipal Government (SMG) erected special administrative organs, called employment service organs. These multivalent bodies operate at the levels of the city, district, county and street committee to provide integrated support to informal labourers. Support for workers occurs in the form of preferential policies for basic social insurance, exemption from local taxes and training courses to build business literacy and acquire new skills.

Local government also serves as a guarantor for informal labourers attempting to receive a bank loan; this is usually done in concert with business-start up advisors. The SMG simultaneously supports these workers and satisfies the demand for services.

The local government also used public works programmes to purchase the labor of people with employment difficulties. Luwan district, one of the smallest districts in Shanghai with a total of 380,000 occupants, is home to a public works labour service agency which provides unskilled laid-off and older workers employment within public service positions known as the “four protections”, namely street cleaning, greening of the environment, community security, and maintenance of public facilities. The agency works diligently to secure public contracts for the local laid-off and unemployed population and advocates on their behalf.

Shanghai's public procurement policy is part of a complimentary and comprehensive strategy toward the informal economy. The government's provision of credit, skills training, and social insurance is indicative of its efforts to create employment that meet the standards of decent work.

III. Impact the intervention had on the city

As a result of this new partnership between the SMG and the private sectors (formal and informal), unemployment rates and the cost of social security have been reduced. From the vantage point of laid off workers, the private economy offered employment opportunities and a chance of higher wages, especially compared to the state sponsored remuneration for laid-off workers.

IV. Key elements for replicating

In fact, the collaboration between local governments and the informal economy is being replicated throughout China. Providing those un- and under-employed in the informal economy with social protection and support to find alternative employment opportunities in the formal economy is the cornerstone for sustaining this partnership.

Source: Howell, Jude. “Good Practice Study in Shanghai on Employment Services for the Informal Economy.” ILO Inter-Sectoral Task Force on the Informal Economy (2002): pp. 1-24. Quoted in Nyanin, Nana. *Informal Workers: Seeds for Employment Creation at the Local Level*, unpublished draft paper, International Labour Office, June 2013.

Photo: © Shutterstock

Case Study 4.2: The Informal Economy in Arusha City, Tanzania¹

I. Challenges faced by the city

Arusha is the third largest city of Tanzania and also the capital of the East African Community (EAC). The features and composition of the informal economy in Arusha city are similar to those in other cities. About 40 per cent of the labour force in Arusha city was engaged in commercial and industrial activities in 2000, of these, 55 per cent were in the informal economy. The preponderance of informal economy traders posed a number of challenges for the municipality: environmental, through cutting and selling firewood and polluting streams from car washing; security, through street traders interfering with vehicular traffic; not to mention lack of tax revenues for the city.

II. Description of the intervention at the local government level

To address these challenges, the Arusha City Council took the following actions:

Plant Nurseries

Arusha City Council provides land mainly on road reserves free of charge for persons in the informal economy to develop flower and tree nurseries. In 2008, there were 130 nurseries employing about 2,000 persons with an annual turnover for the nurseries estimated at TZS 2 billion (USD 1.6 million). The nurseries have stimulated growth in landscaping services and driven a successful regeneration of forests on river valleys and hills, enabling the city to grow more than 1.5 million trees per year. As a result, Arusha is self-sufficient in fuel wood and people from adjacent rural districts fetch fuel wood from the city. The council is now promoting tourism in the regenerated areas which will increase employment opportunities.

Car wash hubs

In an effort to curb indiscriminate washing of motor vehicles which polluted rivers and streams, the Arusha City Council mobilized private sector entrepreneurs to set up 50 properly equipped car wash hubs that integrate many other personal



services and employ about 2,000 young people. Strict enforcement of car washing by-laws generates about TZS 30 million (about USD 20,000) in fines to the city council per year.

Recycling project

Shanga-Shangaa is a unique arts and crafts workshop in Arusha that employs and empowers people with disabilities, many of them women engaged in modeling and producing various items including jewelry by recycling plastic, metal, glass and rubber supplied by informal refuse collectors who also export some of the waste. The project has diversified its activities to include a restaurant and is now a major tourist attraction and shopping center in Arusha.

III. Impact the intervention had on the city

The most profound impact of the initiative is the enhancing of environmental quality and sustaining livelihoods of actors in the informal economy who express satisfaction with the greater security of employment and increased levels of incomes. The traders also feel a new sense of civic responsibility by collaborating with local government to enforce its environmental regulations.

IV. Key elements for replicating

In this initiative, the role of Arusha City Council was to formulate relevant by-laws and provide a budget, skilled staff, land and equipment. However, to ensure sustainability, the city's supportive approach should become a clear policy integrated official documents such as the Arusha City Profile and Council Strategic Plan. Opportunities to scale up the initiative beyond present achievements should be explored, for example, by assessing the local resource base to establish its capacity to support local economic growth.

Photo: © Shutterstock



Case Study 4.3: Waste Recycling in South East Europe

I. Challenges faced by the city

A number of cities in South East Europe face the multiple challenges of unemployment, poor quality of employment in the informal economy and environmental hazards caused by solid waste which is not disposed of properly. In the past, solid waste management was not considered to be an issue and trash was crudely disposed in open dumps.

II. Description of the intervention at the local government level

In order to confront solid waste management reform challenges in the most efficient manner, sector specialists and practitioners from Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia approached the World Bank to help them learn from each other and figure out what could work best for their situation. The World Bank Institute (WBI) assisted six reform teams from South-East Europe in designing and implementing action plans to address their solid waste management challenges. Out of these six teams, the following will focus on the results achieved in municipalities in Bosnia and Herzegovina and in Serbia.

As a result of a World Bank workshop, the Bosnia and Herzegovina team launched a Rapid Results Initiative (RRI) in Bijeljina. RRIs are 90-120 day initiatives that are strategically leveraged to create breakthrough changes in larger programs. They start with unearthing hidden capabilities through coaching and create a process for ownership and experimentation. RRIs are 90-120 day initiatives that are strategically leveraged to create breakthrough changes in larger programs. They start with results unearthing hidden capabilities through coaching and create a process for ownership and experimentation. The RRI team set out to increase the coverage of waste collection and fee collection to all households in Brijesnica village and to establish a functional

and precise database system of households in Stefana Decanskog Street and its associated side streets by June 20, 2012.

