



Job Creation

THE SUREST PATHWAY OUT OF POVERTY

Our investment clients directly supported 2.7 million jobs last year—and that was only a small part of our overall effect on employment.

Above: Once unemployed, Ramu Rawat got a job with IFC client OCL. Today, he supervises 200 workers at his own construction firm in one of India's poorest states.



90%

of the jobs in the developing world are generated by the private sector.



Ramu Rawat used to spend his days idling around his village in Odisha, one of India's poorest states. With no experience to offer, he couldn't find a job.

Then he noticed the IFC-financed plant that local firm OCL India Ltd. had built in his area. Rawat went to the gate and asked for a job. The company hired him to do some manual work. Recognizing his drive and attitude, it put him on his way—not just to a job, but to a career. Today Rawat has his own contracting company, supervising 200 workers.

Jobs are the surest path out of poverty. They also are the cornerstone of development—boosting living standards, raising productivity, and fostering social cohesion.

Yet 200 million people are unemployed today, most of them women and young people in developing countries. Without work, they can't care for themselves or their families.

Addressing this challenge isn't possible without the private sector, which accounts for 90 percent of the jobs in developing countries. IFC is playing a leading role in identifying ways to help the private sector strengthen employment.

We conducted a study—with the support of our donor partners—that found that a weak investment climate; inadequate infrastructure; limited access to finance for micro, small, and medium enterprises; and insufficient training pose a particular threat to employment. Removing these obstacles would significantly increase job creation. Encouraged by our findings, nearly 30 leading international finance institutions pledged to work with us to address the job crisis.

In 2012, our investment clients directly supported 2.7 million jobs. Direct job creation, however, tends to be only a small fraction of our overall employment effects. Our study showed that indirect job effects—through the supply and distribution chains—can be large multiples of the direct effects.

We also supported financial institutions that provided about \$265 billion in loans to micro, small, and medium enterprises—which in turn employed over 100 million people.

This year, we provided \$285 million and mobilized an additional \$350 million to support Etileno XXI, Mexico's first major private sector petrochemicals project in more than 20 years. It is expected to create 9,000 jobs during the construction phase and 3,000 direct and indirect jobs when operations start in 2015.

Above right: Etileno XXI is Mexico's first major private sector petrochemicals project in more than 20 years. It is expected to create 3,000 jobs, directly and indirectly.