

# Employment Intensive Solutions

In October 1998, hurricane Mitch wreaked havoc in Nicaragua, destroying much of the infrastructure in its path. Many of those lucky enough to survive were left without homes and incomes, and with very little access to basic services, resulting in an even more generalised situation of poverty and unemployment.

International support was at hand to help in the reconstruction of the country, with an expected investment of one billion dollars over a five-year period. In addition to creating much-needed transport and other infrastructure, this reconstruction offered a great opportunity for employment generation through the use of labour-based technologies.

Having verified the interest of national and international investment agencies in such an approach, a need was identified for capacity building in the private and public sectors for the execution of labour-based works. An ILO pilot project, funded by the Dutch, provided training and awareness raising for reconstruction efforts funded by other national and international sources, in areas such as rural road rehabilitation, urban road paving, housing, river protection and land recovery.

By means of 'on-the-job-training', contractors were trained in labour-based technologies and enterprise management, while local government officials were trained in project identification and design as well as contract administration and supervision. At a central level, activities focused on institutionalising the training capacity, and creating awareness of the employment-intensive approach as a policy tool.

During its 11-month lifetime, the project not only effectively demonstrated the viability of using infrastructure investments to generate urgently needed incomes for the poor in situations of crisis, but also proved an effective means of local economic development and poverty alleviation within a general development strategy. However, the project was too short to have a significant impact on the reconstruction efforts, which are in fact still underway in Nicaragua. At the local level, institutionalisation and sustainability of the approach was good, as the benefit to municipalities and contractors was evident. At the national level, the project mainly raised awareness, but did not succeed in institutionalisation due to the limited timeframe. A follow-up programme funded by Luxemburg is fortunately addressing this issue.

A second difficulty was the dependence of the project on reconstruction funds from external sources, and the lack of coordination of these investments, resulting in the project having to go in search of suitable investments and subsequently enter into separate agreements with each funding agency, severely delaying initial activities. It is therefore recommended that similar projects in the future include a certain minimum of investment funds for demonstration purposes.

Having learnt from this and other crisis interventions, the ILO, through its Employment-Intensive Investment Programme, is currently promoting the employment-intensive approach in reconstruction efforts underway in the areas affected by the Tsunami. Various countries are incorporating the approach into their response strategies, aware of the immediate need for infrastructure reconstruction as well as income generation.

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