The Serbian reform team worked on a different challenge: promoting socially responsible waste management and addressing the historical exclusion of the Roma population from Serbian socio-economic activity. Less than 30 per cent of Roma are economically active and their unemployment rate (40 per cent) is four times greater than the national average (9 per cent).

III. Impact the intervention had on the city

The institutional strengthening and capacity building of the Bijeljina waste collection public utility was perhaps the biggest benefit of the RRI Pilot project. The RRI team accomplished its goal in 72 days and the project has had a big impact regarding how utility workers approach their job. They gained new skills and experience which has changed their thinking.

In Serbia, the workshop allowed for the establishment of associations of solid waste collectors in the two towns of Cacak and Nis, which provide informal workers access to the same employment rights as the formal sector workers. According one national NGO representative: "The workshop also brought to bear the need to strengthen our authorizing environment and to engage more stakeholders, which we did successfully. We were also able to engage with the most important stakeholders: the Roma population."

IV. Key elements for replicating

The pilot initiative resulted in the first time that a sub-district in the Municipality of Bijeljina (Bosnia and Herzegovina) was completely covered by a solid waste management system. As a result confidence was gained that in other, larger villages in the municipality the same or similar results could be achieved.

The Serbian team is working to structure and organize South-South knowledge exchange processes which could lead to additional knowledge sharing opportunities, which in turn could educate collectors about successful models of organizing and working within the waste management/recycling systems elsewhere.

Source: World Bank Institute: <http://wbi.worldbank.org/wbi/stories/implementing-reform-initiatives-solid-waste-management>
Photo: © Shutterstock

Case Study 4.4: Municipal Cooperation with Street Vendors in Bhubaneswar, India

“Bhubaneswar is one of the first cities in India to recognize, and harness the economic relevance of street vendors. The conceptualization of the vending zone model was marked by social dialogue and was constructed through a public, private and community partnership model.”

I. Challenges faced by the city

Prior to 2007, authorities systematically harassed vendors and destroyed their merchandise; and in retaliation, street vendors launched massive protests, at times paralyzing the city. The war ended when both parties agreed that a more comprehensive, amicable, and sustainable policy framework needed to be established.

II. Description of the intervention at the local government level

After a series of meetings between the vendors' organizations and local government, an agreement was reached that dedicated vending zones would house the micro-enterprises; and fixed kiosks would be erected in the zones under the management of the vendors. As of December 2011, there were 54 vending zones with an estimated 2,600 kiosks.

The Bhubaneswar Municipal Corporation (BMC) and General Administration (GA Department, Government of Odisha) represented the public actors. Community actors were comprised of a body of eight elected members from the National Association of Street Vendors of India (NASVI) and its associates. Multiple additional stakeholders were involved, an indication of the broad base of interests and perspectives represented in the construction of the policy framework. The collective group of stakeholders, dubbed the City Management Group (CMG), convened regularly to debate and discuss the model and improve upon ideas already adopted by consensus.



During the meetings the CMG devised an action plan outlining how the vending zones would be created and dedicated. In the first phase local authorities and vendors' associations mapped the spatial distribution of sellers throughout the city and established vending zones. In the second phase, sites under consideration were given a 6 month probation period. The third phase involved transforming the temporary bamboo structures into fixed kiosks which met specified guidelines.

III. Impact the intervention had on the city

The success of the regularization of street vending in Bhubaneswar was not only a result of the designation of urban space. The social dialogue involving all stakeholders not only facilitated the vending zone initiative but also served to nurture local institutions. The leadership and organization of vendors was strengthened during the process.

The establishment of vending zones in Bhubaneswar allowed vendors to work productively. In the absence of threats from local authorities vendors could dedicate their efforts to business development. Furthermore, vending zones and fixed kiosks offer more stable and congenial working conditions.

IV. Key elements for replicating

Vending zones are now a source of municipal revenue. The vending zone has had a positive impact on the community, customers do not fear that vendors can dupe them and disappear; the permanence of structures engenders a mutual trust. The organized and aesthetically pleasing vending zone has garnered the city various awards and recognition. The establishment of the vending zones has helped to identify gaps in the welfare of vendors; NGOs and local government are working together to provide social security through a contributory micro-pension scheme.

Source: Randhir Kumar, "The Regularization of Street Vending in Bhubaneswar, India: A Policy Model." WIEGO Policy Brief 7 (2012): 1-8.

Photo: © Shutterstock



Case Study 4.5: Formalizing employment in the informal economy: the Duhahirane Gisozi Cooperative in Kigali, Rwanda

“ Around 70 per cent of members are women, who have gained confidence and status. Also, 70 per cent of members were under 35 and have become role models for other youths. Youths who opened a metal workshop in the coop’s market space have obtained a contract with the Ministry of Infrastructure. ”

I. Challenges faced by the city

In late 2009, it was observed that ‘vendorism’ along certain roads in certain sections of Kigali, the capital of Rwanda, had become problematic. The increase in vendors prompted a general deterioration of the urban environment and was perceived as provoking vagrancy, begging and crime. Because of the additional competition from this surplus of informal street vendors, even formal business owners were being forced onto the streets.

II. Description of the intervention at the local government level

The Gasabo District decided to mobilise the informal vendors to form an organised cooperative, with the following objectives in mind:

- to empower vendors to transform their lives by becoming responsible business people;
- to create a clean, safe, accessible modern space in which the traders can ably work;
- to reduce the numbers of vendors on the streets to ease competition for formal businesses;
- to shift the informal vending traders into the formal sector, thereby aiding revenue collection;

- to improve the urban environment, keep the streets clean, and to encourage other street vendors to join in the practice.

