

Job creation and income generation for the poorest: What role for NGOs?

Round table // International cooperation

Moderator

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Speakers

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Executive summary

In rich countries as in poor countries, the MDGs are a promise to the most vulnerable and the poorest. However, the poor need sustainable livelihoods to emerge from poverty. This can be achieved by creating employments, goods and services for the poor. What is the role of NGOs in this field where they have often been perceived as a short-term response to emergency situations rather than a long-term means to fight poverty?

The socio-economic area is a significant component of NGOs work. Their aim is to reply to emergency situations or crises, but they must as well directly involve populations and enable them as much as possible to take up some responsibilities in a lasting way. Thus, ACTED contributes to sustainable development in their intervention zones and GRET trains and supports populations to make them self-sufficient.

When helping populations, NGOs are attached to respecting human dignity. In this context, Alain Boinet reminded that job creation and income generation are fundamental, although not an end in themselves: whether the NGO has or not the vocation to support income generation locally, it has to adapt to local population's needs and find its place alongside public authorities. The geo-economic consensus of Washington does little to help NGOs in their work; they have to rely on collaboration with the relevant stakeholders and on the general interest, which are the cornerstones of cooperation and economic development.

Synthesis

ACTED is a NGO involved in emergency reconstruction activities, which means they intervene after a serious problem, but also in post-crisis situations. **Frédéric Roussel** is firmly convinced that beyond issues of life and death, another scale has to be taken into account: the socio-economic area. Indeed, the main component of a crisis consists of an important drop in incomes: during crises, the victims lose their property, but also their job, and therefore their source of income. In traditional societies, work generates income as well as status and social integration. Last summer, in Pakistan, three days after the flooding, ACTED employed tens of thousands of people to clear and rebuild. It was possible to rent some bulldozers; however, with the "cash for work" tool, the NGO hired people, even for a few days only, ensuring a fair pay and creating social ties and dignity.

The longer the distribution of goods and services lasts, the more difficult the situation. People who stay for years in refugee camps are the most difficult to reintegrate into a normal economic environment. This is the reason why humanitarian operatives need to expand their action beyond saving lives to what is coming along with urgency. It is why ACTED builds roads. It is not strictly humanitarian, but it allows to move and to reintegrate refugees and displaced populations. The main idea is that beneficiaries have the right to get rich. They have the same expectations as us: maximizing their income for themselves and their families, maximizing care and education. This theory accounts for a large number of innovations in the NGO sector.

GRET's objective is to foster sustainable development, which is underpinned by economic development. GRET is neither an emergency NGO nor a humanitarian NGO, but a development NGO. **Bénédicte Hermelin** gave the example of GRET's actions for access to clean water: GRET does not build wells or public water collection points but works on the connection and the network to bring water into each house. In addition to a certain standard of living, the system allows for a mobilization of the beneficiaries if the system fails.

The NGO provides expertise and support to the implementation. They train the beneficiaries for them to be able to perform maintenance autonomously. Moreover, this maintenance having a price, the beneficiaries have to pay enough for the system to remain independent and autonomous. GRET also works with local communities so that people are helped and public services are established. This is to ensure that the actors' opinion is taken into account in public policies. The idea is that a NGO does not have to linger in the field or to substitute to someone else. When they leave, the service has to be implemented and independent.

Solidarités International was created in the seventies with the "No Border" generation and is rooted in providing assistance to endangered population, even without authorization. Solidarités International works in very poor countries where conflicts destroy lives and livelihoods. Their intervention is a long-term project and lasts from the collapse to

crisis recovery. Each phase comprises of specific needs. The emergency period arises when the conflict takes place and when flows of refugees are set in motion, during which vital needs have to be ensured. As the conflict ends, the needs change: people are reorganizing, existing structures take the initiative, and more sustainable needs have to be met.

Like **Frédéric Roussel** and **Bénédicte Hermelin**, **Alain Boinet** believes it is fundamental to create jobs for income and dignity. Solidarités International employs 10 nationals for every 1 expatriate. However, his conviction is that job creation is not an objective per se: the most important is to adapt the NGO's actions to the needs of the populations. In Afghanistan, Solidarités International has been active for 30 years and leads emergency programs with refugees in Kabul and programs for access to clean water and sanitation in the suburbs of Kabul at the same time. The fundamental question for any NGO is: How far do we go? NGOs must not be a substitute for people or governments. In addition, between emergency and development, reconstruction is an important step and underpins the peace process. Today, facilities for humanitarian actors are ill-suited for reconstruction. Therefore, **Alain Boinet** and Benoit Miribel (from Mérieux Foundation) wrote and submitted a report to the Ministry of Foreign Affairs to request the creation of a Reconstruction Fund.

Action Contre la Faim is a NGO that has a slightly different position from the other panelists': its core business is nutrition and food security. For **François Danel**, NGOs are not meant to create jobs and generate income for the poorest. Action Contre la Faim has left Indonesia after the tsunami: an emergency response had been set up, lives saved, but then, the NGO considered that its added value was not strong enough and that it was time to hand over to the government. NGOs must be very careful because they become major economic players in countries of intervention: the massive inflow of NGOs creates conflicts and rivalries with local authorities, even if job creation and income generation are positive.

To moderate his views, **François Danel** emphasizes that while NGOs are not meant to create jobs, the latter remains an essential parameter of Action Contre la Faim's programs: in Haiti and Côte d'Ivoire, Action Contre la Faim distributed food stamps, which not only responded to the emergency but also revived the economy and favored the use of local products. Likewise, in food security programs, Action Contre la Faim distributes seeds and fosters independence through market gardening programs. The priority is the fight against malnutrition, but the operation is sustainable. While economic development is the solution to the problems of a country, each NGO needs first to focus on its added value for the people who are suffering, and then to work with and to hand over to other actors.

