# Decent work for Africa's development

**Tenth African Regional Meeting** Addis Ababa, December 2003

Report of the Director-General

This Report may also be consulted on the ILO Internet site (http://www.ilo.org/public/english/standards/relm/rgmeet/index.htm).

ISBN 92-2-114841-6

First published 2003

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address.

### Contents

De	cent work for Africa's development: Overview	1
I.	Growth, employment and poverty: Recent trends	5
	Introduction	5
	Economic growth and the structure of production	6
	Employment trends and labour market dynamics	6
	Rural-urban population	7
	Labour force	7
	Labour force participation	7
	Unemployment	8
	Policy challenge	9
	Productivity and poverty	10
	Poverty and inequality	11
	The household poverty trap	12
	Conclusion: Mainstreaming employment-intensive development	13
II.	Changes in the international policy framework	15
	Introduction	15
	Millennium Development Goals (MDGs)	16
	Origins of the African Union	16
	Poverty Reduction Strategy Papers (PRSPs): ILO's engagement	18
	Conclusion: Building international alliances	20
III.	The ILO contribution to new thinking on development	
	policy	21
	Introduction	21
	The Global Employment Agenda	22
	The Jobs in Africa programme	22
	Employment for development	23
	Conclusion: Promoting inclusive growth	24

IV.	Breaking the cycle of poverty	27
	Introduction	27
	Child labour	27
	Progressive elimination of child labour	27
	Gender, inequality and discrimination	28
	HIV/AIDS and the world of work	29
	Crises and disasters	30
	Fighting poverty through improved social protection	30
	The skills gap	31
	Enabling environment for investment and enterprise development	32
	Conclusion: Building solidarity	32
V.	The role of social dialogue in African development	35
	Introduction	35
	Basic principles and rights at work	36
	ILO assistance in promoting social dialogue in Africa	36
	Conclusion: Key role of workers' and employers' organizations in enriching African associational life	40
VI.	Towards an African decent work strategy for development	41
	Introduction	41
	Policy challenges	41
	Priorities	42
	The process	43
	A global alliance for decent work in Africa	44
	The next steps.	45
An	nexes	47
	1. Selected JFA/JIA achievements	49
	2. New vision for Jobs in Africa, Addis Ababa, 20-21 February 2003	51
	3. Ratification of Conventions addressing tripartism and social dialogue by African countries,	53
	as of August 2003	33

#### Decent work for Africa's development: Overview

The tripartite constituents of the ILO in Africa are meeting at a time when the nations of the continent are creating institutions that promise to set in motion a dynamic process of development founded on their own collective endeavours. We need to make sure that a decisive step is taken in Africa's struggle to gain control of its own destiny, realize the full potential of its people and natural resources and break out of the trap of widespread and debilitating poverty.

The foundations for Africa's development are the work of its people on farms, in mines, in factories and offices – and of those toiling in the back alleys and on the street corners of the massive informal economy of the region. African employers, unions and employment and labour ministers know better than anyone the challenges of creating opportunities for women and men to work productively and earn for themselves a decent livelihood.

Some of the barriers to a faster pace of job creation and poverty reduction lie in the unfair nature of the emerging system of rules governing international economic relations. Others are to be found inside Africa itself. Action to overcome these obstacles to development is urgently needed. Few organizations are better placed than the ILO, with its roots embedded in the world of work and its capacity to dialogue with major international institutions, to address these challenges.

At local level, the ILO, together with its tripartite constituents, has launched hundreds of community-based projects aimed at, for example, improving skills formation, developing small enterprises, extending microinsurance and microfinance, eliminating child labour and ending gender and other forms of discrimination. Very many demonstrate what can be achieved by simply giving people a chance to develop and use their capabilities.

But if we are really to get on track for halving the incidence of extreme poverty in Africa by 2015, as called for by the United Nations Millennium Summit, we have to scale up our efforts and place programmes to promote more and better jobs at the heart of Africa's development strategy. That calls for the integration of the ILO's decent work country programmes with national development strategies and the mobilization of international financial resources.

1

The African continent has tremendous growth and development potential. Statistics on the nature and extent of poverty and inequality show, however, that the region is far from realizing its latent power of human and natural capital. African labour markets are characterized by an exploding urban informal economy that coexist with a predominantly rural, agriculture-based labour force. In town and country, women are on the lowest rungs of the jobs ladder.

The ILO is convinced – and many other organizations share our views – that decent work for all is the core of a socially inclusive and economically dynamic African development framework. Sustainable development is founded on productive employment. When people can find work that yields a regular income sufficient to meet the basic needs of their families, we are well on the way to not just reducing but eradicating poverty.

However, this potential has yet to be harnessed. Half of Africa's population, over 300 million people, live in extreme poverty on US\$1 a day or less. This is the highest intra-regional poverty level in the world. Furthermore, the gap between the poorest and the richest in Africa is also one of the widest in the world. Combating this poverty will imply identifying the causes of the large-scale unemployment, underemployment and low productivity, particularly in agriculture, which are a feature of many African economies.

About 55 per cent of Africa's population is under 18 years of age – and these young people, our hope for the future, are particularly hard hit by unemployment and poverty. The cost of youth unemployment to economic and social development is extremely high. It perpetuates the inter-generational cycle of poverty and is associated with high levels of crime, violence, crises, substance abuse and the rise in religious and ethnic intolerance. The Recommendations on youth employment submitted to the United Nations General Assembly by the Secretary-General are of critical importance to the region.

African households spend on average two-thirds of their income on food. The region's economy is, in effect, based on production for survival. Given that households have little to spend on education and health, family members of working age are held back by a low level of educational attainment and frequently disabilitated by sicknesses such as malaria and HIV/AIDS. Savings are meagre and often kept in cash for the "hungry season". Investment is correspondingly low.

In many African countries over 70 per cent of the labour force is employed in agriculture; however, as this sector has very low levels of productivity, it contributes a relatively small share of aggregate output. It goes without saying that a high proportion of food produced on African farms is most probably consumed by farming families and never enters the cash economy or measures of national output. In contrast, the manufacturing industry employs far fewer people but contributes a relatively high value added to the economy.

Women and girls are disproportionately affected by poverty. They are frequently trapped in the lowest paid, least skilled and most precarious occupations. Most African agricultural workers are women whereas much of the manufacturing industry is male-dominated. Deep-seated gender discrimination is a major constraint to growth and development.