To form the cooperative, the first step was to carry out surveys to locate informal vendors. The following step involved convincing men and women of minimal means to invest into an unknown future. Encouragement, advice and incentives (exemption from paying trade license fees for a year and the grant of a 1.6 ha. plot of land) offered by the district played a crucial role. Gradually, after many small-scale meetings and discussions, 74 vendors were finally prepared to invest into the Cooperative. Once credits were secured and construction underway, legal status was officially granted to the Duhahirane Gisozi Cooperative on 31 January 2011. The commercial complex boasts 500 shop spaces with a minimum of 312 to be located at the ground level, allowing one for each cooperative member.

III. Impact the intervention had on the city

The positive impacts include:

- Daily wages have risen on average from USD 1/day to USD 20/day;
- Services in the Gisozi sector have improved. Co-op members have gained respect in the community and sector.
- The Gasabo District now receives revenue of about USD 140 per day;
- Each cooperative member has at least one account with a financial institution.

IV. Key elements for replicating

Two cooperatives, based on the Gisozi model, have since been launched in the Gasabo District, one for second hand clothing vendors and a second for construction materials. The Cooperative has the support of the Rwandan Development Bank. Another sure sign of sustainability is that the Cooperative is continuing to expand.

Source: David, S., Ulrich, O., Zelezeck, S. and Majoe, N. (2012) . “Managing Informality: Local government practices and approaches towards the informal economy - Learning examples from five African countries.” SA LED Network, SALGA – and LEDNA – a programme of UCLGA.

Photos: © Shutterstock



PRINCIPLE 5: Rural-Urban Linkages

Rural to urban linkages influence the prosperity and employment outcomes of cities in many ways, such as rural-urban migration, rural-urban integration, urban-rural remittances, transportation and spatial mobility and food production and supply.

Cities offer more work opportunities and higher salaries than rural areas, and therefore are an attraction for unemployed or underemployed rural workers. Research on inequality and migration in East Africa reveals that rural workers are attracted to cities because of perceived better working conditions and because of high statutory – and even in some cases enforced minimum – wages. Rural workers are willing to risk the chance of prolonged unemployment in cities because their chance of finding similar employment in rural areas is close to zero. The result is prolonged and even structural unemployment in urban areas which is further fueled by income inequality.²⁶

According to the World Bank, rural urban disparities are greatest for developing countries and they begin to level off as per capita GDP rises.²⁷ As urbanization advances, these disparities between personal consumption, access to basic services and other indicators of wellbeing begin to level off. While urbanization may fuel migration and result in overcrowded low income settlements with high levels of

unemployment, growing urbanization on the other hand may reinforce rural-urban linkages and lead to improved employment opportunities in both rural and urban areas and to the transfer of capital from urban to rural areas in the form of remittances.

Furthermore the differential in the returns to education may increase with skill level, suggesting that urban areas attract higher skilled workers.²⁸ As mentioned above with respect to the role of cities in providing economic opportunities to all, school-to-work transition surveys have shown that young people who live and work in an urban setting are more likely to be satisfied with their employment, although they are twice as likely to be unemployed as their rural counterparts.²⁹

The lesson is that cities and their adjoining rural areas need each other and that attempts by city governments to restrict rural-urban migration are misguided. For example, between the 1970s and 1990s, the city of Mumbai “resisted the influx of migrants by instituting land use and building regulations that favored incumbents and prevented efficient use of land. The result has been an evenly spread development, but with congested streets and the proliferation of slums.”³⁰



²⁶ James K. Galbraith (2006). “Equality, efficiency and the goal of full employment,” proceedings of the Global Conference on Employment Guarantee Policies: Theory and Practice. Annadale-on-Hudson, New York: Levy Economics Institute of Bard College, October 2006. (see document Pro_Oct_06 , p. 12), http://www.levy.org/pubs/pro_Oct_06.pdf .

²⁷ World Bank (2009). Reshaping Economic Geography, World Development Report 2009. Washington, D.C.: the World Bank, pp. 62-63.

²⁸ Heintz, op. cit., pp. 9-10.

²⁹ ILO (2013). Global Employment Trends 2013: Recovering from a second jobs dip. Geneva, Switzerland: International Labour Office, p. 55.

³⁰ World Bank (2009), op. cit., p. 227.

Photo: © Shutterstock

Therefore rather than restricting movement, facilitating spatial mobility is a key element of any job creation policy. Transportation is, of course, one way to enhance such mobility. Urban authorities can collaborate with adjoining towns and villages to improve commute times and decrease the transportation costs which workers bear. "Urban transport, along with urban land management, determines the shape of the city and its ecological footprint. Urban mobility is particularly important for the poor, [many of whom may have to travel from rural areas to urban for employment.] In Buenos Aires 87 per cent of the jobs in the metropolitan area are accessible in 45 minutes. In Mexico City 20 per cent of workers spend more than three hours traveling to and from work each day."³¹

Integration of rural areas by cities is a further aspect of rural urban linkages. Under this model, the urban core has responsibility for the surrounding rural hinterland. As the city grows and its area of influence expands, the administrative borders of the township also expand. Large cities promote the active inclusion of their surrounding hinterland by financing investment in infrastructure and social services in the small cities and rural areas under their influence.³²

Another linkage arises through the fact that rural areas, particularly in developing country cities, are a key source of cities' food supply. Cities can import food to feed the urban workforce from foreign imports, from regions of national agricultural production, from the rural hinterlands adjoining cities and from within cities as a result of urban agriculture. The way in which municipal authorities intervene or not in the flow of food imports has a strong impact on the cost of labour and the employment conditions which urban employers may offer. Urban authorities can leave this process up to market forces, or they can intervene to encourage local production and linkages and enter into cooperation and supply agreements with adjoining rural regions.

The lessons to be drawn are numerous: cities can and should promote such linkages in order to lessen rural-urban disparities and to improve employment outcomes for the urban workforce and for their rural counterparts.



³¹ Ibid., p. 222.

³² Ibid., p. 226.



Case Study 5.1: Should policy makers try to impede rural-urban mobility? Location Specific Entitlements in India

I. Challenges faced by the city

Cities across India face the enormous challenge of providing jobs and basic services to newly-arrived populations coming from rural areas. While this challenge is real, evidence points to the fact that rural-rural migration is larger than rural-urban migration, and that urban population growth is fueled more by natural increase in urban areas than by migration.

