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Executive Summary

This report analyzes and synthesises the findings of the ILO-HEI research programme on "Strengthening Employment in Response to Conflicts and Natural Disasters", emphasising concrete recommendations and guidelines for international action to respond to the employment and related socio-economic challenges of crises worldwide.

The project and this report focus on three interlinked axes of work identified by previous research and international consultations as of priority concern: 1) boosting private sector development in crisis contexts and engaging private actors and social partners in crisis response interventions; 2) supporting the resilience and coping strategies of crisis-affected groups; and 3) strengthening early warning systems for conflict and natural disaster prevention, preparedness and monitoring.

A participatory process among major stakeholders and experts at the local and international levels ensured innovative and practical outputs. The report details three phases in the research project: the development of a detailed research agenda, the implementation of research through 14 case studies at the national and local levels, and the synthesis of the knowledge acquired in three synthesis studies and the present report (see annex).

This analytical report provides a synthesis of the main findings and recommendations as relevant to international operations that emerge from the seventeen papers produced and the proceedings of the concluding International Conference. Major transversal orientations and cross-cutting issues emerging from this work are offered below.

MAIN POLICY AND PROJECT ORIENTATIONS:

— Economic recovery and security are intimately linked dimensions that feed into each other;

— economic recovery and peace-building strategies and projects should be considered as instruments for their mutual reinforcement. In this regard, inter-agency collaboration, if not joint programming, is essential;

— the private sector has a major role to play in peace-building and post-crisis reconstruction, from multinational enterprises to small and micro enterprises, and should be engaged on the basis of mutual interest by non-profit organizations;

— relief and recovery interventions should be grounded in a detailed understanding of the main features, strengths and dynamics of local post-crisis economies;

— the resilience of local communities in the face of crises and their will to restore their lives and dignity through productive work must be made the centre of early recovery and humanitarian interventions. Crisis response should focus on empowering locals and fostering employment opportunities in strategic post-crisis sectors such as the small production and trading sectors;

— adequate support for the swift recovery of local markets through facilitation of resumed trade and small-scale production is an urgent need and a major factor for medium to longer term recovery;

— youth require special attention as a major asset, though they are most at risk of turning to violent and predatory means of subsistence;

— understanding and addressing the reality of women's roles in the economic sphere is essential: they are too often invisible bread-winners that income generation programmes fail to recognize;

— employment and related socio-economic indicators are essential to understanding the root causes, dynamics and impact of major crises. Much more can and must be done to make early warning systems and responses more sensitive to this dimension;

— reconstruction, rehabilitation, and recovery are misnomers: crisis response is not about a return to the pre-crisis situation but about addressing the root causes of vulnerability to conflicts and natural disasters through holistic change (cultural, social, political, institutional and economic).

MAIN LESSONS LEARNED ON RESEARCH PROJECT DESIGN:

— A participatory process starting from research design, institutionalised within the project's strategic and organizational arrangements, and ensuring involvement of stakeholders and experts from academic, international and non-governmental organizations and institutions, is in itself a condition for achieving innovative and practical results;

— participatory research programmes bringing together international and national experts and stakeholders contribute to enhancing the technical and institutional capacities of national and local partners, while offering to international actors direct contact with field realities and civil society perspectives.

ISSUES THAT DESERVE FURTHER RESEARCH:

— main features of post-conflict and post-natural disaster local economies; models building on this line of research of crisis-specific impacts on economic sectors and population groups;

— a framework of collaboration between relief and socio-economic recovery interventions to maximise positive externalities and convergence of both axes of intervention for rapid and sustainable self-reliance, recovery and peace;

— the challenges for (re)integration of vulnerable groups, such as youth and women in contexts of violence.

Introduction

This paper provides a transversal analysis of the main findings of the research project on "Strengthening Employment in Response to Conflicts and Natural Disasters", focusing on their significance for crisis response policies and operations. These findings are further put in the perspective of the conclusions and recommendations of the project's final conference. The paper is also intended to serve as a reader's guide to orient those interested in learning more through the fourteen case studies and three synthesis reports published by the project.

The two-year research project was undertaken by the International Labour Office (ILO) and the Graduate Institute of International Studies (GIIS- HEI), with the financial support of the Geneva International Academic Network (GIAN-RUIG). The project was launched in October 2003 and concluded with an International Conference on Decent Work in Response to Crises held at the ILO in Geneva on 17 and 18 November 2005. Three priority axes were studied: boosting private sector development in crisis contexts and engaging private actors and the social partners in crisis response interventions; supporting the resilience and coping strategies of crisis-affected groups; and strengthening early warning systems for conflict and natural disaster prevention, preparedness and monitoring. These themes were researched at the national and local levels in 14 country case studies. Three synthesis reports built upon their key outputs for each thematic area. These papers identified concrete recommendations for policy and programme action. In this work, the project also substantively advanced the understanding of the under-researched area of the socio-economic dimensions of conflicts and natural disasters. This corpus of knowledge formed the basis for discussions among field researchers and Geneva-based academics and practitioners at the International Conference on Decent Work in Response to Crises.

Sections 1 and 2 of this volume provide an overview of employment and related socio-economic dimensions' nexus with conflicts and natural disasters. This nexus forms both the analytical baseline and the general political orientation for this report. The methodology used and the lessons learned in the implementation of this participatory and multidisciplinary research initiative are described in section 3. Section 4 analyses the main findings and distils key recommendations to inform the policy-making and operations of key stakeholders in response to the socio-economic challenges of crises worldwide.

1. The socio-economic challenges of crises

In their responses to the challenges of armed conflicts and natural disasters, the international community, civil society and the media often overlook, or insufficiently acknowledge, these crises' socio-economic dimensions. The tragic human toll of these crises captures most of the media and public attention. The lasting and dramatic impact of such crises on the economic and social conditions of affected populations is a more diffuse reality, harder to visualize. Millions of people every year suffer from the economic devastation and social disruption caused by crises, and will continue to suffer for months or years after the crisis ends. Furthermore, crises disproportionately affect the lives of the poorest and most vulnerable populations, who live on the edge of survival.

This section is intended as a broad overview of the all-too-often-neglected dimensions of events that have recently been under the media spotlight and subject to intense international attention.

1.1. CRISES' IMPACT ON EMPLOYMENT AND LIVELIHOODS

Economic losses due to natural disasters amounted to over US$ 210 billion in 2005, according to the MunichRe annual review of natural catastrophes[1], setting a new record for the annual cost of disasters. According to the same source, natural disasters have cost world economies an average of over US$ 60 billion per year over the last 15 years and affected the livelihoods of over 600 million people in the last three years.[2] As for armed conflicts, it should be remembered that more than 9 million persons are today seeking refuge outside of their countries, in many cases because of violent conflict.[3]

Crises of all kinds exercise significant and long-lasting effects on employment, livelihoods and social progress. They jeopardize opportunities for decent work, both by eliminating existing jobs and making it more difficult for societies to generate new ones. And the concept of decent work embraces not only jobs, but also fundamental rights and standards, adequate social protection, and social dialogue. By tearing apart the social fabric and impacting the economies of the communities they affect, crises imperil these elements as well.

Crises are, or can suddenly become, a part of daily life in the developing countries most in need of productive opportunities. Groups who are already disadvantaged before a crisis tend to fare worse than those with more coping resources. In many countries, conflicts and natural disasters are a major, recurring factor that locks people into poverty, hampering their efforts toward economic and social progress.

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[1] *MunichRe,*
www.munichre.com/publications/302-04772_en.pdf?rdm=20604

[2] *Ibid*

[3] *UNHCR, www.unhcr.ch/cgi-bin/texis/vtx/basics*

1.1.1. Armed conflicts

In a study of crises and decent work in Africa, Dunne and Mhone describe both an "immediate human cost" and "longer-term development costs." The former include decreased aggregate production, a decline in government funds and their diversion to war expenditures. Families can also lose access to social services, or they may be forcibly displaced or obliged to migrate to earn income. These effects come in addition to deaths and injuries.[4]

Longer-term costs of armed conflicts have two categories: "the destruction and deterioration of existing capital and the reduction of new investment." Capital includes "physical productive infrastructure, social infrastructure, human capital, institutions, and social and cultural integration." Conflict can also dampen investment in both large and small enterprises from foreign and domestic sources. As Dunne and Mhone note, "small-scale national investment is particularly important as it drives the informal sector, probably the largest potential source of employment."[5] In poor economies where many depend on informal or subsistence work, the destruction of meagre capital and the loss of investment is often disastrous.

In a 2004 paper for the World Institute for Development Economics Research of the United Nations University, Lindgren reviews attempts to estimate the economic costs of civil armed conflicts. He notes two ways to do so: the first is to total estimated direct and indirect costs, while the second is to devise a model of how an affected economy would have functioned if the conflict had not occurred.[6] The two largest studies Lindgren cites use regressions to estimate the economic effects of conflicts. One study, of 19 countries that experienced conflict between 1960 and 1989, estimates that the countries sacrificed 2.2% of

growth per year during their wars. Another study, of 78 countries experiencing conflict between 1960 and 1999, estimates a loss of 2.4 % of growth per year.[7]

There is no question that wars destroy productive assets, rob families of income-producing members, and divert scarce resources. These effects can linger for years. For example, child soldiers cannot pursue education or training that will help them earn income later. Then, after the war, fragile societies with few opportunities must absorb the ex-combatants while reintegration programs struggle to provide them useful skills.

Conflicts furthermore tend to occur in countries that sorely need decent work opportunities. The *Peace and Conflict 2005* report of the University of Maryland's Center for International Development & Conflict Management lists eight medium- or high-intensity wars ongoing. These were in Colombia, Russia, India, Myanmar, Nepal, Iraq, Democratic Republic of the Congo (DRC), and Sudan.[8] None of these countries is classified under "High Human Development" in the 2005 "Human Development Report" of the UN Development Programme. Of 177 countries ranked, Colombia is number 69, Russia 62, India 127, Myanmar 129, Nepal 136, the DRC 167, and Sudan 141. Iraq is not ranked.[9] *Peace and Conflict 2005* further lists 11 low-intensity or sporadic wars ongoing in early 2005, in Afghanistan, northeast India, Indonesia, the Philippines, Algeria, Israel, Burundi, Ivory Coast, Nigeria (two), Somalia, and Uganda.[10] Among these states, only Israel, ranked 23, has achieved "High Human Development" in the 2005 "Human Development Report." As for the other countries, India is ranked 127, Indonesia 110, the Philippines 84, Algeria 103, Burundi 169, Ivory Coast 163, Nigeria 158, and Uganda 144. Afghanistan and Somalia are not listed.[11]

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[4] Dunne, J. Paul, and Yannick Martin. "Challenges of Armed Conflicts to the Decent Work Agenda and other Socio-economic Issues in Africa," in Africa's Crises: Recent analysis of armed conflicts and natural disasters in Africa. Geneva: ILO, InFocus Programme on Crisis Response and Reconstruction, Working Paper No. 5, March 2003. P. 4.

[5] Ibid.

[6] Lingren, Gören. "Measuring the Economic Costs of Internal Armed Conflict – A Review of Empirical Estimates." Helsinki: The United Nations University – World Institute for Development Economics Research, 2004. Pp. 3-4.

[7] Ibid, pp. 8-9.

[8] Marshall, Monty G. and Ted Robert Gurr. Peace and Conflict 2005. College Park: University of Maryland, 2005. P. 11.

[9] http://hdr.undp.org/statistics/data/indicators.cfm?x=1&y=1&z=1.

[10] Marshall and Gurr, p. 12.

[11] http://hdr.undp.org/statistics/data/indicators.cfm?x=1&y=1&z=1.

Conflicts, besides their direct socio-economic costs, have numerous other effects that adversely impact the socio-economic well-being and development efforts of citizens. One major phenomenon is that of refugees and internally displaced persons (IDPs). The displacement of these populations is largely linked to conflict, though natural disasters and other crises also force many people to flee (especially IDPs). According to the "2004 Global Refugee Trends" report of the United Nations High Commissioner for Refugees, refugees worldwide numbered 9.2 million at the end of 2004.[12] This is 48% of the total persons of concern to UNHCR, who numbered 19.2 million, up from 17.0 million at the end of 2003.[13] Leading this list of countries of origin for 2004 was Afghanistan, the origin of 2,084,900 refugees at the end of that year. Following this were Sudan (whose total increased by 20.5% to 730,600 refugees in 2004), Burundi, the Democratic Republic of the Congo, and Somalia. All of these countries have experienced armed conflict in recent years.