Key challenges for the continent's economic growth and the welfare of its people are how to raise agricultural productivity, and thus rural family incomes, while also shifting resources into higher value added industry and service sectors. This points to three strategic issues for the promotion of decent work in Africa:

- (i) Increasing the demand for labour and raising the productivity and incomes of people living and working in poverty.
- (ii) Integrating socially excluded communities into the labour market, establishing adequate protection mechanisms against income insecurity and other social risks and overcoming discrimination, particularly against women and girls.
- (iii) Improving the terms on which African countries trade with richer countries and obtain investment finance.

Many ministers and leaders of employers' organizations and trade unions from Africa contributed to the debate at the 2003 International Labour Conference on my Report *Working out of poverty*. In this Thematic Report for the African Regional Meeting, I propose that we deepen our reflection on the concept of decent work as a key building block for development strategies aimed at combating poverty, social exclusion, unemployment and underemployment. It is increasingly accepted that the quality of development policies, both in their design and implementation, is enriched by widespread participation and a strong sense of national ownership. In this respect the tripartite structure of the ILO and the process of social dialogue that is the working method of the Organization bring an important component to the discussion of the way forward for Africa.

Following on from the resolution adopted by the International Labour Conference in 2002 concerning tripartism and social dialogue, <sup>1</sup> this Report draws on the knowledge and experience of the ILO – and in particular of its African constituents – in thinking about future action. That experience confirms that social dialogue and tripartism can be crucial mechanisms for the strengthening of poverty reduction strategies and other social and national development programmes.

At a time when the opening up of national economies to global markets challenges the sovereignty of nation States to develop their own policies, social dialogue enhances the capacity of countries to choose democratically their own path towards growth and development. Broad-based social dialogue enables governments, employers' organizations, trade unions and the larger society to interact with and achieve a convergence of expectations about economic and social development, thus lowering the risks of financial or social instability and reduced competitiveness that undermine employment creation and inhibit sustainable pro-poor growth.

The quality of mechanisms for community participation in development policy is enhanced by the representativeness and inclusive nature of civil society organizations. Similarly, social dialogue is stronger and more effective where workers and employers are able to exercise the right to freedom of association fully. It is particularly vital in Africa to promote the active involvement of representative social, community and occupational organizations in policy decisions. As stressed in the resolution concerning decent work and the informal economy, <sup>2</sup> adopted by the International Labour Conference in 2002, workers' and employers' organizations have a major role to play in encouraging organizations of rural and urban workers and the self-employed, cooperatives, and micro, small and medium-scale businesses. The social partners are in a position to lead a broad-based alliance for decent work that could help shape Africa's development and inform the decisions of governments.

<sup>&</sup>lt;sup>1</sup> ILO: Resolution concerning tripartism and social dialogue, adopted at the 90th Session of the International Labour Conference, Geneva, 3-20 June 2002.

<sup>&</sup>lt;sup>2</sup> ILO: Resolution concerning decent work and the informal economy, adopted at the 90th Session of the International Labour Conference, Geneva, 3-20 June 2002.

Social dialogue also has an important role to play at subregional and continental levels. I suggest that the Meeting examine the scope for working with the Central Africa Economic and Monetary Community (CAEMC), East African Community (EAC), Arab Maghreb Union (AMU), Economic Community of West African States (ECOWAS), Southern African Development Community (SADC), West African Economic and Monetary Union (UEMOA). We should support continent-wide processes such as the New Partnership for Africa's Development (NEPAD), from the perspective of promoting social dialogue and strengthening the social dimensions of Africa's engagement in the global economy.

This process has started with the decision taken by the 37th Ordinary Session of the Assembly of Heads of State and Government of the Organization of African Unity (OAU) which was held in Lusaka, Zambia, from 9 to 11 July 2001, to organize a Ministerial Meeting on Employment and Poverty Reduction in Africa. This led to the meeting of the OAU's tripartite Labour and Social Affairs Commission in Burkina Faso in April 2002, where member States agreed to give priority to creating more job opportunities in Africa. Furthermore, the Maputo Summit of July 2003 decided to convene an Extraordinary Summit on Employment and Poverty Alleviation in Africa in Ouagadougou in 2004.

These high-level initiatives have created a new political and intellectual climate for the integration of employment and decent work in development strategies. The time is ripe to bring together the many different initiatives into a comprehensive alliance to support the promotion of decent work for all as a central feature of the drive to reduce and eradicate poverty in Africa. The ILO Tenth African Regional Meeting can take an important step towards firmly situating productive employment and decent work at the heart of poverty reduction strategies.

# I. Growth, employment and poverty: Recent trends

#### Introduction

Over the past few decades, an increasing number of challenges have confronted the continent, exacerbating the repercussions of the region's low economic performance. Access to, or guarantee of, income determines the level and nature of household poverty and inequality in any society, and in all economies the labour market is the key point of access to income. The labour market is therefore a key determinant of the state of poverty and income distribution.

Important goals have been set for the eradication of poverty in Africa. In order to halve poverty by the year 2015, as set out in the Millennium Development Goals (MDGs), Africa's economies will need to grow by 7 per cent a year. To date, the emphasis has been upon the continent's comparative advantage in resource extraction for export. However, despite a continuing deterioration in employment indicators, the process of macroeconomic reform has largely overshadowed the reality that job creation and decent work are critical to overcoming poverty. The "brain drain", especially among the youth, only worsens the situation, as do the traditional stereotypes that prevent women from achieving equal status in the labour market. Without decent work for all in the formal and informal economies – especially women and youth – the MDG targets are unlikely to be met.

The compelling challenge for policy-makers is to create a social and economic environment that will foster a growth in labour demand to match the projected increase in labour supply in the region. This will involve creating an economic and political climate favourable to employment-enhancing foreign direct investment, in concert with the advancement of national policies to improve productivity, improve skills and raise the levels of occupational safety and wages necessary to create long-term formal sector employment. Attention will also have to be paid to not overemphasizing urban-based employment at the expense of decent work for the impoverished agricultural sector, itself in dire need of employment enhancement.

Access to income through the labour market admittedly remains dependent on an expansion of the real economy, without which it will be impossible to achieve an improvement in long-term and sustainable employment generation.

#### Economic growth and the structure of production

Rapid economic growth has long been viewed as the key vehicle through which African employment might be expanded, thereby helping to alleviate poverty. In the early years of independence, numerous countries were able to achieve relatively sustained growth. The beginning of the new millennium has also been marked by a relative improvement in the macroeconomic performance in Africa. The average annual growth rate in the African economy for the 2000-03 period is estimated at about 3.5 per cent, compared to 2.5 per cent in the 1996-99 period.

This gradual improvement in macroeconomic performance is attributed to the introduction of economic reforms which have resulted in increasing macroeconomic stability, the cancellation or reduction of some of the foreign debts of some countries, or increased aid flows.