Recent evidence shows that population mobility in India is rising. Since the 1960s rural-to-rural migration flows typically have been more than twice the volume as the next largest flows, from rural areas to cities. While most permanent migrants live in cities, they make up only 4 per cent of the total migrant population. In addition to geographic distance, the strong differences in culture and language can discourage movement far from a person's home place.

II. Description of the intervention at the local government level

The economic benefits of migration are not always recognized by policy makers. Two forms of policy have been attempted to counter migration in India often with the backing of municipalities. The first response has been to increase rural employment, in an attempt to stem movement out of rural areas. These measures include the recently introduced National Rural Employment Guarantee Program, which promises 100 days of wage labor to one adult member in every rural household who volunteers for unskilled work, typically in watershed development programs, or public works to develop small and medium towns.

The second policy response is implicit. Because of the perceived negative effects, local governments remain hostile toward migrants, while employers routinely disregard laws to protect their rights and needs. In many cases welfare policies and social services are designed for a sedentary population. This is best exemplified by location-specific entitlements to social services, housing subsidies, food rations, and other public amenities especially important to working poor people. For example, a study carried out on conditions of slum dwellers in the Vasna Slum of Ahmedabad found that even slum dwellers with a perceived security of tenure were more likely to access public services and employment opportunities. Security of tenure was positively correlated with better living and employment conditions, including labour market participation and income.

III. Impact the intervention had on the city

Basically the two forms of policy response have been ineffective. Since circular rural-rural migration already out shadows permanent rural urban migration, urban authorities in India should not worry excessively about preventing migration from rural areas. In fact circular rural-urban migration can be beneficial in reinforcing productive rural-urban linkages which help cities better access rural markets and resources. Likewise using location-based entitlements to discourage and discriminate against migrants overlooks the skills and capabilities which migrants contribute to the urban economy.

IV. Key elements for replicating

Rather than futile attempts to discourage migration, urban authorities should rather focus on urban job creation policies to meet the needs of its entire population without developing separate policies for sedentary and migrant populations, while also reinforcing their cooperation with rural areas in fields of mutual advantage.

Source: This case study is taken from World Bank. 2009. Reshaping Economic Geography, World Development Report 2009. Box 5.6, p. 163. Washington, DC: World Bank and draws on research carried out by Darshini Mahadevia, "Tenure Security and Urban Social Protection Links – India," CEPT University, Ahmedabad, India.

Photo: © Shutterstock

Case Study 5.2: Strengthening rural-urban integration in Korea: the Case of Daegu

“ The job creation challenge faced by cities in all regions can be alleviated, if not solved, by fostering stronger cooperation with adjoining rural areas. ”

I. Challenges faced by the city

Daegu is among the many Korean cities that have absorbed rural populations. Initially it was able to urbanize against a backdrop of spatially blind policies, but it soon began to face congestion, which required spatially connective policies. Between 1950 and 1990, Daegu's population swelled by a factor of six, from 355,000 to nearly 2 million, as its thriving textile industry pulled in rural migrants seeking a better life.

II. Description of the intervention at the local government level

Daegu's transformation took place against the backdrop of the rural urban integrated city initiative which the Republic of Korea undertook to overcome the shortcomings of earlier rural development initiatives. The integrated city policy incorporates rural counties within cities in a unified spatial framework. It aims to improve local public services and local administration and reduce rural-urban disparities. Starting in 1994 the government selected 49 cities and 43 counties as candidates. The selection criteria included historical homogeneity, natural topographical conditions, and the potential for balanced development within the integrated city. The selected cities and counties held public hearings and citizen surveys. After this screening, 41 cities and 39 counties were amalgamated into 40 rural-urban integrated cities.

The City of Daegu's policy response to its enormous population growth was to integrate with its hinterland by expanding its administrative zone in 1987 and again in 1995, followed by building a subway system and expanding the city bus system. The city also continually built and upgraded local roads. In 1980 just over 40 per cent of Daegu's local roads were paved, and by 1995, virtually all had been paved. Combining universal access to the most basic services and



reasonable land markets with investments to improve spatial connectivity with other areas of the country, Daegu has thrived.

III. Impact the intervention had on the city

Manufacturing has deconcentrated from Daegu into the surrounding Gyeongsangbukdo province, and the local economy has diversified, reducing its reliance on the textile industry and moving into sectors with higher value added production. Daegu now sits at the center of a vibrant urban system surrounded by five cities, all with easy transport access to the central city, and each having evolved to provide localization economies. One of the five, Gumi has been dubbed “Korea's Silicon Valley” for its specialization in electronics, while coastal Pohang and Ulsan, respectively, provide homes for the Pohang Steel Company and Hyundai. Ulsan also houses one of the biggest shipbuilding industries in the world, and both these cities have been on the forefront of the Republic Korea's export-led industrialization.

IV. Key elements for replicating

Replicability should be tied with improvements in the equity of service provision between rural and urban areas and ensuring that rural populations are not short-changed in dialogues with their urban counterparts. Institutions governing cities should coordinate - and even integrate - with those responsible for the adjoining rural territories in order to strengthen economic development and job creation for both areas.

Source: These case studies are taken from World Bank. 2009. Reshaping Economic Geography, World Development Report 2009, pp. 220-221 and Box 7.11, p. 220. Washington, DC: World Bank. Sources: WDR 2009 team; and Kim, Won Bae. 1998. “Korea's Policy of Rural-Urban Integrated Cities.” Paper presented at the International Workshop on Rural and Urban Linkages, Curitiba, Brazil.

Photo: © Shutterstock



Case Study 5.3: Rural-urban integration in Beijing, Guangzhou and Shanghai

I. Challenges faced by the city

Cities in China are facing enormous challenges to provide employment, basic services and reliable food supplies to the floating population of migrants coming from rural areas. Beijing, Guangzhou, and Shanghai - all thriving areas - have plans to link rural and urban areas to provide education and health services, invest in infrastructure and transport networks, and construct townships.

II. Description of the intervention at the local government level

The three municipalities have supported three areas of action in their adjoining rural areas which have greatly improved their employment prospects, namely, social services, infrastructure investments and greater integration.