For uprooted families and communities, displacement means the loss of almost all their capital (in the form of physical capital that could not be transported, land and shelter), the loss of income-generating opportunities, and torn social fabric and economic networks that stimulate earnings, community cohesion and informal means of social protection. Displacement furthermore deprives the originating areas of their human capital, and places enormous strains on the economies and social networks of the countries and areas to which the refugees and internally displaced flee.

1.1.2. NATURAL DISASTERS

A natural disaster could be a split-second earthquake or a year-long drought. But no matter their length or type, natural disasters wreak havoc on employment opportunities and economic and social infrastructures.

Like armed conflicts, disasters can cause death and injuries, destroy productive assets, displace individuals and families, and damage social cohesion.

Societies affected by natural disasters can suffer a variety of negative impacts. These begin immediately but can last for years. Mohne sums up those that impact livelihoods: "disruption of economic life through loss of output and earnings; disruption of social cohesion; loss of social amenities such as housing and energy sources; disruption of infrastructure such as roads, railways, bridges and vehicles; forced short- and long-term migration; disruption of marketing, distribution and communication systems; the possible breakdown of social order; and the resurgence of primary diseases."[14]

Natural disasters can strike anywhere. But they indisputably cause less damage and fewer deaths and injuries in countries with stronger economies and infrastructure. Poverty, social exclusion, and environmental degradation increase vulnerabilities that allow natural disasters to hit harder. The Emergency Disasters Data Base (EM-DAT) figures for 2004 show this clearly. The ten deadliest disasters of the year all affected developing countries, including Haiti, the Philippines, India, the Dominican Republic, Bangladesh, Indonesia, Morocco, Burkina Faso, and Madagascar. The list is topped by the December tsunami, which affected 12 developing nations. In terms of estimated damages, developed countries lead the rankings from such events as earthquakes and typhoons in Japan and hurricanes in the United States.[15] But this figure reflects the higher development of physical infrastructure and higher property values in those countries.

It is clear that natural disasters disproportionately affect states where employment opportunities and social protection are scarcer. The human element

[12] *United Nations High Commissioner for Refugees, 2004 Global Refugee Trends. www.unhcr.org/cgi-bin/texis/vtx/events/opendoc.pdf?tbl=STATISTICS&id=42b283744. P. 2.*

[13] *Ibid. Note also that the population of concern to UNHCR includes refugees, asylum-seekers, returnees, internally displaced persons, returned internally displaced persons, and other categories such as stateless persons.*

[14] *Mohne, Guy C. Z., et. Al. "Challenges of Natural Disasters to the Decent Work Agenda in Africa," in Africa's Crises: Recent analysis of armed conflicts and natural disasters in Africa. Geneva: ILO, InFocus Programme on Crisis Response and Reconstruction, Working Paper No. 5, March 2003. P. 2.*

[15] *EM-DAT. www.em-dat.net/figures_2004.htm.*

is key. Construction of homes and infrastructure, though it may appear beneficial for development, can destroy natural protection. And Mohne argues that global warming "may be accelerating the recurrence and intensity of droughts and floods in Africa."[16] The lack of governance capacity (or bad governance), especially as regards uncontrolled rapid urbanization and environmental degradation, can reinforce the vulnerability of countries without the means to protect their populations and infrastructure. Mohne further describes the complex effects of these disasters as they interact with other phenomena. "Typically, disasters of one type often have ratchet effects onto events of other types [...] Thus, for instance, both floods and droughts often result in land degradation and soil erosion."[17]

However, no country is immune to natural disasters' effects, no matter how well prepared and to what extent mitigation measures are in place. For example, businesses and employment in the southeastern United States were devastated by Hurricane Katrina last year. An analysis by the U.S. Department of Labor gives a glimpse of the storm's impact on employment and wages. In Louisiana, 919 business establishments were in zones considered "damaged" by the Federal Emergency Management Agency (FEMA). Of these, 74.1% (681 establishments) suffered only "limited damage;" these employed 7,731 people with quarterly wages of US$ 59,505,161. But a far larger number of Louisiana establishments, 18,078, were in FEMA-classified flooded areas. These businesses accounted for 305,340 jobs and paid quarterly wages of US$ 2,966,338,291. In neighbouring Mississippi, it was wind damage that wreaked havoc on businesses. While only 71 business establishments were in flooded areas, 3,281 establishments were in damaged areas, of which 48.2% (1,582) were in areas with "catastrophic damage," where "most solid and all light or mobile structures are destroyed." These 1,582 establishments employed 35,338 people with a quarterly payroll of US$ 247,454,539.[18]

Last year's earthquake in Pakistan has also had a massive employment and livelihoods impact. "The ILO estimates that over 1.1 million jobs and livelihoods were wiped out in the affected areas in Pakistan – including the North West Frontier Province (NWFP) and Pakistan-administered Kashmir – as a result of the earthquake. This would account for nearly half of the total employment that existed in the region before the earthquake."[19] Also according to ILO estimates, of the 2.4 million jobs that existed before the disaster in the affected areas, "over 2 million... workers and their families were living below the US$ 2 per day poverty line..." Each worker was estimated to have at least two dependents, meaning the earthquake affected the livelihoods of over three million people, plunging them into deeper poverty.[20]

Following the December 2004 Tsunami in the Indian Ocean, moreover, the ILO has estimated that some 600,000 persons had lost their sole source of livelihood in Indonesia alone. The ILO further estimated that some 38% of the population in the affected areas of Aceh and Nias, equalling close to two million people, will be considerably poorer following the disaster.

This section has attempted to provide some general indications of the magnitude of the socio-economic impact of conflicts and natural disasters. But the impacts of conflicts and natural disasters have numerous ramifications. To progress in the understanding of these ramifications, and to better orient needs assessments and responses themselves, have been specific objectives of the present project. Studies have looked at the consequences of wars and natural disasters on informal sector establishments and small and medium enterprises, and on youth, women and women-headed households, the displaced and ethnic minorities. In addition to the following section of this paper, readers are invited to refer to the individual case studies and the synthesis reports for a more detailed look at these complex and often interrelated realities.

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[16] Ibid.

[17] Mohne et. Al., p. 2.

[18] U.S. Bureau of Labor Statistics. "Establishments in areas flooded and damaged by Katrina." www.bls.gov/katrina/data.htm#2.

[19] ILO, "Global Employment Trends Brief, October 2005." www.ilo.org/public/english/employment/strat/download/getpak.pdf, p. 1.

[20] Ibid, pp. 1-2.

2. Project Methodology

2.1. MAIN OBJECTIVES AND AXES OF RESEARCH

The research project on "Strengthening employment and related socio-economic dimensions in response to conflicts and natural disasters" aimed at defining new avenues and refining approaches to better respond to the socio-economic and decent work challenges of crises. The objectives of the project emanated from previous research consultations led by the Crisis Response and Reconstruction unit of the International Labour Office (ILO/CRISIS), and in particular from the High-level Research Consultation on Crisis of May 2000. The Consultation convened leading worldwide researchers in the field of crisis response to shape an agenda for vision for priority research in the area. This project has pursued three interlinked priority axes for research that emerged from the consultation process:

▬ Private sector development in response to crises and the specific role of private entities and social partner organizations as stakeholders in crisis response interventions. Studies looked at concrete experiences where private sector establishments and social partner organizations have taken a lead role in crisis response. This aimed to put on the map crisis response players who are all too often bypassed, with a view to potential partnerships between these players and international organizations and national authorities. Furthermore, this axis of research considered how best to support enterprises (multinational, small-to-medium and micro) in promoting inclusive and sustainable economic early recovery and development.

▬ Assessing the vulnerability and capacities of crisis-affected groups in the face of crises. Analyses were undertaken on the vulnerability of livelihoods but also on the resilience, strategies and capacity to cope of groups particularly affected by crises (the displaced, women-headed households, youths in conflict, the informal sector and small businesses). This line of research aimed at providing concrete knowledge for development efforts to build upon the resilience, knowledge and capacities of vulnerable populations and to place them at the centre of reconstruction and recovery efforts. Policy and programme recommendations sought to guide recovery strategies that support income-generating and livelihood strategies of vulnerable groups.

▬ Strengthening early warning and monitoring systems and early response mechanisms for conflicts, natural disasters and economic and financial crises. Studies were designed to focus on a better understanding of the socio-economic immediate or root causes of vulnerability in the face of crises. The studies highlighted selected socio-economic indicators most relevant to early warning and monitoring of different types of crises, and suggested ways to operationalise these indicators within comprehensive and continuous early warning systems.

The crisis response field encompasses humanitarian and development-oriented actors within the civil society, local and national authorities, and international organizations, at both the field and international levels. These stakeholders have to contribute to advancing understanding as well as attaining the specific objectives set out above. The project strategy that is presented in this section was designed and implemented to ensure this multi-stakeholder participation.

2.2. RESEARCH STRATEGY

The objective of fostering innovative and critical thinking leading to action-oriented recommendations was pursued through a participatory mechanism involving a large scope of practitioners and researchers at the international and local levels with continuous bottom-up and top-to-bottom exchanges.

2.2.1. ORGANIZATION

This research project allowed participating agencies to jointly identify areas of common interest, refine complementary approaches to the same crisis contexts, deepen strategic partnerships and therefore open new spaces of collaboration to the advantage of all parties. Developing knowledge and sharing approaches with strategic partners contributes to the development of common approaches and collaboration in crisis response operations. This in turn promotes comprehensive solutions to multi-faceted and interlinked challenges across the international community.

Three concentric circles were formed to conduct the design, management and implementation of the research agenda. The first circle was formed by the "management team," comprising the project coordinators and experts from HEI-GIIS and ILO/CRISIS. The co-leadership of the project by HEI and ILO coordinators and the HEI assistant coordinator ensured the day-to-day administration and coordination of the exercise. The HEI research coordinator's posting within ILO/CRISIS (with his involvement in the regular activities of the unit) proved key to sustaining full collaboration between both institutions over the two years of implementation.

The second circle was represented by the project team, comprising representatives of academic institutions (such as IUED and UNIGE) and of international organizations (such as UNHCR and UNDP). Regular meetings were organised to define the research project and the first steps in its implementation. Bilateral meetings with key partners for each specific study followed this initial phase to ensure the follow-up of high-quality research.

The widest circle was formed by the international research team (cf. Table 1 below). At the national and local level, the research was contracted to a national expert in each country and collaboration was developed with local institutions, associations, and NGOs in support of the research implementation. Local stakeholders contributed to the project because of their interest in such an initiative, with technical inputs, logistics or networking.

2.2.2. THE PROCESS

Research was undertaken in three phases. In the first phase, a consultation of relevant stakeholders was held to frame the detailed research agenda and strategy of the project. In the second phase, local/national-level research was undertaken through country case studies. The third phase consisted of thematic cross-analysis of the field findings in synthesis reports. Finally, the concluding conference considered these outputs and developed further recommendations. This process ensured extensive interaction at all stages of the project between the Geneva-based research team, composed of international experts, and national experts and stakeholders.

The close involvement of key partners and stakeholders, nationally and internationally, in the design and implementation of the research was in itself an essential condition to achieving relevant policy and programmatic recommendations. The research project also contained an important capacity building dimension. Indeed, the partnership between the project team in Geneva and the numerous local experts and stakeholders familiarized local actors with international research and academic standards, and further enhanced their visibility and capacity to network at the regional and international levels. A large set of tools and documentation was shared with partners, to introduce or strengthen knowledge on the main development and crisis response approaches practiced by the ILO and other IOs. Of course, those exchanges were also to the great benefit of the international actors who benefited from direct communication with the sometimes distant "field."

A. The first phase of project implementation was a multi-disciplinary effort, convening representatives of Geneva-based academic and practitioner communities to craft a detailed research project. The countries to be researched and the research agenda in each one were discussed and defined in this setting, as were the areas of interest and participation of each partner. The project team in Geneva was of a "variable geometry:" responsibilities and areas of interests were specified for each partner institution that followed certain specific studies, while the management team assumed a leadership and coordinating role.