In many African countries, it was generally held that the key to industrialization and development was the continent's comparative advantage in resource extraction. Returns generated from resources would spur the diversification of exports. As in other developing regions, ambitious import substitution programmes were embarked upon, aimed at stimulating domestic industry and manufacturing in particular.

So far, slow progress has been made in shifting the African economy away from agriculture and resource extraction towards manufacturing activities. During the 1990s agriculture accounted for between three-fifths and one-third of total output in half of the African economies for which data are available, while for manufacturing the range was between one-tenth and one-third of total output.

A number of mineral-rich countries – Angola, Botswana, Congo, Equatorial Guinea, Gabon and Nigeria – stand out due to their high proportion of industry (manufacturing *plus* other industry) in their respective GDPs. This may be attributed to the high levels of resource extraction taking place in these economies. The "crowding out" of manufacturing by resource extraction operations, or alternatively the comparative advantage of these countries in resource extraction vis-à-vis manufacturing, is also evident. Manufacturing accounts for more than one-fifth of total output in only five sub-Saharan African countries: Swaziland (33 per cent); Mauritius (24 per cent); Zimbabwe (22 per cent); Zambia (21 per cent); and South Africa (21 per cent), all of which are SADC members.

Growth rates in African economies are now increasing marginally faster than population growth rates. But the overall economic growth rate of about 3.5 per cent is only about half of that needed to halve poverty rates by the year 2015. At current growth rates, the MDGs, to which world leaders have committed themselves, may not be achieved in Africa.

#### Employment trends and labour market dynamics

Growth in Africa is expected by the ECA to have picked up from 3.2 per cent in 2002 to about 4.2 per cent in 2003. Forecasts for 2004 suggest that this faster pace will continue. However, except in a handful of countries, it will be very difficult to reduce open unemployment, underemployment and poverty, unless growth perspectives dramatically improve. Although reliable statistics on employment and unemployment are difficult to obtain in most African countries, some reasonable assumptions and estimates provide a general overview of the employment crisis on the continent. In 2000, for instance, open unemployment was estimated to range from 9 per cent in

Egypt to 33 per cent in Namibia, and estimates for some countries for which data were available show unemployment rates of up to 40 per cent.

#### Rural-urban population

High population growth rates are a common feature in Africa with the share of the urban population in total population rising from 20.9 per cent to 33.9 per cent between 1975 and 2000. This is projected to increase further to 42.7 per cent by 2015. These developments are reflected in the evolution of the labour force. At current rates, the regional labour force will double in 25 years and exert strong pressure on urban labour markets where unemployment is already high and rising.

Rural-urban migration accounts for the main flow of labour in Africa. However, in only eight countries does half or more of the population live in towns, and the urban population is expected to increase by 5 per cent each year – twice as fast as population growth.

#### Labour force

According to labour supply trends across different regions in the developing world between 1980 and 2000, sub-Saharan Africa's labour force grew at the third fastest rate (2.6 per cent on average per year). Despite a predicted decline in sub-Saharan Africa's labour force growth rate to 2.2 per cent for the 2000-10 period, this region would still have – according to projections – the second fastest growing labour force in the world.

The challenge for policy-makers is to ensure that the environment and conditions are created to match the growth in labour supply with an expansion in labour demand in the region.

Low demand for labour in the context of a rapidly growing labour force makes it extremely difficult to absorb new entrants. There is thus an obvious need both for creating an investment climate favourable to employment generation and for improving the human capital of the region.

#### Labour force participation

The labour force participation rates by gender are equally interesting as they indicate that there was no decline in the share of women in the labour force in any developing region. To some extent this supports the international evidence that the changing structure of production in developing and developed countries has lowered the barriers to entry for women into the labour market. A positive feature for sub-Saharan Africa in this context is that the region does have a fairly large proportion of women in the labour force – in fact higher than the international average.

This phenomenon is also reflected in the increasing share of women in total employment in sub-Saharan Africa. Although the share of women in employment in sub-Saharan Africa is less than the world average it has grown considerably over the past ten years. Since 1990, the increase in women in total non-agricultural wage employment has been progressing at a faster rate than the world average (table 1.1).

The situation across African countries is diverse. Labour force participation rates for the continent's five broad subregions show that northern Africa records the lowest participation rates and eastern Africa the highest. The former's low participation rate is, to a great extent, related to the very low participation rates amongst women in these countries.

A comparison of male participation rates across the subregions shows that all are above 80 per cent.

Table 1.1. Share of women's wage employment in the non-agricultural sector in the world and in sub-Saharan Africa (%)

Area	1990	1995	2000	2001
World	34.0	34.8	35.5	35.7
SS Africa	18.9	22.4	28.3	28.6

Source: ILO, 2003

However, within some countries, the overall labour force participation rate has been influenced by the HIV/AIDS epidemic and shows dramatic declines. In South Africa, male labour force participation rate (15+) went down from 79.1 per cent (1995) to 57.7 per cent (1999); in Lesotho from 85.2 per cent (1995) to 69.2 per cent (1997); and in Botswana from 83.5 per cent (1995) to 60.1 per cent (1999).

Female participation rates are low in northern, southern and western Africa. Furthermore, the data show that female participation in three of the five subregions declined between 1980 and 2000. Yet a positive result is that the low participation regions – northern and southern Africa – have yielded increases in the participation of women in the labour market since 1980, particularly in the services sector.

A key challenge for sub-Saharan Africa, therefore, is to ensure that policies and programmes are in place to confront existing stereotypes that prevent or discourage the involvement of women in the labour market. Such an intervention also makes good economic sense, as studies on intra-household behaviour have confirmed that women are more prudent utilizers of a household's budget as they tend to spend income earned or received on asset accumulation rather than on pure consumables. For example, a study of Guinea showed that women have a greater preference than their partners in investing in education through the household budget and, interestingly, are relatively more inclined to educate their daughters. Therefore, providing more jobs for women means enhancing the family's potential for working out of poverty.

#### Unemployment

In sub-Saharan Africa the unemployment rate increased from 13.7 per cent in 2000 to 14.4 per cent in 2002. The share of youth unemployment and total unemployment is very high, representing nearly 80 per cent of unemployed in some countries.

Table 1.2. Labour force participation rates at age 15-64 years (percentages)

Group	Year	Eastern Africa	Middle Africa	Northern Africa	Southern Africa	Western Africa	Africa
Total	1980	81.9	76.8	56.9	66.4	74.0	72.0
	2000	80.3	74.5	59.8	66.3	72.3	71.5
	2010	79.6	73.8	63.3	66.6	72.0	72.2
Male	1980	89.9	89.0	84.2	85.3	89.4	88.0
	2000	88.2	86.3	82.3	82.4	86.8	85.8
	2010	87.5	85.1	82.8	81.7	85.6	85.2
Female	1980	74.1	65.2	29.6	47.6	59.0	56.4
	2000	72.5	63.1	36.7	50.5	58.1	57.4
	2010	71.8	62.8	43.2	51.6	58.6	59.2

Source: ILO: World Labour Report 2000 (Geneva, 2000).