Social services

The governments provide vocational training and other services to support nonagricultural employment and help farmers transition out of agriculture. They also offer incentives for firms that will train people and recruit the trainees after training. In addition they provide social services such as medical insurance and pensions to rural residents. Beijing subsidized rural cooperative medical insurance. Shanghai increased public spending on rural social services, including education and health to cover farmers. Guangzhou will establish a pension scheme to cover all local residents.

Infrastructure investments.

In 2005 Beijing built 304 kilometers of roads and linked all administrative villages. In Shanghai expressways were extended

from 200 kilometers in 2003 to 550 kilometers in 2005, and will be extended again to 750 kilometers in 2010. In Guangzhou the provision of roads, electricity, and water to all rural settlements with more than 100 residents was completed in 2007.

Integrating surrounding areas

The three cities have used fiscal incentives to encourage traditional industries to move from the central business district to the periphery and allow high value-added industry to move into the core area. A township construction program was launched to have a city system centered on an inner city of 10 million inhabitants, surrounded by secondary cities, central towns, and villages. In 2003 Guangzhou initiated the building of 10 central towns financed by the city government. Shanghai has begun implementing a plan which by 2020 aims to have one main city, nine secondary cities (traditional historical centers), 60 new townships, and 600 central villages with 1,500–3,000 residents each.

III. Impact the intervention had on the city

Rural-urban integration has been part of post-1978 liberalization in China. Under the township model, the urban core has the responsibility for the surrounding rural hinterland. As the city grows and its area of influence expands, the administrative borders of the township also expand. Large cities promote the active inclusion of their surrounding hinterland by financing investment in infrastructure and social services in the small cities and rural areas under their influence. These policies have impacted positively on the quantity of, and access to, employment opportunities in both the cities themselves and the adjoining rural areas.

IV. Key elements for replicating

Numerous municipal governments and urban areas are already replicating this strategy of rural-urban integration and expansion throughout China. One requirement for successful implementation of the model is for both rural and urban areas to be under unified control for the administrative and political leadership of each area to agree, co-ordinate and cost-share joint action in all the above areas. Also, mechanisms should be set up whereby municipalities can exchange and coordinate their rural integration plans with each other.

Source: World Bank. 2009. Reshaping Economic Geography, World Development Report 2009. Box 7.14, pp. 226-227. Washington, DC: World Bank.
Photo: © Shutterstock

Case Study 5.4: Municipal Investment in Rural Livestock and Agriculture: The case of Harare

“ Harare faces the combined challenges of developing new sources of revenue while at the same time accessing improved food supply. This Case Study explains how the City of Harare plans to address these challenges through strengthening its existing linkages with adjoining peri-urban farms. ”

I. Challenges faced by the city

Prior to the chaotic agrarian revolution of the early 2000s, Zimbabwe was one of the leading exporters of meat, fresh farm products and flowers into Western Europe. The City owns livestock grazing and agricultural lands which have fallen into disrepair and are underutilized. The livestock herds are diminishing due to inadequate maintenance of grazing lands and overall poor management. The City of Harare (CoH) has three farms amounting to around 3,490 hectares to the west of the city. The land has good pasture established and is partly flood irrigated using treated effluent water from the nearby sewage plant. The land presently barely supports a cattle herd of around 5,200 head which in recent years has only provided minimal income to the CoH due to a shortage of investment funds and inexperienced management.

II. Description of the intervention at the local government level

In response to the above, the CoH commissioned a desk survey which concluded that the carrying capacity for the three farms was between 11,000 and 13,000 head of cattle. Based on this survey, the CoH proposes to establish a joint venture involving a private sector partner with experience in cattle breeding and corporate agricultural management in order to:

- turn the present operations into a viable business,
- provide the CoH with a significant income stream, and
- train staff in the skills necessary to manage the business in a financially sustainable manner.

The proposed joint venture, to be registered as Harare Farms, an independent limited company (HFL), will be responsible for the ownership and management of the three farms and later possibly additional municipal and/or state land close to



Harare with suitable grazing and agricultural potential. Other agricultural projects which could be implemented as soon as this core project is operational include dairying, horticultural and floricultural projects.

Financing for the programme is proposed from various sources including bank loans, culling the herd and selling off some of the livestock, and proposals to be presented to potential strategic partners, some of whom already are amongst the best milk-processing facilities in sub-Saharan Africa.

III. Impact the intervention is expected to have on the city

The project is expected to result in:

- The creation of employment opportunities for thousands of highly literate young Zimbabweans who eke out survival in the informal sector,
- The creation of model farms for dairying, ranching and cropping in order to train the plethora of 'cellphone farmers' and convert them into productive commercial farmers,
- Preventing pollution of local rivers and other health and environmental hazards through irrigation,
- The production of appropriate breeding stock for optimum performance in Zimbabwean conditions,
- Extension services in cattle husbandry to small farmers,
- Conservation tillage and compost manufacture using latest spraying and organic decomposition techniques.

IV. Key elements for replicating

To ensure sustainability, there will be a strong orientation towards on-the-job training in order to develop the younger farm management staff who have missed out on training opportunities in recent years. The CoH proposes the above farming initiative with the vision not only of leading the nation to once again be self-sufficient in food, but also to become the breadbasket of Southern and Central Africa.

Source: Mr. Muchadeyi Ashton Masunda, Former Mayor of Harare and Co-President of United Cities and Local Governments

Photo: © Shutterstock



Case Study 5.5: Urban agriculture in Detroit USA

I. Challenges faced by the city

The City of Detroit declared bankruptcy in July 2013. Whole neighborhoods are deteriorating and unemployment affects large segments of the population. The unemployment rate in Detroit for working adults ages 16 and older is 20.5 per cent. Put another way, 72,000 workers are unemployed out of a total work force of 350,000. However, the situation is even worse since the workforce represents only 58 per cent of the working age population, meaning many more have dropped out entirely and given up hope of finding a job.

II. Description of the intervention at the local government level

Converting some of Detroit's abandoned land to farming could clean up urban blight and grow jobs, regional officials say. A recent study estimates that with sufficient consumer demand and the emergence of a local food-processing industry, 4,700 jobs and \$20 million in business taxes could be generated.