B. In the second phase of project implementation, each case study was treated as an individual project. Case study-specific research teams were formed by selecting and engaging national experts and relevant local stakeholders in each country, including the researchers to author each study. The Terms of Reference (TORs) for each study were discussed and specifically designed in consultations between the Geneva-based and local experts and the selected researcher. The process was lengthy and represented a logistical and substantive challenge to ensure cohesion while leaving room for negotiation. It allowed the coordinators, however, to engage local experts, academics, and stakeholders early on in the definition of the research agenda for each case study, and fostered dialogue between the Geneva-based and national partners. It was a crucial element in making participatory approaches more than a fashionable term.

The project team received logistical and organizational support, as well as expert guidance, from many country offices of IOs participating of the project, such as ILO, UNHCR, UNDP and ISDR. The national offices of the project's partner organizations provided guidance essential to selecting technically competent and independent experts in often complex environments.

The participation of local stakeholders (associations, NGOs and other civil society representatives) was sought to build on their knowledge and benefit from their views as well as to facilitate logistical or organizational matters. The project team partnered and collaborated with numerous local stakeholders who supported the project on the basis of their interest and commitment to research endeavours. Fifty institutional actors within international organizations, governmental organizations, academic institutes and NGOs, as listed below, took part in the development and implementation of the project.

The selection of local researchers within the 14 countries under investigation and the wider use made of local capacities was in itself a key strategic orientation of the project, helping to connect local knowledge and networks with Geneva-based academic and practitioner communities. Working directly with local researchers allowed the project to access locally or nationally available material, crossing language and cultural barriers, and considerably limiting travel and per diem costs for field research.

The specific agenda and methodology for research was elaborated by the study-specific research teams, based on a desk research of the knowledge requirements of the study, the knowledge at hand and the research objectives. The selected data-collection tools included internationally and locally available knowledge, personal interviews with key resource persons, site-seeing and interviews with target groups (the minimum requirements of all studies), as well as focus-group sessions, distance surveys, or first-hand surveys.

The field research, data gathering and drafting and revision of the case studies was led by local experts and stakeholders, but also involved the continuous and intensive involvement of the management and project teams. Besides knowledge development, such an effort can also be considered as part of the capacity building thrust of this project. No matter how detailed and comprehensive the Terms of Reference of the research, nothing could efficiently replace the leadership, guidance, monitoring and quality assurance role of the project team.

TABLE 1:
INTERNATIONAL RESEARCH TEAM
(PARTNER AND PARTICIPATING INSTITUTIONS)

International and Governmental Organizations	Research/Academic Institutions	National and International NGOs
ILO/CRISIS	IUHEI-GIIS Programme for the Study of International Organization(s) (PSIO)	Business Humanitarian Forum (BHF), Geneva, Stwizerland.
ILO (others): ILO Headquarters: Small Enterprise Development (SEED), Social Finance Programme (SFP), Multinational Enterprises Team (MULTI), Local Economic Development (LED) programme, Cooperative Branch (COOP), Policy Integration Department (INTEGRATION), Employment Sector (EMP).	UNIGE: Ecole de Traduction Internationale (ETI), Centre d'Etudes sur les Risques Géologiques - Programme Plurifacultaire Action Humanitaire (CERG-PPAH), Centre universitaire d'écologie humaine et des sciences de l'environnement (CUEH).	War-Torn Societies Project (WSP) – International, Geneva, Switzerland
ILO Regional/Country Offices: Harare, Cairo, Algiers, Amman, Beirut, Nairobi, Hargheisa (Somaliland), Kabul, Zagreb, Budapest, Buenos Aires, Baghdad	Institut d'Etudes du Developpement (IUED), Geneva, Switzerland.	WANEP, West Africa Network for Peace-Building, Accra, Ghana (consortium of peace-building NGOs in West Africa).
UNHCR: Headquarters: Bureau for the Americas, Bureau for Asia (Afghanistan Unit), Evaluation and Policy Analysis Unit (EPAU), Reintegration and Local Settlements Section (RLSS) Country Offices: Colombia, Afghanistan	Centre de Recherche Entreprises et Sociétés (CRES), Geneva, Switzerland.	Sotz'il Resource Center on Indigenous Groups, Guatemala.
	Research Group on Disaster Mitigation, Institut Technology Bandung (ITB), Indonesia	Consejo Indigena de Centro America (CICA), Guatemala.
UNDP: Bureau for Crisis Prevention and Recovery (BCPR), UNDP Algiers	Universidad Nacional de Colombia, Centro Estudios de Genero, Bogotà, Colombia.	Africa Peace Forum, Nairobi, Kenya
International Strategy for Disaster Reduction (UN ISDR)	Universidad de los Andes, Buenos Aires, Argentina.	UGEAFI, Uvira, DRC.
United Nations University - Institute for Environment and Human Security, UNU-EHS	Baghdad Economic Research Center (BERC), Baghdad, Iraq.	
	Bisan Center for Research and Development, Ramallah, West Bank.	
Coordinadora Nacional para la Prevencion de Desastres Naturales (CONRED), Guatemala	The Life&Peace Institute (LPI), the Horn of Africa Project, Nairobi, Kenya.	
	University of Osijek, Eastern Slavonia, Croatia.	
Centro Prevencion Desastres Naturales (CEPREDENAC), Costa Rica	Regional Institute for Development Studies (RIDS), Skopje, Macedonia.	

C. The third phase of the project, following completion of all case studies, consisted of the analysis and synthesis of the case studies under each of the three thematic areas of research. International experts were called on to extract the key substantive and action-oriented outputs of the field research, placing the diverse perspectives emerging from the case studies into a common perspective. "Synthesis" is in a sense a misnomer in describing the nature of the exercise, since it also included additional research, consultations with the project team and the personal insights of the synthesis authors.

D. The whole research process culminated in the International Conference on Decent Work in Response to Crises, held at the ILO on 17 and 18 November 2005. The conference attracted 98 attendees from academic circles, diplomatic missions, other IOs and the media. It was an occasion where field-level and international experts came together to review and discuss the main outputs of the work done and agree on its principal recommendations for action and future research. The event further enlarged the scope of the discussions, with the participation of other experts and stakeholders in the field of crisis response, attracting varied perspectives and comments on the basis of the project outputs. The opening sessions of the conference featured the executive management of the ILO, HEI's Director and the President of the RUIG-GIAN Foundation Board. All emphasised the virtues of collaboration between academic and international organizations. The keynote address by Staffan de Mistura, Deputy Special Representative of the Secretary-General for Iraq, outlined the intimate linkage between peace-building and employment recovery in the reconstruction of that country, as further detailed elsewhere in this report. After a plenary session on decent work as a response to the challenges of crises, the conference divided into three parallel sessions, one on each of the research themes. At these sessions, authors of synthesis reports and case studies joined representatives of NGOs, UN agencies, and ILO departments for in-depth discussions of the cases and themes.

Finally, the second day's sessions reviewed the conclusions of the conference, distilling its main recommendations for action and further research. These discussions and conclusions have guided the present analysis of the research findings and allowed the editor to add further perspective on these outputs.

3. Dialectics of employment and crisis

It has been the central analytical foundation of all the case studies and reports produced under the project that there are fundamental dialectic interactions between employment and related socio-economic conditions on the one hand and conflicts and natural disasters on the other. The International Conference provided a forum to further discuss the policy implications of such dialectics.

3.1. ANALYTICAL FOUNDATIONS

A phenomenon sometimes referred to as the "conflict trap" is well known to students of violent conflicts: Collier has convincingly argued that where development fails, countries can become trapped in a vicious cycle in which war wrecks the economy and increases the risk of further war.[21] Countries emerging from conflicts also face the greatest risk of relapsing into war. The employment/violence nexus formed, to a large extent, the broad analytical foundation of the studies undertaken under this project in post-conflict countries. Specific studies, such as those in the DRC, Sierra Leone and Sudan, further attempted to substantiate the link between a lack of economic opportunities, poverty, and violence. It was found, for example in the Kivu region in the DRC, a region plagued by protracted violence for more than forty years, that the main factor behind the decision (mainly by young men and women) to join non-state armed groups was a lack of employment and educational opportunities. Other major factors for conflict, such as the capacity to exploit natural resources and the lack of basic social and economic services, were also mentioned in the case studies on the DRC, Sierra Leone and Sudan. This discussion does not intend, of course, to claim that employment and related concerns are the sole or major source of conflicts and violence. The greed versus grievance debate was usefully noted in the study on Sudan as a sobering reminder of the complexity of this subject. The central assertion borne out in the research project, rather, is that the dialectics between socio-economic conditions and violence are key to understanding conflict environments and to properly devising and implementing responses.

The interactions of natural disasters with the socio-economic context are also profound and complex. It was not in the scope of this project to consider, for example, the potentially adverse effects of industry on climate change and therefore on the number and magnitude of disasters. However, the project proceeded on and sought to advance the proposition that natural disasters are not merely natural phenomena: a natural event becomes a disaster in its interplay with human activity. The magnitude of disasters is intimately correlated with poverty and socio-economic vulnerability; the poorest and most vulnerable countries or segments of society suffer more. Disasters therefore aggravate poverty and lock people into a trap that much resembles the conflict trap.

3.2. POLICY SIGNIFICANCE

In his keynote address during the conference, Staffan de Mistura stated that poverty nourishes conflicts in Iraq as well as in most conflict contexts worldwide. Poverty reduction should therefore be considered a tool to address the root causes of conflict and strengthen peace-building efforts. In the poverty/conflict relation, he described the role of employment creation as crucial. Employment and business opportunities are essential to restore hope and self-respect. Dignity, de Mistura asserted, comes from having a job. Indeed, employment responds to the ambitions of idle youth and to communities' desire to build their own futures. As de Mistura said, "self-reliance and dignity of conflict-affected communities start with entrepreneurship promotion and job creation: the best start-up is getting back to work, helping people to stand on their own feet and to own the reconstruction process."

He illustrated these ideas with the examples of "weapons for tools" programmes as practiced with success in DDR operations worldwide. He further recalled the example of employment-generating projects in Kosovo which concretely demonstrated the virtues of collaboration over inter-community conflict for the common good of economic development.

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[21] *Paul Collier, Breaking the Conflict Trap: Civil War and Development Policy (Oxford: Oxford University Press, 2003).*

As regards the UN reconstruction operation that he currently supervises in Iraq, de Mistura indicated that according to post-2003 opinion polls and surveys conducted in the country, the second most immediate concern for Iraqis after security was employment. Iraqis, he noted, are eager to work and rebuild their lives, and economic activity has proved highly resilient in a context of violent insurgency and crime. This conclusion was also supported by the case study on Iraq, which illustrated the status of businesses and entrepreneurship in two Iraqi cities.

De Mistura called for efforts to help the Iraqis to get back on their own feet and indicated that one of the best ways to do so was by fostering employment creation. He mentioned that support for employment recovery needs to start as early as possible, and that "we cannot wait for the context to become secure to start job promotion projects: we have to start now since job promotion and the economic recovery can facilitate peace-building and hence security". De Mistura insisted that employment promotion efforts need to be stepped up in areas of relative calm such as in the Kurdistan region and the southern Governorates (Basrah). He was echoing the emphasis placed by Jan Egeland, the Under Secretary General for Humanitarian Affairs, on the concept of "early recovery." In ongoing UN humanitarian reform, this is one of ten key areas identified for improvement: recovery is now acknowledged as necessary from the first moment after a crisis in parallel with humanitarian intervention.

Discussions at the conference focused on the employment intensity of the reconstruction process in Iraq. Taleb Rifai, ILO Regional Director for Arab States, further noted that significant funds are being dedicated to the reconstruction there, and that these funds represent a crucial opportunity if reconstruction approaches are to maximize employment creation. De Mistura reinforced this point by noting that the UN Assistance Mission for Iraq (UNAMI) and the Iraqi Strategic Review Board (the Iraqi authority overseeing UN, WB and other donors' projects in Iraq) adopted in 2005 the "RRL" approach: Reconstruction, Rehabilitation and Labour have to become priority components of the projects of all UN agencies active in Iraq. He concluded that "by doing some types of employment-related activities in a creative way, at the right time and in the right place, you are effectively affecting the peace-building and peace-keeping processes."