Table 1.3. Youth unemployment in selected countries of sub-Saharan Africa, latest year (per cent)

	Youth ur	Youth unemployment rate			Share of youth unemployed out of total unemployed		
	Total	Men	Women	Total	Men	Women	
Ethiopia 1999	n.a.	n.a.	n.a.	84.4	79.1	91.2	
Mauritius 1999	n.a.	n.a.	n.a.	43.9	51.6	37.8	
Namibia 1997	37.0	32.9	41.4	33.4	40.9	n.a.	
South Africa 2000	55.8	57.9	53.3	14.9	15.7	13.9	

Source: ILO: Key Indicators of the Labour Market (KILM), third edition.

Youth unemployment represents about 60 per cent of total unemployment, while the female share of youth unemployment is consistently higher in all countries. <sup>1</sup> In the 1990s both sub-Saharan Africa and North Africa recorded the world's highest youth unemployment and total unemployment rates. <sup>2</sup> Structural obstacles and economic constraints and structural adjustment programmes led to an increase in youth unemployment and underemployment problems despite significant improvement in levels of education. As a result, North and sub-Saharan Africa witnessed a "brain drain" of educated and highly skilled young people – which was compounded by a South-North migration of the youth labour force; the continent was thus deprived of its human capital.

In countries where data are available, it is estimated that only 5 to 10 per cent of new entrants into the labour market can be absorbed by the formal economy, while the bulk of new jobs is generated by the informal economy. A number of surveys conducted in the 1990s in various sub-Saharan countries showed that the informal economy was by far the main source of employment in urban areas in most countries. In countries such as Mali, Uganda and Zambia, over 70 per cent of urban workers were informally employed. The percentage of women in informal employment was particularly high in the countries sampled; in many cases, women dominated the lower echelons in the sector.

#### Policy challenge

A key observation is that the formal sector has been unable over an extended period of time to create long-term sustainable employment. This brings with it issues relating to low-income job security, poor conditions of work and similar concerns. Rural households over a two-decade period released family members to search for employment in urban areas; or, in some cases, entire household units migrated to cities in search of improved access to income. Consequently, as mentioned before, there has been a rapid growth in the informal sector in urban areas throughout the region. In part, this reflects the organic growth of employment in the region and is testimony to the resilience of African economies. But it also reflects the difficulty of the formal economy to create long-term sustainable employment for urban dwellers, especially newly arrived migrants to cities.

From a policy perspective, this suggests that not only should policies focus on improving productivity, investment and skills development, occupational safety and wage levels in smaller enterprises, but also – and perhaps more importantly – that policies need to be put in place to improve

 $<sup>^{\</sup>rm 1}$  ILO: Global employment trends (Geneva, 2003).

<sup>&</sup>lt;sup>2</sup> ILO: World Employment Report 1998/99 (Geneva, 1998).

significantly the ability of the formal economy to absorb larger numbers of the urban labour force into long-term employment. Development agencies concerned with African labour market issues should therefore concentrate on matters such as investment incentives, the structure of domestic production, financial markets and similar issues – all of which merit attention to ensure that the real economy is conducive to employment expansion.

The concerns mentioned above should not detract from a critical consideration, namely: that the region's highest population growth, individual and household poverty rates and, most significantly, the concentration of productive activity, continue to lie overwhelmingly in rural areas. This fact is powerfully illustrated by data which show the share of the labour force by sector of economic activity. The data indicate that for sub-Saharan Africa in 1990, 68 per cent of the labour force were either working or looking for work (the strict definition of unemployment) in agriculture. This figure had a 10 percentage point decline since 1970. This statistic, more perhaps than any other, illustrates the development challenge facing the region.

The data on the labour force by main sector reinforce the concern expressed above: that rural-based employment and labour market initiatives may be overlooked in the haste to concentrate solely on urban-based activity. Given that the labour market participation rates are much higher in rural areas the region should take up the challenge of developing the immensely poor agrarian base. Minimal resources dedicated to improving the performance of agriculture in African countries is more than likely to yield minimal returns in terms of poverty alleviation, inequality reduction and employment expansion. An improved performance in agriculture is likely to contribute to breaking household poverty traps, which, in turn, could free up resources for asset accumulation – thus releasing more productive individuals into urban labour markets. In this sense, the region's challenge is not simply an employment challenge; it is rather a regional economic development challenge that would further the cause of decent work by targeting those indigent households that have, for a number of decades, been unable to extricate themselves from the cycle of poverty.

#### Productivity and poverty

Unemployment is a serious problem in most African countries. However, equally if not more disturbing is the high incidence of underemployment characterized by low productivity and inadequate income. Poverty in most African communities is less the outcome of unemployment than it is of the inability of work to secure decent wages. This is particularly the case in the informal economy, the agricultural sector and rural economies. Higher productivity is a source of sustained real wage improvement which increases demand and economic growth, paving the way for growth-oriented policies. It also improves the quality of products and international competitiveness.

Conditions stimulating productive investment must be created and the skill levels of the workforce raised, particularly in the agricultural sector. The exercise of basic rights, for example, tends to improve productivity growth, and is thus an input into job creation, growth and development.

The motors for productivity are education, training and skills enhancement. A strong skills base promotes productivity and employment through heightened adaptability to change and the capacity to innovate, thus enabling workers to become more enterprising and competitive. Improving workplace safety and health is a further boost to worker productivity. Productivity also encourages the setting up of enterprises which creates new jobs.

#### Working poverty

Unemployment is not the only cause of income poverty. A combination of low productivity, underemployment and low levels of income and wages are the major determinants of working poverty, i.e. the inability to earn a decent means of living and hence to access basic social needs for self and family. The highest world share of the working poor are in sub-Saharan Africa, where they represent between 46 and 62 per cent of total employment. A large proportion of these poor are engaged in uneven economic activities, mainly in the urban informal economy and seasonal agriculture. They work in precarious situations without any social protection, and in unsafe working environments. Economic growth tends normally to reduce the absolute number of working poor, but only when the distributive effects of relevant specific policy and reforms (fiscal, minimum wage, skills development and employability, social security) are poverty-sensitive.

As the structure of production in most African economies is dominated by agriculture, development policies need to find the right balance between industrialization and development of the agricultural sector, which must be capable of producing an agricultural surplus. This is only possible if productivity in the agricultural sector rises.