Local resident farmers are collecting "donations" of soil from zoos, hotels and coffee shops in the surrounding area. Businesses are supporting these grassroots farming initiatives, not as corporate philanthropy, but rather as an investment in the community around them because they expect to see a return.

"It will help," said Mike DiBernardo, an economic development specialist with Michigan's agriculture department. "We have so much blighted land that we can create opportunities for entrepreneurs, and we can give people in the community something to be excited about."

Hence urban farmers are busy growing solutions to the deep seated problems of urban unemployment.

III. Impact the intervention had on the city

These ventures are creating real jobs, and making fresh food available, in neighborhoods that have often been neglected by planners. While it's unlikely that urban agriculture will ever compete with its rural counterpart in terms of sheer volume of food grown or economies of scale, it doesn't have to. Economic models show that just in the city of Detroit, shifting twenty percent of food spending to local production would increase annual output by nearly half a billion dollars. More than 4,700 jobs would be created, paying \$125 million more in earnings. The city would receive nearly \$20 million more in business taxes each year.

Were this spending shift to occur in the five counties surrounding Detroit – Macomb, Monroe, Oakland, Wayne, and Washtenaw – the increase in regional output would be roughly \$3.5 billion. Research shows that nearly 36,000 jobs in the region would be created, paying \$900 million more in earnings. Government entities in the region would receive \$155 million more in business taxes.

Encouraging more local food and beverage purchases within Detroit's food system could reduce employment by 6.5 per cent. If a regional effort to localize food purchases focused on the city of Detroit, then its unemployment rate could be cut in half. Detroit has 311,545 households. Based on research undertaken by the Fair Food Foundation, localizing Detroit's food system will increase average earnings per household by \$400 per annum. A regional effort to localize food purchases focused on the city of Detroit will increase average household earnings by about \$2,900.

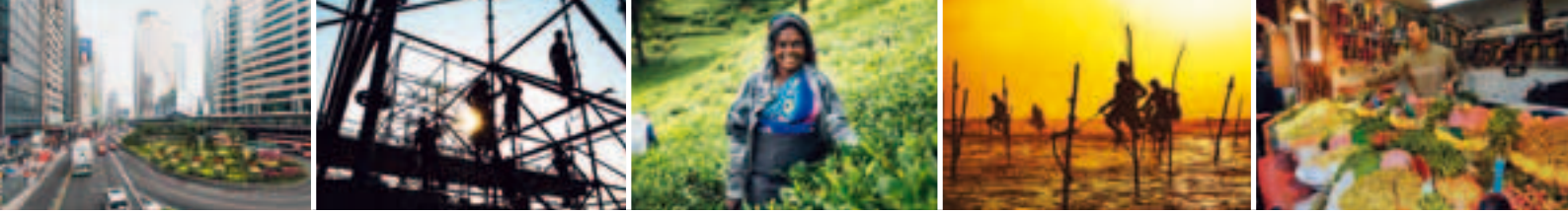
IV. Key elements for replicating

Successful urban farmers are utilizing waste resources from the urban environment, and taking advantage of their small scale to reduce the need for mechanization and/or expensive chemical inputs — replacing them instead with human labor and ingenuity, both in ready supply in the city.

Source: <http://www.mnn.com/your-home/organic-farming-gardening/stories/urban-agriculture-its-not-just-lettuce-its-job-creation> and fairfoodfoundation.org and Shuman, Michael, "Economic Impact of Localizing Detroit's Food System," fairfoodfoundation.org

Photos: © Shutterstock





Challenges for Job Creation and Local Productivity in Cities

This compilation of Case Studies demonstrates not only what local authorities can achieve in terms of local job creation, but also the challenges they face and limitations of these results. Not all of these examples are easily replicated from one city to another. Nevertheless, it is hoped that they will inspire home-grown solutions which are appropriate and effective in other cities. Although these case studies have been categorized under one of the five principles which UNACLA believes to best represent the challenge of urban job creation, in fact they often represent several of these themes. For example the Case Study (4.1) on the Kitali Slum Upgrading represents not only Principle 1 on the role of cities in job creation, but also Principle 2 on the economics of urban form, Principle 3 on financing, and Principle 4 on the informal economy. Finally since the Kitali settlement was created by rural migrants and maintains communication with its rural origins, rural urban linkages (Principle 5) are also relevant. In fact similar degrees of interconnectedness apply to most of the case studies. Therefore urban job creation requires a multi-sectoral approach which local governments are well placed to adopt.

Taking into account the diversity of local governments, UNACLA summarizes the key challenges which cities face with respect to job creation and local productivity as:

1. The Role of Cities in Creating Economic Opportunities for All

Access to decent work is unevenly distributed amongst different segments of the urban population. When compared with the overall population, young people and women tend to suffer from higher rates of unemployment and lower rates of labour market participation.

2. Economics of Urban Form

Certain urban neighborhoods suffer from more unemployment than others and many urban residents either are not able to access employment or spend an inordinate amount of time and resources getting to their jobs.

3. Financing for Urban Development:

Urban authorities face enormous difficulties accessing finance for job creation as well as deciding how best to allocate the resources they are able to mobilize amongst competing demands and approaches for job creation.

4. Enhancing Productivity of the Urban Informal Economy:

Informalization of employment affects cities in countries of all levels of development with social, financial and environmental consequences.

5. Rural Urban Linkages:

Disparities in income, working conditions and access to basic services between rural and urban areas create challenges for municipal governments, such as rural-urban migration, uncontrolled rural-urban growth and access to food supplies, amongst others.