Carlos Tomada, President of the ILO Governing Body and Minister of Labour of the Government of Argentina, also emphasised the close interactions between employment, inclusive development models, social cohesion and violence in a speech that was delivered to the Conference by Gerardo Corres, the Ministry of Labour's Coordinator for International Affairs. This speech recalled the key conclusions of the Fourth Summit of the Americas (November 2005) on the theme of "Creating Jobs to Fight Poverty and Strengthen Democratic Governance." Growth models and governance practices focusing on the promotion of decent jobs and vulnerability reduction which engage social partners in all stages of decision making were recognised as integral to solving social conflicts and promoting open, peaceful and stable societies.

The Minister also brought up the experience of Argentina in confronting the financial crisis of 2001, which illustrated an organic connection between growth models, social policies and forms of governance: "Argentina has chosen inclusive economic development models with full participation of employers and workers as an essential means to ensure a wealthy, participatory and inclusive democratic society, which is ultimately the safeguard of long-term stability and development for our country".

He further linked this experience with indications emerging from the country case studies in the project (starting with the one on Argentina, but also including those on conflict and natural disaster contexts). Employment-intensive growth leading to decent jobs, special efforts for the most vulnerable and full participation of social partners and the local civil society have been identified as critical to achieving early recovery and sustainable reconstruction as well as to building peace and social cohesion.

4. Operational and policy guidelines to strengthen employment in response to crises

As described in the previous section, this project has sought to bridge the gap between theory and action through a participatory approach engaging practitioners and academics at both field and international levels. Their interaction oriented the research and enabled the formulation of recommendations to inform the policy and operational work of international stakeholders.

The goal of producing practice-based, action-oriented knowledge was further reflected in the extensive field work conducted by the project. A large corpus of literature is at hand in a number of disciplines, including development studies, sociology, conflict studies and others. These disciplines provide diverse and instructive perspectives on the socio-economic dimensions of conflicts and natural disasters. This project sought to build on pertinent literature and knowledge available locally and internationally, while further advancing the multidisciplinary understanding of crises and sharpening theoretical tenets through extensive field work. Surveys, participatory research workshops and individual interviews to solicit the perspectives of local and national stakeholders were conducted as appropriate for each case study.

In the following section, the main outputs of the project are therefore reconsidered as far as their significance for international involvement in response to crises. The three sub-sections refer to the three priority areas for research and action in the field of crisis response that the project focused on following the High-Level Research Consultation on Crises of May 2000.

This attempt at synthesising the outputs and recommendations of the two-year research project does not do justice, however, to the wealth of knowledge included in the seventeen studies and synthesis papers that we are building upon here. Readers are therefore invited to refer to the specific studies for more background and detail.

4.1. CRISIS EARLY WARNING SYSTEMS FOR EARLY AND APPROPRIATE RESPONSES

Prevention is often less costly and more effective than treatment. Indeed, the huge toll taken by crises has sparked interest in crisis prevention, including early warning systems (EWS).

EWS for conflicts and natural disasters have developed extensively at the regional and national levels as precious tools to closely monitor mounting threats and societies' vulnerability to such crises. However, the socio-economic elements of vulnerability for both conflicts and natural disasters are often neglected and not considered to the degree they deserve within existing international, regional and national early warning mechanisms for conflict and natural disasters.

4.1.1. GENERIC ASPECTS OF EARLY WARNING SYSTEMS

Why strengthen EWS?
This project has further demonstrated the relevance of EWS as a tool for preparedness and crises prevention. It has also highlighted the relevance of active involvement by both humanitarian- and development-oriented IOs in support of these mechanisms. EWS allow societies to:

- prevent crises at the earliest possible stages;
- forge proper mechanisms for cooperation among actors in preventing crises;
- closely monitor highly volatile contexts to facilitate informed decisions and planning, enabling appropriate interventions as soon as possible;
- establish instruments and mechanisms for prevention of future economic crises, disasters and conflicts in areas that have been previously affected; and
- measure the implementation and impact of crisis responses and adjust them accordingly.

These goals clearly justify an intensive effort to establish and upgrade EWS in societies with demonstrated vulnerabilities. And as the last point suggests, the benefits of continuous EWS that can closely monitor factors of vulnerability and risk are not limited to the pre-crisis stage. For crisis-related actors at the national, regional and international levels, they also provide an invaluable tool to observe the dynamics of a crisis. It was strongly argued at the Conference that disaster and crisis management should be viewed as a non-negotiable item in national budget planning, not as an extraordinary expenditure. This is particularly so in the case of armed conflicts as we have known them since the fall of the Berlin Wall. The world has been confronted with complex and protracted conflict situations that cannot be properly understood if they are not closely followed day after day.

The strength of collaborative and comprehensive EWS

EWS depend on collaboration among actors who can head off emerging threats or take action to limit the damage from natural disasters. The sharing of information and analyses and coordination in responses increase the chance of success. These collaborative processes must occur at all levels, from civil society groups and national governments to regional and international organizations.

Humanitarian- and development-oriented IOs should collaborate with major national and regional stakeholders to strengthen EWS where they exist. Such a collaborative approach holds the greatest benefits as it permits comprehensive EWS, which are uniquely positioned to capture the complex dynamics that can lead to a crisis. These EWS can also measure the multi-faceted impacts of conflicts and natural disasters that do occur.

At the same time, a collaborative approach enables economies of scale, allowing each organization to extract valuable information to the benefit of its own operations at a minimal cost.

The role of IOs within EWS

The efforts of IOs cannot be aimed at developing a "one-methodology-fits-all" approach. Each crisis is unique in its cultural, physical, economic, social, and political dimensions, as the case studies show. To this end, the ILO and partner organizations will need to employ a variety of context-specific indicators in EWS around the world.

But recognition of each context's uniqueness in constructing tailored and sensitive EWS should not preclude efforts at standard-setting to construct tailored and sensitive EWS. IOs have a key role at all levels in this regard for the identification of indicators that can predict crises in the data collection and analysis, and for the actual release of warnings.

IOs and INGOs should also focus on building the capacity of local and national stakeholders to become effective participants in EWS. These must be locally-owned and -managed systems. They can incorporate international expertise and standards, but must work every day to monitor local conditions and, when necessary, alert residents to danger. This requires strong local and national actors who commit to building and maintaining successful EWS. IOs can help bring this about.

Appropriateness and sustainability of EWS

It is useful when considering EWS' appropriateness and sustainability – two closely linked characteristics – to refer to a distinction between science-based systems and community- or civil society-based ones. In many cases, EWS adopt a model that blends scientific-based and community-based components (as with the EWS for natural disasters in the Guatemala case study). It is nonetheless helpful, for the sake of the analysis, to consider the specific strengths and limitations of both types of EWS.

First, it is important to remember that the political, cultural, and environmental landscape of the society must be considered when devising and evaluating an EWS. The intended outputs, and the means to link information collected to these outputs and their dissemination to various actors, are also important. Finally, observers must consider the sustainability of the EWS after donor funds are exhausted.

Scientific EWS rely on systematised indicators and precise technical standards. They tend therefore to be more expensive, while the community-based systems are less technically stringent and cheaper. Crucially, community-based systems ensure that local ownership and the role of civil society are at the centre of the mechanism. This can help maintain networks of groups that share and validate information and expertise, maximizing the information collected. In place of or in addition to strict indicators, civil society provides adaptable information from local sources. The local civil society, first, can both advocate for the creation of EWS and provide information once they are active. Furthermore, local ownership of EWS also strengthens local participation and ownership for crisis prevention and response. To limit the impact of crises it is essential to foster cultures of peace and conflict resolution in contexts affected by violence, and of risk mitigation and preparedness in disaster-prone areas. The role of local communities and early warning monitors is instrumental in this regard.

Early warning indicators and models
The close monitoring of appropriate indicators allows EWS to perceive possible violent conflicts. Indicators range widely, including the discourse and behaviour of state institutions and elites, the impact of regional and international issues on local conditions, security and military issues, ideological conditions, and the socio-economic situation. The project found that socio-economic indicators are key to addressing the social and economic root causes of crises. Therefore, focus should not just be on security and political indicators, as is often the case, but also on socio-economic indicators.

According to the Report of the UN Framework Team on EWS indicators and methodology, socio-economic indicators are "comprised largely of structural preconditions for conflict, or the background conditions [and] root causes that make violent conflict more likely." However, some of the socio-economic factors or conditions can be categorized as immediate or intervening variables. It is clear that the causes of conflict cannot be neatly compartmentalized as structural or immediate. Instead, a dynamic interactive

consideration is more appropriate both conceptually and operationally in an EWS in order to seize the relevance of socio-economic factors.

The UN system could be especially appropriate to promote sequential EWS. These mechanisms should in any event cover a multi-disciplinary set of indicators continuously, with dynamic, time-based analyses. Quantitative EWS, more specifically, need stringent and standardized procedures for collecting and analysing data. They also require all actors to use the indicators in the same way. Information-sharing and the coordination of actors are necessary for all EWS, as noted above. The ILO and IOs could play a key role in developing consistent policies for these partnerships.

4.1.2. EARLY WARNING FOR ARMED CONFLICTS
In two cases studies undertaken, in Sierra Leone and Sudan, research focused on providing a methodology to substantiate the link between employment, related economic and social issues and conflict in each context. Causal dynamics between employment and conflict occur at the local, national and regional levels. But socio-economic indicators should not be considered in isolation. Only a multi-disciplinary analysis of conflict causalities can allow actors to understand the complex dynamics of conflicts. More broadly, the Conference called for including the prevention of both direct and structural violence and suffering (where socio-economic contexts are one important dimension).

Based on a local analysis, each study provides a set of specific socio-economic indicators that are key structural and immediate risk factors at the local, national, and regional levels.

The following indicators were proposed to capture the socio-economic factors behind the conflicts in South Sudan and Darfur:

Labour market indicators
▬ wide disparities in the education levels of the active population;
▬ major wage differentials among workers and low pay;

- rising unemployment and skilled unemployment; and
- serious contraventions of internationally ratified labour conventions.

Strategic resource indicators
- the existence of valuable and extractable mineral resources that may be seized through violent action;
- adverse effects of oil exploitation on peoples' livelihoods;
- competition over the control of valuable minerals;
- tension over water access and use; and
- tension over land use and ownership.

Education indicators
- disputes over education policy and official curricula;
- major regional disparities in enrolment and literacy levels;
- rising rates of illiteracy by age, gender and region; and
- inaccessibility to and disruption of educational institutions.

Refugees and IDP indicators
- conditions of drought;
- rampant cases of human rights violations;
- increase in the number of refugees and IDPs;
- competition between refugees, IDPs and local communities over scarce resources; and
- proliferation of small arms and light weapons.

In addition, the following socio-economic indicators were proposed in the case of the recent conflict in Sierra Leone:
- mass poverty;
- sharp economic decline;
- unemployment, particularly among youth;
- high dependence on diamonds;
- high illiteracy rate;
- widespread money laundering;
- poor social and economic infrastructures;
- increase in child abuse and prostitution;
- dependence on donor funding;
- environmental degradation;
- high numbers of street children/youths;
- drug abuse and alcoholism; and
- displacement, including refugees, IDPs, emigration and asylum seeking.

These indicators are provided to guide monitoring of the socio-economic dimensions of conflicts. They should be analysed within broad, comprehensive EWS, along with political, military, cultural, or other potential determinants of conflict. Further efforts will be essential to substantiate the link between employment, related economic and social issues and conflicts and thereby assist in the design of peace and conflict indicators.

It was further highlighted in the research project that local and national civil society participation is essential for the appropriate monitoring of conflict indicators. Only then can EWS fully capture the local and territorial dimension of conflicts. Appropriate training of these organizations is essential, particularly on socio-economic issues. These organizations can also be instrumental in diffusing mounting tensions and consolidating political peace initiatives at the roots.

4.1.3. EARLY WARNING FOR NATURAL DISASTERS

Early alert systems for natural disasters are well developed in a number of countries. Decentralisation and a technology level adapted to the context (hence sustainable) have been major factors encouraging their development. These systems have demonstrated that early and accurate alerts can dramatically reduce the impact of disasters on lives and livelihoods, as in the case studies on Guatemala and Indonesia. However, even where efficient EWS were in place, with large coverage in high-risk zones, a further limit had to be noted: the acceptability and credibility of alerts. EWS have been developed originally as instruments of science. While these systems undeniably have brought the benefits of a careful scientific approach to bear on the mitigation of natural disasters, EWS have sometimes failed to recognize the wealth of traditional knowledge possessed by local residents who know their environment best. Likewise, scientific EWS may be discredited by indigenous communities as representing the voice of public authorities in a language at odds with their own cultural and philosophical background. Dialogue between institutions and authorities responsible for the EWS and local communities with a view to the full participation of the latter in the EWS's operation appears essential to sound functioning.