Countries cannot afford to become dependent on food imports and must therefore develop their agricultural sector. The fast-growing population in most developing countries further adds to the demand for agricultural goods. The agricultural sector must be capable of producing enough for growing demand to support the development process and industrialization.

#### Poverty and inequality

In trying to come to grips with the development challenge facing the African continent, it is advisable to examine a variety of poverty and inequality indicators – either over time or in comparison with other regions of the world. These measures of welfare show that the performance of African economies has not delivered an adequate number of jobs to the working-age population, and as a consequence has generated the extraordinary levels of poverty on the continent.

Interregional data show that the highest level of poverty is in sub-Saharan Africa, where, across all points in time, close to half the region's population has been classified as poor. This is followed by South Asia, which also records very high poverty indices. In 1998, the poverty figure for sub-Saharan Africa (46 per cent) was close to twice that of the world average (24 per cent).

The incidence of poverty in sub-Saharan Africa therefore remains the highest in the world and by contrast with other regions is not falling. For example, despite its high level of poverty, South Asia managed, between 1990 and 2000, to reduce the headcount index (which is a measure used to indicate poverty), by around 10 percentage points. In East Asia (excluding China), also a high-poverty region, the performance was remarkable, as this region was able to reduce its poverty measure by more than half within a decade.

In contrast, sub-Saharan Africa's poverty indicator remained virtually unchanged over the decade despite the growth and development process in the region. In absolute terms, while there were 241 million people classified as poor in sub-Saharan Africa in 1990, this figure had increased to 323 million by 2000. Expressed differently, the economies of Africa were unable, in

Table 1.4. Africa has the highest incidence of poverty

Share (%) of developing country population living on US\$1 per day or less	1990	2000
East Asia and Pacific	29.4	14.5
China	31.5	16.1
Rest of East Asia and Pacific	24.1	10.6
Europe and Central Asia	1.4	4.2
Latin America and the Caribbean	11.0	10.8
Middle East and North Africa	2.1	2.8
South Asia	41.5	31.9
Sub-Saharan Africa	47.4	49.0
Total	28.3	21.6
Excluding China	27.2	23.3

Source: World Bank: Global Economic Prospects (2004).

the aggregate, to alter the probability of an individual or household being poor over this period.

To sum up from this overview of poverty trends: first, sub-Saharan Africa yields the highest intraregional poverty levels in the world that are close to double the global figure; second, throughout the 1990s, Africa was unable to significantly alter the proportion of individuals in the region earning below US\$1 per day. Furthermore, its rural poverty levels remain much higher than its urban poverty levels. This is a significant point, given the recent emphasis in the literature on the growing importance of urban poverty in Africa. These data, at least initially, suggest that while urban poverty is not marginal, it is, in the context of sub-Saharan Africa, far less pervasive than rural poverty levels.

Employment-generating interventions for Africa developed through a tripartite process, involving government, trade unions and employers, should therefore place emphasis on job creation and productivity growth.

#### The household poverty trap

Households in the region spend nearly two-thirds of their income on food; in other words, a major share of a household's total budget is allocated to ensuring "livelihood security". A recent survey revealed that in the 1990s, households in Ethiopia, Kenya, Madagascar, Mali and Mauritania spent 70 per cent or more of their total budgets on food alone.

South Africa has detailed expenditure data which show that as households move up the income distribution ladder, the share of income they spend on food declines. According to 1999 income and expenditure data, South African households within the lowest 10 per cent income bracket spent nearly 50 per cent of their income on food; those in the highest income bracket spent only 16 per cent of their income. Indeed, higher income households have more flexibility in their budgets to spend on non-food items. If these data are combined with indicators of absolute poverty in Africa, it is evident that a key microeconomic constraint to growth and development in the region is the presence of household poverty traps.

 $<sup>^3</sup>$  H. Bhorat and M. Oosthuizen: *The differential impact of inflation on poor South African households*, DPRU Working Paper 03/72, Development Policy Research Unit, University of Cape Town (2002).

Poor households are unable to spend any significant amount of their income on potential income-accumulating assets. The most obvious example is expenditure on educational inputs. The cost of textbooks, school uniforms, transport to educational institutions, user fees and other necessities, are vital commitments that are, in most cases, required to ensure a high return from school attendance. Higher income households tend to budget for these expenses. This is not the case for poorer households which lose out on educational opportunities and are thus deprived of potential high wage earners. The household therefore remains in poverty.

This difficulty of breaking out of the poverty trap is a major challenge facing the continent. Budgetary constraints at the household level, which do not allow family members to spend on education, transport and health, prevent them from finding a job or creating income-earning opportunities; and this situation is perpetuated from generation to generation.

In short, attempts to alleviate household poverty should concentrate on ways to improve the functioning of African labour markets. More generally, an all-inclusive social dialogue programme for Africa must be aware of finding a mechanism to represent the voices of the poor.

### Conclusion: Mainstreaming employment-intensive development

Although poverty has many facets, lack of access to income is one of the main determinants of household poverty and inequality. In all economies the labour market remains the key access point for accumulation of income. Employment in the form of more and better jobs, i.e. decent jobs, is a major issue for any development strategy for Africa.

Firstly, not only are poverty and inequality levels extraordinarily high – driven in part by a tepid economic growth performance – but their incidence is concentrated within rural areas. Secondly, the structure of production in most economies within the continent is dominated by agriculture, hence reinforcing the importance of rural areas and the need to break rural household poverty traps in any economic development strategy. Finally, while urban labour markets have expanded over time within Africa, the predominant form of employment remains informal (and hence largely unorganized) in nature. What these key components of African economies suggest is that the notion of constructing a country- or continent-level development strategy needs to be mindful of these parameters of the African employment challenges. Therefore, a development strategy that is constructed in isolation of these challenges, and thereby implicitly modelled on developed country experiences, is more than likely to be ineffectual in significantly overcoming the deep economic obstacles faced by the continent.

Employment is at the core of the ILO's mandate. In a continent where poverty is widely recognized as the principal constraint on development, the potential impact that the Decent Work Agenda can bring about in the lives of African people is also evident.

Several development initiatives, frameworks and strategies have emerged and are shaping the search for solutions to the above problems in Africa. The advent of these development frameworks and strategies and the subsequent operationalization of their policies provide opportunities to enhance the ILO's and its constituents' involvement in the policy-making process as well as to advocate employment as a development objective and to mainstream employment-sensitive strategies and approaches in national and regional programmes for the creation of more and better jobs.

## II. Changes in the international policy framework

#### Introduction

In response to the poverty situation described in the previous chapter, the recent political developments in Africa, together with global initiatives, have paved the way for a reorientation of the development strategies of – and a new focus on – productive employment and decent work as the focal point of development.