Policy and Programmatic Responses recommended by UNACLA

UNACLA recommends addressing these challenges by drawing on the following menu of policy and programmatic responses:

1. The Role of Cities in Creating Improved Economic Activities for all



Develop inclusive employment policies and programmes that provide opportunities for full, productive and freely chosen employment by:

- a. Investing in education and training programmes that are oriented towards available job openings, based on training needs assessments and supported by trade unions and employers' organizations;
- b. Developing a city business plan as a means of prioritizing job creation efforts and capitalizing on a city's resource endowments;
- c. Supporting the private sector as job creators, while making incentives and subsidies conditional upon results;
- d. Supporting entrepreneurship and business development services oriented towards those who are entrepreneurs by vocation rather than those engaging in self-employment as a survival strategy;
- e. Providing public or affordable work spaces or incubators combined with mentors and leadership development services for start-ups;
- f. Brokering internships and work experience opportunities within local businesses, including within the arts and cultural industries;
- g. Ensuring that groups which are marginalized in the labour market such as young people and women have full access to job creation and labour market programmes and the ability to progress to more productive jobs within or across different segments of the labour market;
- h. Carrying out an employment impact assessment of municipal investment budgets;
- i. Scrutinizing and designing public procurement so as to encourage local job creation;
- j. Designing urban regulations (e.g., business registration, environmental and health regulations) so as to stimulate creation of decent work;
- k. Considering public job creation programmes to address shortfalls in labour demand not being met by the private sector through public employment guarantee (employer of last resort) programmes.



2. The Economics of Urban Form:



Undertake urban planning and infrastructure investments so as to stimulate job creation and provide better access to employment through the following actions:

- a. Renovate and construct speedier, more efficient and affordable public transit systems;
- b. Develop infrastructure, telecommunications and transportation infrastructure so as to attract external investments;
- c. Improve accessibility to and within informal settlements;
- d. Undertake physical upgrading of informal settlements;
- e. Consider using labour-based techniques for the construction of urban infrastructure, conditional upon relative factor costs of capital and labour and on meeting cost and quality standards which are equivalent to infrastructure constructed by standard capital-intensive methods;
- f. Provide incentives for relocation of existing businesses and development of new ones in areas where the required labour supply exists;
- g. Give local employment offices the responsibility to ensure that benefits accruing from new external investments and businesses accrue to or are equitably distributed to the indigenous population;
- h. Upgrade and redesign urban markets so as to create new jobs and encourage sales of produce (agricultural and other) produced by local labour;
- i. Create dedicated spaces for informal sector business and street vendors to operate;
- j. Review planning bylaws and regulations so as to stimulate new job creation;
- k. Incorporate planned city extensions promoting density and mixed-use.



Photo: © Shutterstock

3. Financing for Urban Development:



Review and develop financing mechanisms focused on job creation, through the following actions:

- a. Encourage businesses (foreign and domestic) to invest and create more, new and better jobs;
- b. Review investment and job creation incentives given to the private sector so as to make them conditional upon actual evidence of sustainable, new jobs being created;
- c. Make better use of land value capture mechanisms to finance transportation and infrastructure investments, and to ensure that the added value to surrounding land owners resulting from such investments benefits job seekers and addresses income inequalities;
- d. Decide amongst different possible sources of financing (debt-financing, e.g. municipal bonds versus increased taxation; types of tax, e.g., sales taxes versus income taxes; progressivity of fiscal policy) so as to achieve superior employment impacts, weighing short and long term considerations;
- e. Improve tax collection by greater transparency on how tax revenues are used and by linking taxes with tangible benefits for tax payers;
- f. Leverage matching resources from regional and national governments, as well as from external donors and regional institutions;
- g. Systematically assess the employment impacts of municipal budgets;
- h. Integrate the costs of unemployment into all cost-benefit analyses of investment budgets;
- i. Use community contracting as a means for negotiating community investments and for defining mutual responsibilities, benefits and cost-sharing between local government and beneficiary communities;
- j. Design municipal procurement regulations and tenders so as to make local job creation a specific criterion by which bids are evaluated.

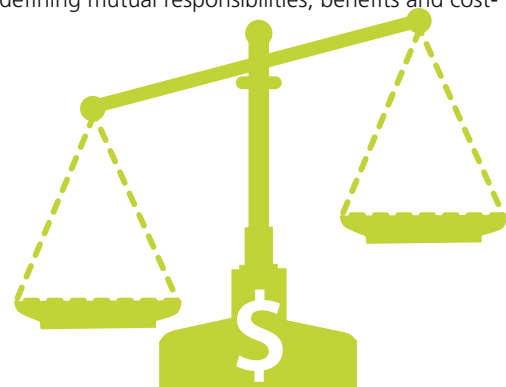


Photo: © Shutterstock

4. Enhancing Productivity of the Urban Informal Economy



Improve the quality, income and productivity of employment in the informal economy through measures such as:

- a. Revise regulations to improve working conditions for those who work out of their homes;
- b. Procure goods and services (such as waste collection and recycling, park maintenance, street cleaning, beautification of informal sector organizations) through organizations of informal sector workers;
- c. Improve access by informal sector operators and by informal settlements to public facilities (such as water, electricity, sanitation, child care), services (such as mentors, business development services, incubators and work spaces) and finance (such as micro-finance, loan guaranties);
- d. Ensure that methods of taxation encourage informal operators to formalize and pay taxes by ensuring that the benefits of paying taxes outweigh the costs;
- e. Negotiate with informal sector associations to start new businesses and redirect existing ones (such as car wash facilities, plant nurseries, urban agriculture, waste collection and recycling) in order to meet community needs and improve environmental impacts;
- f. Organize regular dialogue and grievance mechanisms with street vendors and informal sector operators;
- g. Encourage and assist informal sector workers to organize themselves in order to better express their needs and as a representative interlocutor for the municipal government;
- h. Organize south-south and city-to-city exchanges and other knowledge sharing platforms to help informal sector workers exchange experience and expertise in job creation;
- i. Regulate private sector procurement and sub-contracting to informal sector enterprises so as to level the playing field and ensure that such procurement results in net new job creation and is not done at the expense of labour standards and job quality.