In particular, such a dialogue can be initiated on the selection and use of indicators. Through consultations with indigenous communities, scientific experts, and public authorities, the case study in Guatemala found that certain traditional indicators used by indigenous peoples to predict climatic events may, if properly studied and systematised, strengthen the performance of scientific EWS. The following such indicators have been identified:

- presence of wolves outside of communities before an earthquake;
- strong smell hours before a landslide;
- specific species of birds building nests higher than usual before the occurrence of floods; and
- specific noises and tremors preceding volcanic eruptions.

Dialogue and participatory approaches should also emphasise the importance of sensitizing indigenous and, more generally, rural communities to the accuracy of scientific natural disaster predictions. Only through dialogue and mutual respect can local residents and outside experts construct a comprehensive EWS that is credible to all parties.

4.1.4. SELECTED RECOMMENDATIONS

To strengthen early warning systems for crisis prevention and adequate response:

- international organizations should tailor EWS to local circumstances while promoting international standards for selecting and monitoring indicators and operating EWS for conflicts and natural disasters;
- when considering the establishment or reform of EWS, balance the advantages of scientifically-based EWS and community-driven EWS, based on an analysis of their sustainability and efficiency;
- establish EWS not only to track conditions that could lead to a crisis, but also to monitor volatile and high-risk contexts to inform the timing and form of engagement by international actors;
- continuously and dynamically monitor the social and economic root causes of crises and their impacts, not just security and political indicators;
- operationalize key socio-economic indicators of conflict in comprehensive EWS, including poverty, youth employment, use of and tension over natural resources, educational attainment and literacy and displacement;
- engage local civil society and communities in EWS and peace-building by training local conflict and peace analysts to support early warning capacities in their communities, particularly regarding the socio-economic dimensions of conflicts;

- promote dialogue between public authorities and indigenous communities for a recognition of indigenous early warning and mitigation knowledge in the face of natural disasters;
- promote sensitization of rural and indigenous communities to improve the efficiency of natural disaster early warning systems;
- measure linkages between employment and poverty reduction, and monitor the implementation of policy changes in line with the decent work agenda and poverty reduction strategies.

4.2. STRENGTHENING THE PRIVATE SECTOR

Sustainable employment cannot be achieved without the positive engagement of the private sector. Private sector development (PSD) is an area of work in which IOs and NGOs are increasingly engaging. Yet the interplay between PSD and crises still deserves much more attention from academics and practitioners alike.

The aftermath of conflicts and natural disasters presents both challenges and opportunities for all types of private enterprises. This section will focus mainly on micro, small and medium enterprises (MSMEs) and multinational enterprises, examining avenues to support their potential to contribute to sustainable economic recovery. The strengths and weaknesses of each type of enterprise are well known in economic and development circles, yet their behaviour in crisis environments still has interesting lessons to yield, some of which are discussed here. This section also acknowledges the role of private sector enterprises as well as of workers' and employers' organizations as key partners in devising and implementing crisis response interventions. It proposes ways to build linkages between IOs, profit-driven establishments, and social partner organizations.

4.2.1. ECONOMIC RECOVERY THROUGH PRIVATE SECTOR DEVELOPMENT

The role of the State: Just getting out of the way?
What is true in stable contexts is even more important in crises: market economies need the intervention of the state to apply the rule of law (property rights, settlement of commercial conflicts, etc.) and provide an adequate policy and regulatory environment (with simple and transparent procedures), as well as, of course, security.

Building on this basic assumption, examples of the resilience and adaptability of the private sector in catering affordably to the needs of communities have been widely recorded in the research project (in the case studies on Iraq and Indonesia, for example). McLin recommends in his synthesis that post-crisis

public interventions should allow market forces to operate freely, and he notes a number of ways that (restrained) state action can be conducive to private sector development. He considers that only minimal conditions in authorizing the resumption or initiation of commercial activities should be imposed (such conditions include the promotion of a consultative process involving employers' and workers' groups and other civil society organizations). McLin recalls that mobile telephone companies are often among the first to engage in conflict-affected countries. They can see immediate returns with limited investment, and their entry into the market is essential to improving the business environment when functioning and efficient landlines may take years to be restored. Noting the successes of the mobile phone industry in such extreme situations as Somalia and other "failed" or absent states, he further underscores the need for a "tolerant attitude" by public authorities toward the private provision of critical supplies. This applies to utilities like electricity and water, including potential informal providers who operate pending a return to normal investment conditions, as well as to the communications, financial and other service sectors.

Supporting the recovery of local markets

Operating in crisis contexts is not, by definition, "business as usual." The case was made in several studies and at the Conference for a more proactive involvement by the state as well as international organizations and other stakeholders in difficult business environments. Support for the recovery of the private sector can focus on restoring the conditions for market recovery and on addressing specific needs for entrepreneurship, business development and investment. These two axes of proactive external intervention are considered in this section and the next.

As further discussed in section 4.3, the informal and formal SME sectors have a capacity to recover swiftly after crises and to adapt to difficult security situations. These qualities come from the desire of local populations (and young generations in particular) to take the reins of their own recovery, as noted throughout the project. Local market economies revive primarily through the resumption of commercial services and of the local production of goods. Some case studies found that the local business environment for micro and small entrepreneurs in immediate post-crisis contexts is particularly affected by:

- external assistance by way of free goods and services, particularly if not procured locally;
- physical accessibility and mobility allowing supply and demand to meet (roads and transportation); and
- availability of basic equipment and raw materials.

Support from external organizations should therefore prioritise restoring and ensuring access to crisis-affected areas by rehabilitating and reconstructing basic infrastructure (including, for instance, roads, bridges and marketplaces). In the early recovery stage, this support should also aim to facilitate access to raw materials and equipment not provided by local markets (such as through direct in-kind grants and credits). Crisis response interventions should limit aid to those needs that the indigenous economy cannot service quickly and affordably. As noted by McLin and others in the research project, the state and international stakeholders often resort to non-local procurement to supply food and materiel to meet the basic needs of the affected population, with no consideration for the distortional effects of this aid on the local economy and its recovery. There is a delicate balance to be struck between humanitarian and economic recovery. Cash donations to the most vulnerable have a less distortional impact on local markets than does food aid. The "crisis response" sector in the local economy also provides business opportunities and a chance to improve the skills base in the local economy: linkages with the local economy and labour market should be fostered.

Macroeconomically, distortions in prices caused by the direct impact of the crisis or by the development of a "crisis-response sector" in the local economy (with consequences on local labour markets and housing prices in particular) call for an economic regulation role for the state. The rapid scaling down of an international presence as crisis response programmes end may also create deep recessions.

The state can play a proactive role by maximizing the employment impact of its operations in crucial post-crisis sectors. The construction sector, which is likely to be dominated by the state in the reconstruction and rehabilitation of major infrastructure, is essential to the recovery of local economies depleted by the crises. Sub-contracts for local construction businesses and local procurement of materials as well as the choice of appropriate technologies maximising the use of employment over equipment are all essential elements here.

Addressing the needs of entrepreneurs and improving the business environment

Supporting private establishments in facing the challenges of crises as well as in seizing the new opportunities emerging in a changed business environment is key to fostering a quick and sustainable recovery.

In considering post-crisis private sector development, the SME sector clearly stands out as a priority area. It is the largest provider of employment in most countries worldwide and recent moves in many countries toward market economies have further reinforced this status. SMEs are known to be flexible, to adapt rapidly to markets, and to operate with low capital and simple organizational arrangements; they are therefore well placed to be the engine of employment recovery. Supporting SMEs and youth entrepreneurship, as the case studies on Iraq and Macedonia noted, can also make a significant contribution to the diffusion of tensions and the consolidation of peace. The study on Macedonia, which focused on multiethnic stakeholder SMEs, found that these proved resistant to the inter-ethnic tensions that preceded the survey, and that promoting the sector and multiethnic SMEs in particular is a powerful tool for reconciliation and sustainable development.

The needs of small entrepreneurs, in terms of enterprise start-up or development, demonstrate certain common features across the contexts studied in this project (Croatia, Macedonia, Indonesia, and Iraq). Certain key recommendations for supporting the SME sector emerged. It is worth noting, however, that support to SME creation and development

should closely consider the specific needs and features of the context in which the businesses are operating and any changes and unusual conditions that may be expected nationally or locally.

Access to credit is the single major constraint faced by micro, small and medium enterprises (MSMEs) in the case studies of this project. Small entrepreneurs surveyed and interviewed in Macedonia, Iraq, Indonesia, and Croatia placed the difficulty of accessing commercial credits, the cost of such credits and related procedural burdens highest on their lists of obstacles.

Addressing such constraints is therefore crucial to recovery (and indeed in many normal business environments as well). Appropriate interventions can include provision of direct small loans without collateral, focused disaster-recovery grants, or support to commercial banking services. Improving the services provided by national and local commercial banks to meet the needs of the SME sector through attractive conditions is key to ensuring sustainable private sector development. Such support may include the provision of technical assistance and the establishment of guarantee funds. Most studies found that commercial banks provided only weak services to small and medium businesses, and hence would benefit amply from such support. McLin reports interesting developments internationally, noting that large investment banks are increasingly seizing the potential of this activity. A specific mention should also be made of remittances, as discussed in the study on Afghanistan. Remittances are a crucial source of income in post-crisis and protracted conflict contexts. Awareness-raising and technical assistance should be extended to commercial banking institutions for their engagement in remittances. This refers to ensuring secure transfers on reasonable terms, encouraging cash over in-kind transfers, and mobilizing the productive capacity of these resources in receiving communities through appropriate savings and investment schemes.

However, Singer's study on Eastern Slavonia found that financial support to SMEs (in the form of loans, guarantee funds or even grants) is not enough, and should be accompanied by enterprise start-up and

development assistance. From research in the West Bank and Gaza and Iraq, Engler and Umari and Abu Altimen further stress the importance of adequate technical support to start-up entrepreneurs. The question of conditioning credit on training also emerged. Coupling credit provision with business skills training and counselling is found to allow a considerably higher success rate for the credits or grants disbursed. It is particularly essential in transition economies or post-conflict countries. Business development service providers may be set up as self-sufficient enterprises that receive initial technical/financial support, as has been the experience of the ILO in Croatia and other conflict-affected countries.

Enhancing the skills base of crisis-affected populations is also integral to economic recovery. Businesses can thrive only with able employees. Training programmes should match the needs of the local economy, and should be devised on the basis of rapid needs assessments. As employment skills can be key elements of coping strategies for crisis-affected people, this recommendation aligns with support for these strategies, as explained further in section 4.3 below. Training should also be oriented to expected needs in the medium and long term. It should therefore be linked to the specific recovery and development strategies of local, national and international stakeholders. In the short and medium term, the infrastructure and construction sectors will certainly be among the most active. Entrepreneurial, managerial and basic business administration skills to support the development of SMEs may also be a particularly strong segment of training.

In addition, the research project considered the role of multinational enterprises in post-crisis recovery and the role of non-profit stakeholders in fostering these enterprises' positive impact. The factors driving MNE investment in general also apply to countries affected by crises. Risks and business environment assessments are attentively weighed against potential returns. It may be argued that in many crisis contexts, the central paradigm for international investments is higher risks for higher returns.

Another key aspect driving investment is a concern for "early intervention," or for the advantages of being the first to penetrate a geographical market.

Besides suggesting ways to improve the policy and regulatory environment with a view to coherence, transparency, simplicity and stability, the project highlighted several avenues to foster international investments to support sustainable recovery. Efforts could focus on providing information and raising awareness among international investors about commercial possibilities as well as opportunities to contribute to recovery and development in post-crisis situations. Attracting international equity partners and fostering joint ventures through specific incentive-based policies and instruments are key to fostering productive investments with spill-over benefits for the country.