In 1995, the World Summit for Social Development in Copenhagen put the "people's agenda" back at the forefront of international policy. By stressing the interlinked challenges of poverty, unemployment and social exclusion as central to a global social justice strategy, the Social Summit marked a turning point for the multilateral system. It reinforced the ILO mandate in the world of work and gave new impetus to the promotion of core labour standards.

The Beijing Platform for Action which significantly dealt with women's employment should also be mentioned. The 12 critical areas of concern identified included: the persistent and increasing burden of poverty on women; inequalities and inadequacies in, and unequal access to, education and training; inequalities, in economic structures and policies, in all forms of productive activities and in access to resources.

Since 1995, the United Nations family has increasingly reoriented its development approach to focus on poverty reduction, paying particular regard to the feminization of poverty. The United Nations Development Programme (UNDP) has broadened its human development approach to supplement sole reliance on income and gross domestic product (GDP) growth as a measure. In 1997, the World Bank began its departure from the much criticized "Washington Consensus" formula and launched a new Comprehensive Development Framework with a greater focus on debt relief and poverty reduction.

The Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) have also moved in the same direction. At the United Nations Millennium Summit in 2000, the world's political leaders committed the community of nations to a concerted, coordinated drive to reduce and eventually eliminate extreme poverty.

Although globalization has contributed to increasing global trade and wealth in recent years, such gains have been unevenly distributed among the regions of the world, with the African region having benefited the least from the process. In Africa, growing imbalances in world trade and growth have impeded its development and aggravated poverty. The marginalization of African countries is reflected in their insignificant share of world trade (barely 2 per cent), of global output and foreign investment (1 per cent). This situation is further exacerbated by the continent's crippling external debt and dwindling official development aid and foreign direct investment.

#### Millennium Development Goals (MDGs)

Following the 1995 Social Summit, member States of the United Nations collectively identified a concise set of eight Millennium Development Goals (MDGs), 18 targets and more than 40 indicators to measure progress in their implementation.

United Nations member States have adopted the MDGs as a focus for activity, agreeing on a core strategy to help countries meet them. This strategy is composed of four distinct but complementary elements: operational activities at the country level; advocacy and awareness-raising campaigns (the Millennium Campaign); research activities and identification of the best strategies for meeting the MDGs (the Millennium Project); and monitoring of progress made (global and country levels). The goals provide a context in which the ILO can raise international awareness on the relevance of the Decent Work Agenda to reducing poverty and social exclusion.

The MDGs also create opportunities to highlight the role of the ILO's tripartite constituency and the added value that decent work brings to the development process. They will not, however, be achieved if the "community of work" is absent from policy formulation and implementation. In addition, the Millennium Summit gave priority to decent work and put the focus on youth. Specifically, the MDGs call on us to "develop and implement strategies for decent and productive work for youth". Furthermore, women's share of non-agricultural wage employment is used as a key indicator of empowerment. But much more needs to be done to ensure that the indicators used to measure progress reflect the realities of the world of work.

The ILO's tripartite constituents should develop strong mechanisms of social dialogue as a vital component of this national ownership process. An important vehicle for this work will be the decent work country programmes developed with ILO assistance. At the global level, the ILO should cooperate actively with the various bodies working to achieve the MDGs, ensuring that its mandate is fully integrated into a coherent international framework and that the voice of employers' and workers' organizations is heard. Indeed, employers and workers know better than most how policies impact on the enterprise and the workplace. They have demonstrated that when social dialogue is effective, it contributes to stability and security for all. Policy-makers concerned with issues such as financial stability and trade liberalization need to develop an understanding of the interconnections between employment growth, rights at work, gender equality, social stability and other macroeconomic and development goals.

#### Origins of the African Union

The launching of the African Union (AU) in 2002 and the New Partnership for Africa's Development (NEPAD) in 2001 are dynamic initiatives

of great importance for economic development in Africa. These initiatives have created a new climate propitious for the integration of employment and decent work in development strategies.

It is for this reason that the ILO and its constituents continue to emphasize the need for African nations to address seriously the employment aspects of the NEPAD. This move began with a decision taken by the 37th Ordinary Session of the Assembly of Heads of State and Government of the OAU, held in Lusaka, Zambia, in July 2001, to organize a Ministerial Meeting on Employment Promotion and Poverty Reduction in Africa.

The ILO welcomes the decision taken by the First AU Heads of State and Government Summit to adequately address the social dimensions of the NEPAD. Domestic policy-making capacities in the region have been drastically reduced over the years – and the situation has been exacerbated by the increased pressure for debt reimbursements, the decline of official development aid (ODA), the high level of tariff and non-tariff barriers hampering access to the markets of developed countries, and the persistent low level of private investment flows to the continent.

This scenario prompts an examination of the key aspects of pro-poor macroeconomic policies – especially the feasibility of policies that reduce the risk of macroeconomic shocks – whilst trying to ensure stability to maintain growth and protect the poor.

The initiative taken by the Second Assembly of the AU Heads of State and Government in Maputo in July 2003 to take the leadership in promoting the employment agenda – by convening an Extraordinary Summit on

#### Outcome of the Ministerial Meeting on Employment Promotion and Poverty Reduction in Africa Burkina Faso, April 2002

With a view to promoting employment and alleviating poverty, the 25th Ordinary Session of the tripartite OAU Labour and Social Affairs Commission/ Ministerial Meeting on Employment Promotion and Poverty Reduction, made the following specific recommendations contained in its report: (i) member States are called upon to share experiences on building the appropriate infrastructure, reducing illiteracy, enhancing the skills and capacity of employers and surveying the labour markets with a view to creating more job opportunities in Africa; (ii) member States are requested to include social protection and work safety areas in their national development priorities and facilitate the development of self-employment strategies, in collaboration with social partners; (iii) member States which have not yet done so are requested to sign and/or ratify the African Charter on the Rights and Welfare of the Child as well as the ILO Worst Forms of Child Labour Convention, 1999 (No. 182); (iv) member States are also called upon to include compulsory primary education, the elimination of child labour as well as children in conflict situations and child trafficking and abuse in their priority programmes on children; (v) the Plan of Action for the African Decade of People with Disabilities (1999-2009) is approved and member States are called upon to provide the necessary resources for its implementation at national level; (vi) member States are also requested to accord priority to the Migration for Development in Africa (MIDA) programme and promote the return of migrants to their countries of origin, create job opportunities for them and encourage them to invest in their countries with a view to reducing poverty; and finally (vii) the Commission of the African Union, in collaboration with the ILO and other interested stakeholders and in consultation with regional economic communities, is requested to convene a meeting at the expert level to develop a social policy framework for the continent.

