



"Rural roads and local development: reducing poverty"

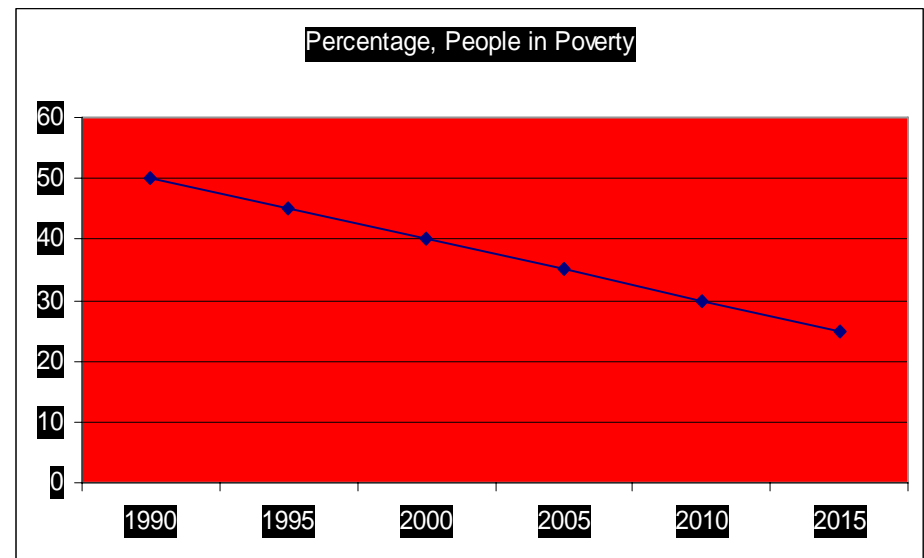
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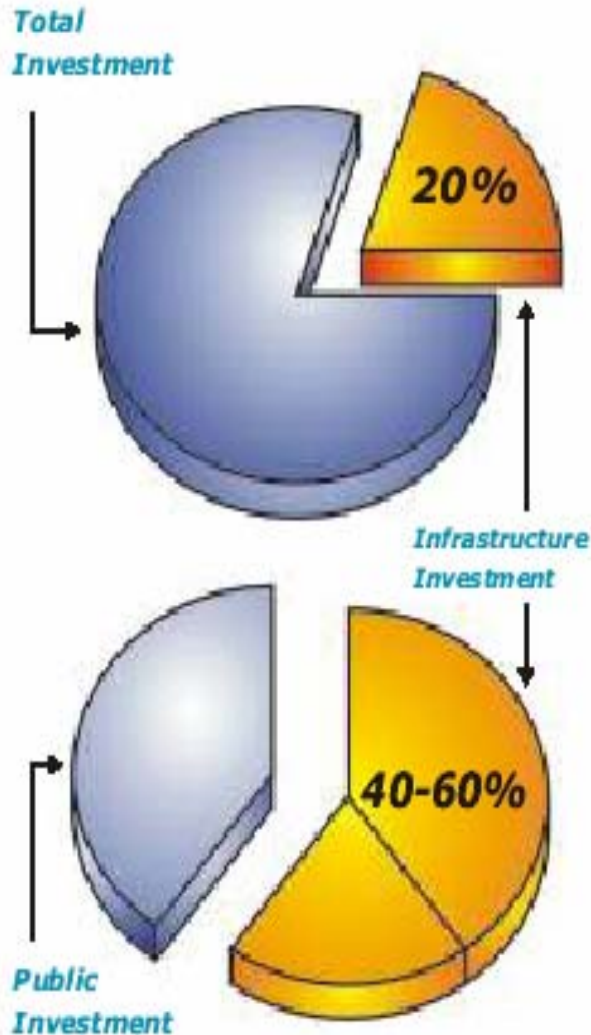


Poverty Reduction Goals

- Poverty reduction at the top of the development agenda
- Bold targets for poverty reduction set by the Millennium Development Goals (MDG)
- 50% reduction in numbers between 1990 and 2015
- Appropriate tools employed?



Using public investments for Poverty Reduction



- Public investments – an instrument still available to governments
- Infrastructure investments:
 - important share of total investments
 - major share of public investments
- In reconstruction period much larger

Economic Development Policies

- Growth means investments
- Growth with equity – economic growth with an enlarged social base
- Employment a necessity for economic and social inclusion
- Centrality of employment in investment policies crucial

Rural Roads – Focus on employment?

- Integrate economic - social policy objectives
- Linking public investments in:
 - productive infrastructure
 - social infrastructure
 - protection of resource base
- with employment creation
 - direct
 - indirect
- for poverty reduction
- Expansion of domestic markets
- Injection to local economy

Important Policy Developments

- MAKING CONNECTIONS – Infrastructure for poverty reduction, DFID, 2002
 - *"infrastructure can also provide forms of social protection that move people beyond safety nets, especially when employment concerns are linked into mainstream investment policy. Even where the policy environment is poor, such initiatives can reduce poverty"*
- African Heads of States AU Extraordinary Summit Employment and Poverty Alleviation - Plan of Action
 - Promoting public works programmes in infrastructural development – Re-orienting public sector investments – Creating productive labour-absorbing jobs through labour-intensive approaches – Encouraging African investors and providing them with the necessary facilities, protection and conducive environment for the establishment of economic enterprises that will contribute to job creation and production – Ensuring that public work programmes facilitate sustainable income generation
- Asian Development Bank/World Bank
 - Numerous documents and guidelines including for instance "When do Rural Roads benefit the Poor and How?" – an analytical document by the ADB

Rural Roads - Comparison labour-based and equipment-based from Uganda

- Road standards
 - Technically feasible, at least same quality
- Cost advantages (financial and economic)
 - Full rehabilitation 18% and 38% respectively
 - Spot improvement 52% and 60% respectively
- Employment
 - 3 times as much direct employment
 - 1.6 jobs per job as indirect employment
- Expenditure local goods and services
 - About two times more for labour-based (77% vs. 39%)

Operationalise Policy

- Important programme elements
 - Decentralisation process
 - Participatory local level planning
 - Prioritising for local development
 - Involvement in construction and maintenance
 - Construction management systems/procedures
 - Procurement systems
 - Consultants
 - Contractors
 - Technology choice
 - Equipment manufacturing
 - Surfacing technology
 - Etc.