As McLin notes, local officials must be attentive to the benefits for local populations when evaluating potential MNE investment. They should give preference to firms ready to hire local companies and employees and use local materials. MNEs often use foreign materials and expertise; this increases costs and diminishes the investment's boost to the local community. Besides MNEs, medium-sized businesses in regions or countries near the crisis-affected area can be prime candidates for investment. Their familiarity with the area may enable them to see benefits not apparent to larger firms based farther away.

The extractive industries certainly represent a special case, which the studies on Sierra Leone, Iraq and Angola highlighted. These industries can negatively impact the communities in which they operate, and McLin usefully recalled various initiatives based on a "first, do no harm" approach. The case study on Angola clearly contrasts oil wealth with mass poverty and under-development. The "oil curse" is discussed in the paper and potential improvements are suggested on the basis of pragmatism: for example, tendering procedures could foster upstream linkages in areas such as facility management and catering

and downstream ones in distribution and marketing. Gantes particularly highlights the question of the "local content" of the oil industry (mainly related to the potential of national/local employment in the industry), which has received little analysis and attention so far. Governments are increasingly imposing a quota of nationals to be employed, but these are often rendered ineffective by practices of double posting. Important skills-development efforts are needed to ensure local content is more than a formal contractual requirement and positively impacts on human development.

4.2.2. ENGAGING THE PRIVATE SECTOR AND SOCIAL PARTNERS IN CRISIS RESPONSE

Engaging the private sector
Private sector establishments can play a major role in the response to various kinds of crises. However, there are very few instances of concrete collaboration between IOs or NGOs and the private sector in the implementation of crisis response strategies. John King[22] emphasised at the Conference the lack of dialogue and understanding between those running crisis response programmes and the private sector. This fact may be a remnant of a time when IOs and NGOs were the largest external actors intervening in developing countries, especially those affected by crises. The private sector has now become, with globalisation, a major actor in the developing world, including in post-crisis countries (Iraq, Afghanistan, Indonesia, etc.). King and McLin further hinted at the organizational cultures driving the non-profit and commercial sectors, which may account for the historical lack of communication.

It clearly appears that the non-profit and commercial sectors need to know each other better. Much more needs to be done for non-profit stakeholders to fully acknowledge this reality, and for private establishments to better understand their interests in partnering with IOs, NGOs and public authorities. Private sector establishments need to be covered in the institutional mapping and field assessments undertaken in the design of crisis response interventions and they should be actively engaged in the response process.

Their involvement can take the form of a whole set of public-private partnerships in the intervention strategy of crisis response actors. The following table was presented at the International Conference by McLin, and presents a continuum of possible forms of partnership between IOs/NGOs and private establishments.

The main assumption underlying this table is that the greater the economic interest of a private actor, the more solid, sustainable and efficient the partnership set in motion.

Efforts are needed from non-profit and commercial entities to move away from mere donations and philanthropy to consider mutual interests higher up this scale. As King noted at the Conference, when the interests of the private sector are aligned with the objectives of the international community, they can be a powerful and helpful force. The private sector needs to be engaged creatively. The choice of the partner is key, as is making the objectives of each party clear in considering their compatibility and convergence. The list of companies that have signed on to the Global Compact would be a good place to start in identifying suitable private partners.

Engaging social partners
Social partners – employers' and workers' organizations – have a major operational role to play in crisis response interventions. An interesting example of the actual and potential role played by employers' organizations in promoting economic recovery and peace-building is noted by McLin in his report. He discusses the actions of the International Organisation of Employers and of the South-Eastern European Employers' Forum (SEEEF), created in 1999 to group the national employers' organizations of eight countries in the region, in the Initiative for Social Cohesion created by the South Eastern Europe Stability Pact. In this arrangement, the organizations examined issues of economic reconstruction, development and co-operation, including the subjects of employment, social dialogue, social protection, health and housing.

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[22] *Director of the Business Humanitarian Forum.*

TABLE 2:
ACTIONS OF PRIVATE FIRMS
IN "PARTNERSHIP" WITH IGOS/NGOS: A HIERARCHY

Type	Example
1. Philanthropy	Loan of earth-moving or transport equipment following natural disaster
2. Development of products and services targeted at needs of the IGOs/NGOs	Development and marketing of anti-malaria bed nets
3. Contractual venture on sub-commercial terms	Provision of medicines or other supplies at sub-market rates
4. Adjunct to normal business activities	Training of own staff
5. Following principles of the IGO/NGO in its own business activities	Conflict "sensitivity," anti-bribery policies
6. Contribution to national development as implicit condition for operating in country	Natural resource company setting up educational or training programmes not limited to its own staff
7. Adoption of a business model aimed at the target groups of the IGOs/NGOs	Commercial banking units entering field of micro-finance.

Social partners should be involved in the institutional mapping and field assessments undertaken in the design of crisis response interventions, and should be allowed to defend their constituents' interests during the reconstruction decision-making and implementation process. Their participation in the formulation of recovery and reconstruction strategies can ensure that employment, respect for labour standards and other related issues are core elements of the reconstruction process. Indeed, a recovery and reconstruction process framed by the principles of social dialogue ensures a strong element of sustainability. It mobilizes domestic economic forces in reconstruction and fosters reconciliation in conflict-affected contexts. A tripartite reconstruction process also allows for greater transparency and external oversight of the administration of often large funding flows usually channelled through government institutions. This latest point was evidenced in particular in the case study on Algeria, where the government, to instil donor confidence, allowed the major workers' organization to receive donor funding following the 2003 earthquake. The study further highlighted the impressive capacity of social partners to capitalize on the solidarity of workers and employers in earthquake-affected areas in the form of donation campaigns and of volunteering.

Despite the positive examples discussed, the potential role of social partners in crisis response, as noted by McLin and Hamoumou in the case of Algeria, remains largely unrealised. To bridge the gap between theory and practice and allow social partners to exert an active and efficient influence on the recovery and reconstruction process, the project highlighted the need for appropriate training and sensitization for private enterprises and governments focusing on high-risk areas for conflicts or natural disasters. It is also essential in crisis responses that appropriate advocacy efforts and technical assistance are provided to both employers and social partner organizations. Furthermore, employers' and workers' organizations can support and multiply the impact of preparatory and mitigation measures to reduce the social and economic impact of natural disasters as well as to address the underlying social causes of conflict.

4.2.3. SELECTED RECOMMENDATIONS

To promote the private sector and social partners in the response to natural disasters and conflicts:

━ improve the business environment (policy, legislative, regulatory, institutional) in difficult and fragile environments and encourage the government to play a constructive role in facilitating private investment;

━ limit external aid to meet needs not provided by local markets (see also section 4.3);

━ maximize the employment impact of public and private investment in reconstruction;

━ develop public-private partnerships in crisis response interventions to promote private investments that go beyond philanthropy;

━ prioritise credit provision, especially by encouraging commercial banking institutions to invest in MSMEs and stimulate private investment;

━ combine access to credit with business development training and counselling;

━ connect training curricula with local market needs and recovery and development strategies;

━ foster exchanges of information among economic actors at the local level;

━ link the local economy with regional, national and international economies, for example by sharing information with regional and international firms to encourage investment and by promoting the use of local materials and labour;

━ promote enterprises with mixed ethnicity as engines for peace-building;

━ foster the positive impact of the oil sector on local human development and employment by promoting pragmatic public-private agreements, such as in the area of local content;

━ recognize employers' and workers' organizations as key stakeholders in international crisis response interventions.

4.3. PROMOTING LIVELIHOODS AND COPING STRATEGIES OF CRISIS-AFFECTED GROUPS

As noted above, crisis situations impact different countries differently, depending on their general development level and the preparatory and mitigation mechanisms at their disposal. Similarly, crises affect the most vulnerable groups within each society disproportionately, exacerbating their precarious position. The axis of work on livelihoods and coping strategies focuses on the recovery of crisis-affected groups, in particular the most socio-economically vulnerable among them. It therefore focuses on the displaced, women-headed households, youth in conflict-affected areas, and informal workers and entrepreneurs in disaster-prone regions.[23]

The objective of this analysis was to foster contextualised crisis response interventions that support, at the local level, the socio-economic empowerment of populations affected by armed conflicts and natural disasters. Crisis-affected and vulnerable groups need to be understood by external actors as essential assets, and responses should be framed in a way that empowers them to become actors in the recovery and reconstruction of their environment. This must be linked to support for indigenous coping and livelihood strategies rather than a preconceived, standardised and top-to-bottom intervention scheme or menu of activities.

The central foundation guiding the research in this area is best described by Barakat and Wardell: "The first step in the initiation of any reconstruction and development process is a recognition of people's resilience and impressive abilities to survive the hardship of conflict by employing various coping mechanisms. Even in the absence of policies, interventions, and support from international organizations, people manage to survive the socio-economic effects of crises. But without effective policies, interventions and support, recovery will be very slow and painful."[24]

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[23] *The concept of vulnerable groups comprises a diverse and variable group of populations depending on the local context, and most commonly includes youth and women at risk, women-headed households, IDPs and refugees, orphans, the elderly and the disabled.*

[24] *Sultan Barakat and Gareth Wardell, "Capitalizing on Capacities of Afghan Women: Women's Role in Afghanistan's Reconstruction and Development", Geneva: ILO InFocus Programme on Crisis Response and Reconstruction, 2001.*

In this sense, vulnerable groups should not be seen only as potential victims, but as potential *agents* of development.

4.3.1. CONCEPTUAL ISSUES AND OPERATIONAL PRINCIPLES

4.3.1.1. The Concept of Coping Strategies

Coping strategies of crisis-affected and vulnerable households and communities can refer to two distinct realities and forms of external support. First the concept refers to indigenous income-generating activities (IGAs) and other means used to face a particular crisis. These are economically sustainable and optimise locally available natural, human, and social resources. By definition, they also fit the cultural and social norms of their societies.

Second, coping strategies in crisis situations can refer to non-sustainable means of subsistence. Vulnerable populations are forced to use certain coping strategies that will ensure their survival in the short term, while compromising their self-sufficiency and well-being in the medium and long term. In the Occupied Territories (OT), Engler found that most coping measures implemented by families proved unsustainable when the conflict after the second intifada entered into a protracted phase. She found, in particular, that most short-term coping strategies have a negative impact on health (such as cutting down or eliminating certain items from the diet), education (such as asking children to work), psychological well-being (such as reducing social visits or other activities), or economic vulnerability (such as selling women's gold and households assets or assuming debt). These coping strategies are merely survival strategies, and should be conceived as serious signs of distress. They represent social indicators useful for monitoring an emerging humanitarian crisis or the descent into poverty for a given population. They must be closely observed and signal the need for assistance, such as humanitarian goods, social protection transfers, or cash/in-kind productive grants.

This research project has focused on promoting productive forms of coping strategies which constitute essential and context-sensitive knowledge for inter-

national actors to build upon when considering recovery interventions, and on fostering transitions from non-sustainable to sustainable strategies.

4.3.1.2. Principles
Return to the status quo ante?

It is important to note three general principles that should guide any intervention in support of coping strategies. Supporting indigenous economic strategies and building on local knowledge in a context-sensitive manner should not be understood as blindly supporting the reproduction of the socio-economic structures of a community or region. Unsurprisingly, such an essential question raised vivid debates among the participants in the project and at the final Conference as it is linked to an important debate about traditional values, norms and social structures. The issue involves the need to maintain concern for human rights and promote inclusive, not oppressive, economies and societies, while remaining respectful of and sensitive to local cultural and social traditions. This debate connects with the larger modernist/post-modernist debate on the universality of human rights. It also refers to idealist/realist contention over whether to ensure stability through social conservatism or to foster change for more equal and fair societies that may lead to more sustainable social cohesion and peace.

The Conference strongly supported the view that interventions should also consider addressing the root causes of conflicts and of vulnerability to natural disasters. It was argued that recovery and reconstruction are not about a return to the *status quo ante* in social and economic terms. Instead, crises offer historic opportunities to plant the seeds of more sustainable and inclusive socio-economic structures, which should be adopted by the local population and promoted by external actors.