Michael Philip Cracknell created **Enda Interarabe** during the 1990s and microcredit activities started in 1995. He thinks microcredit is a sus-

tainable tool for economic development as today Enda Interarabe activities are self-sufficient and refinanced by bank loans at commercial rates. Microcredit relies on solidarity amongst poor people: if they fail to repay their loans, the activities cease and stop benefitting to other people.

The revolution that took place on January 14, 2011 in Tunisia has changed the situation: strikes, high unemployment and insecurity (600 prisoners were released during the revolution and the police did little) have affected micro-enterprises. Shops were looted, some buildings were burned, commercial channels with countries such as Libya were cut, and therefore the reimbursement rates have fallen. To allow these micro-entrepreneurs to recover, Enda has introduced loans at very low rates and ties them to donors.

For **Michael Philip Cracknell**, the core issue in this debate is the neo-liberal policies from the 1990s which had no other purpose than to enrich the richest and impoverish the poor, especially by reducing taxes that constitute the fiscal resources that could serve poverty alleviation; **Frédéric Roussel** added that the Washington Consensus is looming and that the fourth edition of Convergences 2015 Forum also has as the strategic objective to lay the foundations for a Paris Consensus.

Jean-Guy Henckel first said that confronting his action to other panelists' that are active in the South is new and very interesting because they

can learn from each other and from their different approaches. **Jean-Guy Henckel** is part of the movement promoting integration through economic activity that was launched in the 1970s and whose goal was to reintegrate people in dire conditions living in hosting centers. To do so, social workers thought of creating businesses for these people but had no preparation to do so. At that time, **Jean-Guy Henckel** set up a little experiment, **Jardins de Cocagne** (Cocagne gardens), which are a means of addressing a territory across its diversity: companies, public authorities, farmers, and disadvantaged populations gather to talk about a common project.

Jean-Guy Henckel agreed with the other panelists on the fact that it is essential to move from emergency to development, not through another system which we would be proud of, but allowing the stakeholders to take ownership of the idea and to be autonomous. Every day, Jardins de Cocagne receives a request to implement their system in another French region, with a potential of 200 new companies every year. Yet, the members of the association have decided to create only 10 or 12 of them, in order to take the time to create the necessary connections between all the partners to make the gardens sustainable. Time is needed so that personal interests can exert and the collective interest emerge from them.



Questions

We have witnessed a big change over the last 30 years, especially on the issue of the relation between politics and development in the field: local politicians are withdrawing from operations although no sustainability can exist without them. Moreover, the issue of the wage level offered by NGOs is increasingly problematic. Could you say something about this?

You have all made references to the roles of public development actors, associations, and the private sector. Alain Boinet spoke of a possible substitution of NGOs for weak states in post-crisis contexts. Can the other panelists also comment?

Frédéric Roussel strongly believes in “cash for work”, which creates jobs. Yet we have seen that the objectives and means of implementation are very different from one NGO to the other. I have personally worked in Haiti for Action Contre la Faim on a “cash for work” program and it was very sensitive because it is about injecting a lot of money in slums. Could speakers assess the impact of “cash for work” programs on food security and employment, particularly in Port au Prince?

Could you explain how NGOs in the field coordinate their response?

For **Bénédicte Hermelin**, the wage issue is a real problem. GRET pays special attention to the level of incomes: they are always 20% above the country's minimum wage, and they try to narrow the salary range as much as possible. GRET carries out regular surveys on wage levels and positions itself at a level comparable to the standard in the country and in the sector. It is true that NGOs can participate in the distortion of the labor market.

With regard to coordination, it is very difficult to coordinate development and emergency actors because they do not have the same practices or similar goals. They have a dialogue but GRET can only work with certain NGOs in Haiti as others refuse. On substitution for weak states, what works well is to work with local communities, to train them and make them more effective.

According to **François Danel**, a real effort was made to coordinate emergency aid in Haiti. On the question of substitution, it is necessary that NGOs limit their intervention to the sector in which they have added value and hand over to local actors when they get out of this scope.

Frédéric Roussel is a strong supporter of “cash for work” as it is, for him, the most massive way of introducing equity in a community. Of course,

one must pay attention to community outreach, select activities that are not sensitive, pay wages in line with what is achieved, but in times of crisis this allows to employ many people.

On the mobilization of public authorities, **Frédéric Roussel** wanted to make the connection with the public debate and how the work of NGOs could be relayed by everyone within public discussions. What we should remember is that an organic garden in Auvergne or Kenya is basically the same and that solidarity has many faces in many villages but is the same everywhere.

In **Jean-Guy Henckel's** view, what NGOs must understand is that they cannot say to the government that they will replace them for a while to deal with poor people and then hand over to them. Alone, public authorities do not know how to take care of the poor. Today, it is important for social organizations to be able to scale up. Yet they do not have enough money for that and the discussions with public authorities are not satisfying. This is the reason why **Jean-Guy Henckel** is pushing for a tripartite partnership between public and private actors and NGOs to re-invent participatory democracy.

According to **Alain Boinet**, the coordination between NGOs in the field is not easy. The point is to meet expectations in a way that is complementary to the other actors: NGOs must get informed about those that are already present and meet unfulfilled needs. The problem occurs when there are too many NGOs (in Kosovo, 350 NGOs were active on a territory which was the size of two French departments) or too few actors (in Darfur, 2 million people were displaced in a territory as vast as France and few NGOs were present). As part of the reform of its operations, the UN have set up “clusters”, which are sector-based structures (refugees, logistics, water...) to coordinate national and local actors. This is a good idea but it does not work yet. The coordination problem that arises with the UN is that they have two mandates, humanitarian and political, and that NGOs are stranded in political negotiations which may impede their action.

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