Photo: © Shutterstock

5. Rural Urban Linkages:



Photo: © Shutterstock

Strengthen rural-urban linkages to stimulate job creation, by:

- a. Putting in place permanent coordination mechanisms between the municipal administration and its counterparts in the adjoining rural areas;
- b. Developing an integrated cities strategy whereby adjoining rural and urban areas are brought together under a unique administrative structure with coordinated technical services;
- c. Develop improved mass transit systems which encourage access for workers from rural areas;
- d. Making local entitlement programmes universal in coverage rather than location-specific so as to avoid their being used to discriminate against migrants from rural areas;
- e. Encouraging purchase and marketing of agricultural produce coming from the rural hinterlands;
- f. Investing in infrastructure and basic services within adjoining rural areas in order to decrease rural-urban disparities.





UNACLA at Work



List of References

- Betcherman, Gordon, et. al. Global inventory of interventions to support young workers: Synthesis report. Social Protection Discussion Paper No. 0715. Washington, D.C.: World Bank, 2007.
- Bivens, Josh; Irons, John; and Pollack, Ethan. Tools for Assessing the Labor Market Impacts of Infrastructure Investment. Economic Policy Institute Working Paper. Washington: Economic Policy Institute, 2009. <http://www.epi.org/publication/wp283/>
- David, S., Ulrich, O., Zelezeck, S. and Majoe, N. "Managing Informality: Local government practices and approaches towards the informal economy - Learning examples from five African countries." South African Local Economic Development Network (SA LED Network), the South African Local Government Association (SALGA) – and the Local Economic Development Network of Africa (LEDNA) – a programme of the United Cities and Local Governments of Africa (UCLGA), 2012.
- Galbraith, James K. "Equality, efficiency and the goal of full employment," proceedings of the Global Conference on Employment Guarantee Policies: Theory and Practice. Annadale-on-Hudson, New York: Levy Economics Institute of Bard College, 2006. http://www.levy.org/pubs/pro_Oct_06.pdf
- Guzmán, L. "The Economics of Urban Form: a literature review," New York: The New School, 2013.
- Heintz, J. "Growth, Employment, and Poverty Reduction." Discussion paper prepared for the workshop "Growth, Employment, and Poverty Reduction," held at the UK Department for International Development, 17 March 2006.
- Howell, Jude. "Good Practice Study in Shanghai on Employment Services for the Informal Economy." ILO Inter-Sectoral Task Force on the Informal Economy, Geneva: International Labour Office, 2002, pp.1-24. Qutoed in Nyanin, Nana. Informal Workers: Seeds for Employment Creation at the Local Level, unpublished draft paper, International Labour Office, June 2013.
- Indon, R.M. and Yu, S. Local governance and the informal economy: Experiences in promoting decent work in the Philippines. Employment Working Paper no. 135. Geneva: International Labour Office, 2012.
- International Labour Organisation (ILO). Decent Work and the Informal Economy. Report of the Director-General, Report VI. International Labor Conference, 90th Session. Geneva, Switzerland: ILO, 2002. <http://www.ilo.org/public/english/standards/relm/ilc/ilc90/pdf/rep-vi.pdf>
- ILO. The informal economy. The Governing Body, Committee on Employment and Social Policy, Document GB.298/ESP/4. Geneva, Switzerland: International Labour Office, 2007.
- ILO. Community Infrastructure in Urban Areas: Creating Jobs while Improving Low-Income Settlements. Bangkok: International Labour Organisation, 2008.
- ILO. "The employment dimension of infrastructure investment: A review of relevant methods and tools" (unpublished working paper). Geneva, Switzerland: International Labour Office, 2012.
- ILO. Global Employment Trends, 2013: Recovering from a second jobs dip. Geneva: ILO, 2013.
- ILO. Global Employment Trends 2014: Risk of a jobless recovery? Geneva: ILO, 2014.
- Kumar, Randhir. "The Regularization of Street Vending in Bhubaneshwar, India: A Policy Model." WIEGO Policy Brief 7. Cambridge, USA: WIEGO, 2012.
- Kim, Won Bae. "Korea's Policy of Rural-Urban Integrated Cities." Paper presented at the International Workshop on Rural and Urban Linkages, Curitiba, Brazil, 1998.
- Majale, Michael. "Employment creation through participatory urban planning and slum upgrading: The case of Kitale, Kenya," Habitat International 32, 2008.
- Miller, Steven and Cohen, Michael. "Cities without Jobs: a Discussion Paper on Urban Employment," unpublished manuscript, 2008.
- Miller, Steven. Report on eDebate on Productive Cities: Urban Employment, a report prepared for the Sixth World Urban Forum, UN-Habitat, June 2012.
- Nyanin, Nana. Informal Workers: Seeds for Employment Creation at the Local Level. Geneva: International Labour Office, June 2013.
- Perry, Guillermo E.; Maloney, William F.; Arias, Omar S.; Fajnzylber, Pablo; Mason, Andrew D.; and Saavedra-Chanduvi, Jaime. Informality: Exit and Exclusion. Latin American and Caribbean Studies, the World Bank. Washington, D.C.: World Bank, 2007.
- Rubble, Blair A. The Challenges of the 21st- Century City, Policy Brief. Washington, D.C.: The Woodrow Wilson International Center for Scholars, 2012.
- Shuman, Michael, "Economic Impact of Localizing Detroit's Food System," fairfoodfoundation.org
- Support Programme for Urban Reforms in Bihar. City Business Plan, Biharsharif, Final Report, submitted by Feedback Infrastructure Services Private, Ltd. 2013.
- Tendler, Judith. Good Governance in the Tropics. Baltimore: The Johns Hopkins University Press, 1997.
- Thomas, Landon. "'Fragile Five' Is the Latest Club of Emerging Nations in Turmoil." New York Times, 28 Jan. 2014.
- Tournee, J. and van Esch, W. Community Contracts in Urban Infrastructure Works: Practical Lessons from Experience. Geneva, Switzerland: International Labour Office, 2001. http://www.ilo.org/public/english/employment/recon/eiip/download/community_contr.pdf
- World Bank. Reshaping Economic Geography, World Development Report 2009. Washington, D.C.: the World Bank, 2009.
- Wray, L.R. "The Employer of Last Resort Programme: Could It Work for Developing Countries?" Economic and Labour Market Paper 207/5. Geneva, Switzerland: International Labour Office, 2007. <http://www.ilo.org/public/english/employment/download/elm07-5.pdf>