The journey, and the destination

Processes matter. In considering support for sustainable means of crisis response that support livelihoods and indigenous coping strategies, external actors should focus their attention not only on the objectives, but also on the processes they use. The research project particularly stressed participatory approaches in post-crisis contexts as essential to ensuring the

sustainability of the recovery process. They allow all groups of interest within a community to own the response and promote the inclusiveness necessary for the recovery process to adopt a life of its own distinct from external intervention and support. In post-conflict contexts, the benefits are increased by the dialogue and reconciliation among groups that participation fosters. The groups are encouraged to come together and discuss the concrete and indisputable advantage of collaboration in economic terms. This fact was particularly echoed in the study on local economic development projects in Croatia. For the notion of participation to be given more than lip service a precise understanding of local stakeholders and their power relations and imbalances is necessary to ensure that no group is left behind.

Assessments

This principle refers to both needs assessments, which typically inform project design and implementation, and the wider analysis and mapping exercises undertaken to capture the essential economic, social and political features of a project implementation area.

Needs assessments are critical to adequately target and contextualize support for crisis-affected people. Collaboration and coordination of needs assessments by various agencies allows them to maximize the use of resources. Beyond this, the study on Eastern Slavonia revealed the needs assessments exercise as an essential component of recovery projects. Participatory and transparent needs assessments that involve local communities and whose results are shared with the stakeholders and the communities can indeed become precious tools to build sustainability and local ownership. Such exercises serve several salutary purposes. First, they create a shared awareness among the population of its own needs and the major transformations the crisis has set off. Second, they help mobilize the strengths and will of the local communities, channelling these towards the resolution of the principle challenges for recovery. In post-conflict contexts in particular, transparent and participatory needs assessments also promote trust among stakeholders and diffuse potential jealousies linked to the

selection of target groups and areas of implementation. Likewise, project evaluations and reports may also be shared with the beneficiary population to promote local ownership.

The case study on Colombia, focusing on IDPs fleeing from rural areas and resettling in the urban or semi-urban areas in and around Bogotà, shows the shifting social roles and structures that crises engender. The study finds that women often prove more successful in adapting to this radically new and difficult context, partly because they prove more creative in finding inventive new ways to earn a living. Women become breadwinners, sometimes providing the major or sole income in the household. However, the role of women often remains hidden behind social norms. It is essential for projects aimed at supporting livelihoods and coping strategies to fully understand their environment and consider the reality behind the common discourse.

A precise understanding of the local political, social and economic groups of interest is also essential to the sustainability and efficiency of post-conflict interventions. Such an understanding is needed to ensure that the recovery process gives representation to all of these groups and that all voices are heard, which in itself is an essential ingredient of sustainability and a socially inclusive recovery process. This calls for the preparation of precise mapping exercises of different groups of interest.

Collaboration

It appeared clearly in the research and in discussions at the Conference that local as well as international organizations often work in isolation from and competition with each other. This phenomenon is heightened by the financial insecurity of agencies and organizations (the predominance of programme and project as opposed to core funding), and the resulting tendency of organizations to work outside their mandates and specialities.

However, collaboration and cooperation among international actors and among international, national and local actors are essential to maximizing the impact of limited human and financial resources.

Cooperation also reduces redundancy and builds on existing foundations. It was felt by participants in the research project that much more needs to be done by international stakeholders to seek collaboration with each other in areas of complementing mandates, especially to share information or marshal resources around common interests (such as in conducting common assessments).

In particular, while much has been done conceptually to bridge the gap between the relief and development fields, work remains at the operational level to mobilize resources, coordinate activities, and, at the very least, avoid negative externalities between different agencies' operations.

Transparency

With corruption and profiteering seen as widespread in crisis-affected areas, transparency and accountability are prominent in the recommendations of the case studies. According to the ILO Crisis Response Manual, the "basic pillars of the [recovery] system should be transparency, accountability and the rule of law."[25] These principles are essential from the assessment and design phases, when they can help avoid bias in the target populations and areas (or other features of the project), to the implementation and disbursement of funds. As noted in Singer's study on Eastern Slavonia, projects may run the risk of diversion from their original objectives and compromise their outcomes from their very inception if political and other external concerns dominate the process of project design. This fact shows that needs assessments should be the major foundation of project design (in terms of target populations and geographic location in particular).

4.3.2. OPERATIONAL AREAS

Two related objectives may be pursued to support constructive coping strategies and IGAs. First, as Perecman says, the "organic way" to promote coping strategies is to remove the obstacles that prevent natural ones from emerging. Second, direct support could be targeted at multiplying the dividends that households and communities would be able to gain by relying solely on their financial and technical means.

Economic recovery, community reconciliation and peace-building

As discussed further in section 2, economic and security dimensions are closely interconnected in areas affected by or emerging from violence. Economic recovery and inclusive social progress are powerful means to address the root causes of conflicts and to ensure enduring peace. At the same time, security threats and inter-community conflict are the single most damaging factor for an economy.

Yet Singer, in her study on local economic development in the aftermath of the conflicts in the Balkans, finds that community reconciliation and economic recovery programmes followed totally distinct and parallel courses. In the absence of a holistic economic recovery and peace-building programme for a region affected by conflict, the close relationship between economic recovery and peace-building should at least be reflected operationally by collaboration and linkages between economic recovery and reconciliation projects undertaken by national or international governmental or non-governmental actors. Information-sharing and coordinated needs assessments are the minimal and initial aspects of such linkages. Coordination of activities and, ideally, joint programming can also feature in mutually reinforcing project strategies.

Economic recovery and community reconciliation projects can include a very diverse and flexible set of activities. Local economic development can encompass small business loans, investments in infrastructure of common economic interest, pupil competitions in business ideas or plans, school programmes in entrepreneurship, business development services, and other elements. An approach suggested by Singer and others in the research project was to select from a broad scope of activities, seeking to contribute to economic development as well as to build social linkages among various social groups and ethnic communities. Similarly, the project strategies and approaches can be designed in a way that is mutually reinforcing with community reconciliation projects. The adoption of participatory processes further reinforces the convergence of economic recovery and

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[25] *ILO, Rapid Needs Assessment Manual, Geneva, 2001.*

community reconciliation initiatives. As noted by Singer, the representation and participation of all local economic and social groups of interest in a recovery project is an essential element of the sustainability of local economic development and employment creation programmes in post-conflict contexts. This means that the voices of all groups with economic interests (such as youth associations or sector-based associations) must be heard in the identification of local development priorities and in the marshalling of local or external resources. As further indicated above, such participation increases dialogue and cooperation on issues, encourages the sharing of knowledge and skills at all levels, and fosters communication among all partners in the development process, which ensures socially sustainable models for local economic development. As also recognized in the ILO's experience with local economic development and recovery (LED/LER) projects, local recovery processes should foster the identification of areas of common interest within communities and territories and the formation of groups of interest when these are not structured, as is often the case in the aftermath of conflicts. This will ensure that communities acknowledge and structure their recovery and development priorities to take an active role in policy and project decisionmaking. In turn, this enables recovery and development strategies that mobilize and capitalise on the strengths of local citizens.

It is useful to note that economic development and employment creation in post-conflict contexts may be seen not as ends in themselves, but as means for peace-building and community reconciliation, since they provide a concrete demonstration of the value of collaboration over conflict. Importantly, the representation of the stakeholders who are invited to take part in a process is essential to ensure that all voices are heard.

Singer stresses the importance of early action and calls for economic recovery programs as soon as the situation allows. This dovetails with current efforts as part of the UN humanitarian reform to promote linkages between relief and early recovery interventions, which are to be initiated in parallel. In addition, early economic recovery compounds the importance of

early warning and monitoring systems, as discussed in section 4.1. Ideally, this project has found, economic recovery should start as soon as possible within three months of the end of hostilities or a natural disaster. It is essential in that early stage to rebuild the self-confidence and self-respect that jobs, not handouts, can provide.

The informal sector
In many developing countries, the economy is largely dominated by the informal sector, and this fact is even more important in crisis-affected countries. The informal sector, by definition, is not covered by any form of public protection and is often found to be much more vulnerable than the formal sector to various forms of natural disasters, considering its lower infrastructure standards, higher-risk locations, lack of savings, and other factors.

Pribadi's study on Indonesia focuses on the vulnerability of informal sector businesses, their recovery capacity and their role, actual and potential, in the overall recovery process. Three types of natural disasters are covered: the Tsunami and earthquake of December 2004, seasonal floods and a massive waste slide. The informal sector has a recognized ability to adapt quickly to new livelihood opportunities by identifying new niches for business activity, and therefore represents a crucial actor in post-disaster recovery. The study finds, however, that government and NGO programs designed to support the informal sector focus either on emergency relief or long-term and large-scale infrastructure reconstruction investments rather than on disaster-related economic recovery, which is only addressed on an ad-hoc basis.

For the sake of the analysis Pribadi breaks down informal sector businesses into three sub-sectors: the primary sector provides services; the secondary sector involves production, marketing and sales of goods, mostly from home-based businesses; and the tertiary sector trades goods. The vulnerability and recovery capacity of each of these sub-sectors is analysed for the three different types of natural disasters, taking into consideration the presence of early warning, mitigation and preparedness mechanisms.

The study finds that tertiary informal sub-sector recovers almost instantaneously after a natural disaster and workers in the other sub-sectors often engage in tertiary activities as a temporary coping strategy. Small-scale, private and local trading services in the tertiary informal sector are critical to the recovery of the local economy. Assistance to this area should focus on the restoration of local trading locations and networks (availability of infrastructures and transport).

The secondary sector is the most employment-intensive and it caters to essential needs (production of food and beverages, among others). This sector is also the most vulnerable to natural disasters and bears the heaviest burden of the recovery: it tends to be more home-based, it involves more equipment and infrastructure likely to suffer from the disaster, and it is more dependent on the availability of credit and grants to recover. In the absence of any assistance, businesses in this sector restart activities on a reduced scale an average of 2–3 months after disaster. The author estimates that with appropriate assistance, including through credits or grants, activities could restart within 10 days of the disaster.

The primary sub-sector recovers faster than the secondary and without substantial investments, with the exception of the home-based segment. However, it is highly sensitive to local purchasing power, and thus dependent on the recovery of other income-generating activities.

Based on these findings, the study recommends that in the immediate and short term (up to three months following the disaster), external support focus on two priority axes of intervention. The first is helping commercial distribution lines reopen (such as small infrastructure works and transport links) to ease the recovery of the tertiary sub-sector. At the same time, external support will be highly beneficial to the recovery of a local production capacity in the secondary sub-sector (by facilitating access to equipment, tools and housing). Pribadi's study notes that external actors working in the humanitarian and recovery fields must take care not to heavily distort the local economy when intervening in the informal sector, as further discussed in section 4.2.1. They must also facilitate to the extent possible the role of informal sector businesses in providing essential goods and services in the immediate and short-term aftermath of the disaster for a rapid and smooth recovery.

In the medium and long term, support to the informal sector should focus principally on the secondary sub-sector, to complete the recovery of its production capacity as well as to promote the development and expansion of businesses with a view to formalization. Three main areas of support for risk preparedness and mitigation have been highlighted for hazard-prone areas: technical assistance in high-risk areas to integrate disaster risk in the business plans of informal sector establishments; savings schemes and social networking (community-based or by sector or activity); and skills training, counselling and information programmes to foster alternative livelihood opportunities that are less vulnerable to natural hazard.

Youth in conflict, DDR and reintegration

The plight of young soldiers, including children, has received much-deserved attention in recent years. In the case study on the DRC, Morvan points out that youth are the majority in all armies, but that contemporary wars in Africa are distinguished by the exceptionally young age of the combatants. The author also notes that the presence of many girls within armed groups, either as combatants or affiliated with them, is not well captured by available data. In considering the motives behind young men and women engaging in non-state armed groups, Morvan finds that overall, young people join principally as a socio-economic strategy, to earn a living or to improve their social standing and escape social structures that they consider too oppressive and constraining. Girls, in many cases, join armed groups to find a husband to improve their living conditions, and in some cases also for protection against sexual abuse and general insecurity.

Another aspect that has not been properly considered internationally, and which represents the main focus of the DRC study, is the impact of conflict on the approximately 300 million young people under 25 living in countries affected by it. Disarmament, Demobilisation and Reintegration (DDR) programmes

are the major focus of international support for the livelihoods of young people affected by conflict. However, DDR programmes serve only a very small proportion of young people affected by conflict and risk offering a "double prize" to youth who joined an armed faction: besides the gains earned through violent and predatory means, they are offered special support in the post-conflict phase. This fact is linked to the critical relationship between DDR and peace-building.