Employment and Poverty Alleviation in 2004 – holds the promise of connecting the new regional initiatives to the daily experiences of Africa's working families. Social dialogue can play a critical role in strengthening and building such participatory mechanisms as a means of creating sustainable employment and social equity.

The NEPAD provides an opportunity for Africa to "dialogue" with the world on its development. However, employment should be repositioned as a priority objective of the continent's new generation of development strategies, including in the letter and the spirit of the NEPAD. Development efforts should also be directed towards strengthening Africa's capacity to design and implement macroeconomic policies capable of creating jobs and reducing poverty.

The ILO stands by its pledge to work with the AU and the subregional economic communities. The Organization commits to this alliance, and to sharing the experience it has accumulated both in employment strategies and social dialogue.

### Poverty Reduction Strategy Papers (PRSPs): ILO's engagement

Among the most recent initiatives to reduce poverty in the world, the Poverty Reduction Strategy Paper (PRSP) process, initiated in 1999 by the Bretton Woods institutions, is one of the most effective and far-reaching. Currently, most sub-Saharan African countries have embarked on the process, but relatively few have completed full PRSPs; however, this situation is likely to change as a larger number of countries with interim PRSPs move on to the next phase. The PRSP process combines the comprehensive development principles of national ownership, a fully participatory process, a holistic approach and long-term vision, as well as stakeholder partnership with the shorter time frames required for decisions on concessional financing and debt relief. It is worth noting that the World Bank, the IMF and many recipient and donor countries are convinced that civil society consultation and participation in poverty reduction strategies, rather than being a costly waste of time, are an important means of improving the analysis of the incidence and causes of poverty and the effectiveness of reduction strategies.

The advantage of the PRSPs over structural adjustment programmes of the 1980s, is that they are bound to the concepts of ownership and participation. This is consistent with a greater appreciation today of the need to strengthen the rule of law and democratic institutions and processes, taking into account fundamental rights to organize, enjoy freedom of association, be free from child labour and forced labour, and enjoy equal rights without discrimination on the basis of gender or other factors.

It is being increasingly recognized that one way of boosting an economy and bolstering it against unexpected shocks is to strengthen its institutions. Not only does this reinforce the potential of markets but also guarantees a certain degree of social security. Countries that have benefited most from integration into the world economy are those that have complementary institutions in place, able to bring about the social bargains required to maintain or restore macroeconomic stability. Improving the governance of labour markets is central to increasing social cohesion and sustainable growth, and thus to the reduction of poverty.

Alongside international measures to stabilize financial flows and open markets, governments and the social partners need to promote domestic growth by increasing labour productivity. One way of ensuring this is to build

broad popular support for change by involving the social partners – and this aspect should be a central feature of employment policies.

As part of the capacity-building package on gender, poverty and employment, the ILO is in the process of elaborating a module to deal specifically with gender in the context of the PRSP process.

In 2000, the ILO – in consultation with the World Bank, the IMF, the field structures and national partners – decided to make a special contribution to the PRSPs in five pilot countries: Cambodia, Honduras, Mali, Nepal and the United Republic of Tanzania. The intention was to demonstrate the Decent Work Agenda's positive contribution and the role of tripartite consultation in strengthening national ownership.

In all five countries, the ILO offered to contribute to an understanding of the linkages between economic growth and poverty reduction, concentrating on the functioning of labour markets, the means of skills acquisition and the extension of social protection.

In the United Republic of Tanzania, the ILO has worked to develop and present social dialogue as an integrating framework for all its PRSP inputs. A Tripartite Conference on Social Dialogue held in Dar es Salaam in December 2001 concluded that if an effective tripartite body were created it could take its own initiatives to consult with NGOs and donors, as well as other stakeholders in the PRSP process.

The PRSP process in Mali serves as an example in terms of its content, its emphasis on employment and the degree of participation and political pluralism involved in its preparation. The Malian Government explicitly adopted productive employment as a key outcome of its macroeconomic policies and its poverty reduction agenda and has funded sectoral and microlevel programmes targeting the unemployed, the underemployed and the poor. In Côte d'Ivoire and Cameroon, the social partners have been able to inject employment and social protection concerns into policy dialogue in the PRSP process and to enhance the visibility of employment treatment in the interim PRSP.

Despite these signs of progress, many weaknesses remain. On the whole, not enough attention is paid to employment, and especially the functioning of labour market institutions. Gender equality and social protection are also largely overlooked. Rarely do PRSPs give consideration to the employment and labour relations policies needed to attract, retain and train the significant numbers of people required to provide the quality and quantity of services needed to meet national poverty reduction targets. Although more and more governments invite trade unions and employers' organizations to join fully in all phases of the process, in many cases the social partners have expressed concern and frustration that their views and potential support appear undervalued.

During the regional consultations of the World Commission on the Social Dimension of Globalization in Africa, it was noted that in some instances African people had not been given enough room to participate in the development of policies affecting their lives. Participants at the consultations stated that policies were being imposed on their weak structures without taking into account the specific country conditions. Furthermore, they stated that the unsuccessful structural adjustment policies and the subsequent adoption of PRSPs were perceived as undemocratic. Even the current PRSPs place little emphasis on employment creation. The consultations took note of the lack of capacity by Africa to negotiate effectively in international forums and at the national level with development partners.

The United Nations Development Group is also working to align its planning mechanisms with the poverty reduction strategies set by developing countries. In addition, the new approach encourages governments to consult widely with business and trade unions, parliaments and local authorities and civil society organizations in developing PRSPs.

#### Conclusion: Building international alliances

The ILO is already working with the Bretton Woods institutions to build the goals of employment and decent work into country-level poverty reduction strategies. The ILO is leading the Youth Employment Network – a partnership between the United Nations, the World Bank and the ILO – to combat youth unemployment. The Organization is working with the UNDP on making employment part of our common strategy for developing countries; with UNESCO on skills development; with UNICEF on child labour; with all regional development banks and the United Nations regional commissions; with UNAIDS on HIV/AIDS; with WHO on health and safety at the workplace; with UNIFEM on gender equality; with FAO on rural employment and ongoing discussions on local economic development; and with numerous others.

Working to reinforce tripartism in the negotiations with bilateral donors and with the multilateral institutions at the national, regional and international levels will advance the cause to end poverty on several fronts. First, it will ensure that essential elements for the reduction of poverty are not overlooked – such as a high rate of employment generation, and extension of social protection to the poor. Second, the strengthening of fundamental principles and rights at work and social dialogue will advance democratic governance and the participatory nature of the poverty reduction process. Third, the strengthening of these rights, particularly for women, will also enhance the bargaining position of working people living in poverty and promote greater gender equity. Finally, it will create the enabling environment for entrepreneurship, investment and enterprise creation, which is at the heart of more opportunities for employment and sustainable livelihoods.