As regards DDR, the DRC study and discussions at the Conference focused on the fact that integrating youth into the labour market may be a qualitatively different problem from reintegrating adults who have already exercised productive work in civilian life. Special needs of youth must be addressed, which DDR programmes often fail to do. Moreover, it appears essential to complement DDR programmes with support to the wider community of youth affected by conflict. Many times even non-combatant youths will have suffered gaps in their education or a lack of education altogether. Finally, offering demobilised youths training or even start-up capital for income-generating activities (IGAs) may prove fruitless in the context of a local economy depleted by years of conflict. The study advocates the implementation of more holistic, local economic development approaches which build on the short-term opportunities offered by investments in the reconstruction sector. These approaches can revive local economies while making sure that youth, including former combatants, are equipped with the skills and counselling needed for them to seize opportunities and contribute to the recovery process.

Overall, young people should be viewed as assets for development and peace. It was also emphasized in the project that the participation of young people in the design and implementation of specific programmes and policies that concern them is essential to ensure that recovery efforts reflect their aspirations, and that they are offered a space to enter in the socio-economic life of their (pre-war or new) communities.

Women's vulnerability and conflict

The project also considered the special condition and case of women in violent/post-conflict contexts.

The question here refers to two major challenges. In many countries women are susceptible to marginalization and vulnerability in social and economic activities. It should be noted that entering the labour market often does not free women from household responsibilities. Efforts aimed at fostering women's IGAs and participation in the socio-economic life of their communities should therefore consider the risks of over-burdening.

Women's vulnerability is even stronger in conflict contexts, as noted both in the West Bank-Gaza and Iraq case studies. Engler indicates that, in the OT, conflict has added to traditional social restrictions as new security or politically-related constraints further distance women from employment opportunities and other resources, services and networks of support. Palestinian and Iraqi women interviewed in the project indicated that they would consider entering the labour market as a coping strategy depending on the social acceptability of the work. Violent conflict further narrows the window of acceptability for women's participation in the socio-economic domains. Violence, in its interplay with socio-cultural contexts, can therefore further isolate and marginalise women. Women indicated in both Iraq and OT that they would not consider venturing too far away from home for work out of concern for safety as well as honour.

As noted above, when violence further isolates and marginalises women, they are forced to adopt non-sustainable coping strategies with adverse impacts on the health and education of the whole household. Engler suggests several options to facilitate sustainable coping strategies for women in the OT. These include creating programmes that allow women to work collectively, fostering community-based networks of mutual support, promoting change in social and cultural attitudes toward women, encouraging diversification in IGAs and attracting investments in non-traditional niche markets.

Addressing displacement

Displacement, as noted in section 1, has several major impacts on refugees and IDPs as well as on host populations. Besides the crisis that forces people out of their homes, displacement represents another crisis in itself.

The case study on Colombia, focusing on IDPs fleeing from rural areas and resettling in the urban or semi-urban areas in and around Bogotà, highlights the displaced people's need to reinvent their livelihood strategies in a context often hostile to new arrivals with limited if any resources to start with. Women often fare better in devising new ways of sustaining themselves and their households, in the formal and (more often) informal sectors. Integration in the context of resettlement (the surveyed households in Colombia did not consider returning to their places of origin) can be made swifter and less traumatic with properly targeted support. As indicated above, such support needs to recognize the gender roles and specific difficulties encountered by men and women (such as the difficulty of adapting their skills to needs in the new market or additional work burdens from labour and household activities). Displaced people who are not considering return to their homes of origin in the immediate future desperately need new ways to support their households. Helping them cope with this situation and rebuild their livelihoods requires vocational training in the skills that are needed in the job markets where the displaced have resettled (not limited to the skills common under "traditional" gender patterns). Technical and financial support for IGAs and entrepreneurship is also essential.

Displacement is a highly sensitive and complex topic, and the question for IOs and NGOs of supporting resettlement (rather than return) is always an issue with important political dimensions. The condition of the displaced is primarily affected by actions of the host authorities in addressing their objective situation and their intentions to return or settle (nationally, regionally or locally). The Afghanistan study finds that the boundaries between political, security-related and economic migration appeared blurred among displaced Afghans. It shows that resettlement solutions often fail to take into account the complexity of cross-border population movements or the fact that the observed circulation of people in Afghanistan is neither transitory nor temporary.

Its key finding is that migration represents a key livelihood strategy for individuals, households and communities affected by protracted crises. Migration offers employment opportunities for persons who

are able (financially and physically) to undertake the journey (hence, often not the poorest and most vulnerable), and generates remittances that contribute to the well-being of the recipient household and the community as a whole. Cash remittances (rather than in-kind) especially hold strong potential for income generation in recipient households.

It is also to be noted that an influx of displaced persons can strain job markets and local resources, creating tensions or even conflict with host communities. It is essential, therefore, that support programmes for displaced communities and households not leave host communities on the sidelines since these may fare worse than well-assisted IDP and refugee communities.

Social Support Networks

The ability of individuals and households to cope with a crisis depends to a large extent on the support of their community, informally or formally through institutions and organizations. In Colombia, Duplat reports that social networks have become the most effective and efficient conduits of aid to the displaced. Such networks provide leads to jobs and otherwise support livelihoods in post-crisis environments. They also enable women to work by providing child care. Hence the need for international actors to find ways to facilitate and strengthen such social networking. Remittances sent home by labour migrants are one form of such networking. The case study on Afghan migrants found that although employment opportunities are irregular and often insecure in the host countries of the region, most migrants do find work mainly through their social networks.

4.3.3. SELECTED RECOMMENDATIONS
To support the coping strategies and resilience of crisis-affected groups:

— build on the resilience and strengths of local communities and place them at the centre of the reconstruction process;
— restart development and economic recovery in parallel with humanitarian relief to limit dependence on aid early on and to minimize the potentially distortional effects of relief on

the local economy. Recovery processes should start as soon as possible within three months of a crisis;

— address the local recovery needs of the micro and small enterprise sector by targeting infrastructure rehabilitation and reconstruction to facilitate a resumption of trade (with roads and marketplaces, for example) and by supporting the recovery of micro and small production capacity (by facilitating access to equipment, raw materials and shelter/housing);

— while meeting urgent recovery needs, integrate risk reduction and mitigation measures for future natural disasters;

— address the root causes of conflicts and foster social inclusiveness rather than a return to the *status quo ante*;

— encourage sustainability through the participation of local groups and communities of interest in project design and implementation;

— fight corruption and the dominance of the stronger segments of society through participatory processes and transparency in policy-making, project design and implementation;

— foster economic diversification and non-traditional income-generating activities;

— connect and synchronize local economic development with community reconciliation projects; in particular, employment-intensive reconstruction techniques are a tool for economic recovery and peace-building;

— recognize the special needs of youth arising from a lack of education and experience in the labour market and consider youth as assets, particularly by ensuring their involvement in the design and implementation of recovery and reintegration programmes;

— promote community support networks and creative income-generating activities to address the special concerns of women by considering in particular the social acceptability of work and heavy household responsibilities;

— understand the gender elements of disaster impacts and conflicts (use statistics and indicators disaggregated by sex);

— encourage a shift of policy from limiting migration to managing migration, including support to receiving communities as well as migrants;

— develop specific national and local poverty indicators, beyond the international US$ 1 or US$ 2 thresholds, while utilizing the momentum of and participating in global anti-poverty efforts.

Conclusion

This project has proposed concrete recommendations to better address challenges and contribute to positive change on the ground. The publication of the research outputs therefore represents only a first stage of a process generating several dynamics. It is worth mentioning, in this last section, what impact should be expected in the future from this research initiative on "Strengthening Employment in Response to Crises."

Advocacy. The enduring plight of millions of people, many already among the world's poorest, who lose their sources of income and their assets for recovery as a result of crises too often goes unnoticed in the mainly short-term outlook of the media, the general public and political decision-makers. By shedding light on the socio-economic challenges of crises and advocating at the international level for efforts to meet them, this project, it is hoped, will foster a change of vision and a more balanced and accurate consideration of the needs of populations affected by crises.

Sharing knowledge and building capacities. Empowering people and nations to help themselves is an essential mandate of IOs. The materials produced by the project have been posted electronically on the websites of the ILO and the RUIG and have been widely publicised. Some studies have contributed to the development of other publications, such as a major ILO publication on "Jobs for the Future of Iraq." Moreover, in its continuous work with professionals in the crisis response field, diplomatic missions, employers' and workers' associations, and other actors, the ILO Crisis Response and Reconstruction Programme ensures the dissemination of these publications to many relevant stakeholders, as do the many other partners involved in this project, including the GIIS, the RUIG-GIAN, and the local stakeholders in the field. The development of courses on crisis response and the socio-economic foundations of conflicts and natural disasters in academic institutions may also be envisioned.

Networks. The networks created by the project across and within the academic and practitioner communities will strengthen collaboration, promote the convergence of agendas among the multiple stakeholders in the crisis response field and permit the optimal use of resources.

Technical cooperation. Finally, the most direct linkage between the knowledge developed and its ultimate concrete impact to the benefit of crisis-affected people relates to the assistance offered by this project to technical cooperation at the policy and field levels. The case studies and synthesis reports offer concrete guidance and knowledge of direct relevance to the design and implementation of crisis response projects. The studies have already informed the response programmes of the ILO and other IOs in several countries, including Indonesia, Guatemala and Serbia. With its wide-ranging findings and recommendations, this research will contribute to projects that help people recover from crises with dignity while laying the foundation for a more solid development path.

PUBLICATIONS PRODUCED BY THE RESEARCH PROJECT ON "STRENGTHENING EMPLOYMENT IN RESPONSE TO CRISES"

VOLUME I: SUPPORTING THE PRIVATE SECTOR AND SOCIAL PARTNERS IN RESPONSE TO CONFLICTS AND NATURAL DISASTERS

Synthesis Report: "The Private Sector and Social Partners in Crisis Response"
Case Studies:

- 1. "The SME sector in Iraq: A key resource to short-term income generation and longer-term development"
- 2. "Promoting multi-ethnic stakeholder small-to-medium enterprises in the Republic of Macedonia"
- 3. "Le rôle du secteur privé de l'extraction pétrolière dans la reconstruction socio-économique en Angola"
- 4. "L'implication des partenaires sociaux dans la réponse aux crises: «Le rôle des partenaires sociaux dans la réponse d'urgence et la reconstruction socio-économique suite au séisme du 21 mai 2003 en Algérie»"

VOLUME II: PROMOTING LIVELIHOODS AND COPING STRATEGIES OF GROUPS AFFECTED BY CONFLICTS AND NATURAL DISASTERS

Synthesis Report: "Towards an understanding of coping strategies of vulnerable individuals and communities facing the aftermath of crises"
Case Studies:

- 1. "The vulnerability and recovery capacity of the informal sector in the face of natural disasters: A case study of natural disasters in Indonesia"
- 2. "Etude de cas: Jeunes, violence chronique et pauvreté dans les territoires d'Uvira-Fizi-Minembwe au Sud-Kivu (R.D.C)"
- 3. "Reinventando la subsistencia: Estrategias socio-económicas de mujeres desplazadas, jefas de hogar, en Bogotá"

- 4. "Women and women-headed households vulnerability in civil violence contexts: Some lessons-learned from the Occupied Territories (OT)"
- 5. "Territorial development, vulnerability reduction and community-reconciliation: A case study of Local Economic Development (LED) projects in Eastern Slavonia (Croatia)"
- 6. "Transitional networks: Recognising a regional reality"

VOLUME III: STRENGTHENING CRISIS PREVENTION THROUGH EARLY WARNING SYSTEMS

Synthesis Report: "Socio-economic indicators and ILO's entry points to strengthen conflict, natural disasters, and economic and financial crisis-related EWS. A synthesis report of four case studies"
Case Studies:

- 1. "Early-warning and preventative aspects of the Decent Work agenda for economic and financial crises: Some lessons-learned from Argentina"
- 2. "Precursores indígenas en el contexto de los sistemas de alerta temprana de Guatemala"
- 3. "Conflict early warning modelling: a Case study of Sierra Leone with a focus on relevant socio-economic indicators and potential entry points for the ILO"
- 4. "Socio-economic indicators for conflict-related early warning systems modelling: A case study of Sudan"