Full, productive and freely chosen employment, and the promotion of enterprise that creates it, remains the most effective route to poverty eradication. The objective of full employment is essential. Most policy prescriptions, however, do not view job creation as an explicit objective of economic and social policies, but rather as a hoped-for result of sound macroeconomic policies. Investing in social dialogue is a key element in promoting employment and enterprise development.

The decision by the AU Heads of State and Government to organize an Extraordinary Summit on Employment and Poverty Alleviation provides an opportunity for ILO constituents to advocate an employment agenda for Africa. This agenda should be based on social dialogue and tripartism, given that any employment strategy directly affects workers, employers and governments.

# III. The ILO contribution to new thinking on development policy

#### Introduction

Recent political developments in Africa, together with global initiatives, have paved the way for a reorientation of the development strategies of the past and for a new focus on productive employment and decent work as the focal point of development.

In 1999, the Director-General's Report, *Decent work*, focused on "promoting opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity". In 2002 the ILO Governing Body considered in depth the Global Agenda for Employment. The Director-General's Report *Working out of poverty*, submitted to the 2003 Conference, crystallized and deepened the discussion on decent work in the fight against poverty, emphasizing economic and social rights as primary goals of development and the principal means of progress.

While there is a general recognition that employment creation depends on growing levels of investment, there is still a need to know how to balance the short-term stabilization and the long-term goals of growth and structural change. Macroeconomic balance is a precondition for sustained growth, but there is a divergence of opinion as to how much stabilization is required before it starts having adverse long-term effects on investment and growth. Furthermore, there is evidence that the incentives for domestic and foreign investment depend not only on economic but also on social stability.

The policy dialogue for a sound macroeconomic framework for growth aimed at reducing poverty should include: enterprise development; wage and income policy; the design of income and employment security policies; investment in human capital and in labour market institutions; and the role of employment creation programmes such as public programmes.

It is important for labour ministries and employers' and workers' organizations to be actively involved in national and international poverty reduction strategies. Indeed, the challenge of the social partners is to work together to reinforce tripartism in the negotiations with bilateral donors and with multilateral institutions at the national level.

#### The Global Employment Agenda

The conviction that employment is fundamental to the fight against poverty and social exclusion was a conclusion of both the World Summit for Social Development in 1995 and the 24th Special Session of the United Nations General Assembly in 2000, which called upon the ILO to develop a coherent and coordinated international strategy for the promotion of freely chosen, productive employment.

The Global Employment Agenda was the Office's response to this request. The main aim of the Agenda is to place employment at the heart of economic and social policies. Consistent with the MDGs, the Agenda seeks, through the creation of productive employment, to better the lives of the hundreds of millions of people who are either unemployed or whose remuneration from work is inadequate to allow them and their families to escape poverty.

The Decent Work Agenda calls for the promotion of productive employment while advocating respect for fundamental principles and rights at work, an adequate income from work and the security of social protection. Work alone is not sufficient; indeed the Global Employment Agenda does not promote just any employment, but decent employment in which international labour standards and workers' fundamental rights go hand in hand with job creation.

Yet, there are also practical reasons for the simultaneous promotion of rights and employment. These derive from the recognition that labour markets function differently from other markets. Labour is not a commodity, and labour markets are socially embedded. Labour markets harness human energy. They rely on human motivations and needs, including the need for security and fairness of treatment. Not to acknowledge the distinctive way in which labour markets function is to invite not only socially adverse consequences, but economic ones as well, and the very purpose of economic growth is the promotion of human dignity and quality of life. The ILO's core international labour standards strive to promote human rights, but they also reflect the distinctive ways in which labour markets function most effectively.

The Global Employment Agenda thus promotes the objective of increasing freely chosen, productive employment in the world by placing employment at the heart of economic and social policies and development.

It is at the national level where effect needs to be given to the Global Employment Agenda. But to promote a comprehensive employment framework, the Agenda must of necessity have regional and global dimensions. The Global Employment Agenda, in its call for the building of alliances and partnerships, acknowledges that the employment challenge in an integrated world economy cannot be fully addressed at the national level alone.

#### The Jobs in Africa programme

As a follow-up to the Social Summit in Copenhagen in 1995, the ILO, together with UNDP, developed the Jobs for Africa (JFA) programme – now known as JFA/JIA – as an alternative coherent development strategy with the explicit objective of maximizing the employment content of growth and ensuring that poor people have access to productive employment opportunities. The first phase of the project was operational from 1997 to 2002. A summary of selected JFA/JIA achievements is contained in Annex 1 to this Report.

The programme strategy and approach for adopting pro-poor and proemployment growth policies are increasingly recognized by constituents as an important development framework for Africa. Its advocacy for comprehensive, integrated and coherent policies, and capacity building for policy advocacy instead of ad hoc, project-focused, fragmented initiatives, is gaining currency, given similar approaches adopted by the PRSP processes. In addition to the UNDP, the programme has also received financial assistance from the Department of International Development (DFID) and the Government of the Netherlands.

The programme has belonged to African constituents since its inception. The ILO has reported regularly to the AU Labour and Social Affairs Commission. In February 2003, African constituents further defined what the Jobs in Africa programme should entail (Annex 2).

#### Employment for development

Many observers stress that market failures and rigidities are a feature of underdevelopment – hence the need for public policies to promote inclusive development. Inclusive and equitable growth is not an automatic result of market-based economic systems combined with international competitiveness. Proactive strategies, policies and projects aimed at complementing or assisting the market are needed to achieve inclusive and equitable growth and attain competitive advantage.

Market actors and their related institutions in Africa may, it is generally held, be too underdeveloped to set in motion a process dynamic enough to bring about sustainable and inclusive growth and competitive advantage. This realization prompted the development of the Jobs for Africa programme to increase the commitment of countries themselves to the formulation, running and funding of employment-related programmes and projects.

Commitment to job creation is the first and most important step towards developing pro-employment economic policies. Employment creation is not just a residual that will "trickle down" from successful businesses, but a way of "building up" the economy. Several development initiatives have failed because of the absence of a clear recognition that job creation is the only sustainable means of reducing poverty and promoting development.

The poverty-reducing effect of economic and social policies depends crucially on the quality and quantity of productive employment opportunities that these policies create for the poor. Employment must therefore be a central goal of economic development as it is a key factor in the fight against poverty and social exclusion.

Employment is still seen as "something that needs to be taken care of", rather than a key analytical variable to be considered in every possible action and strategy. Employment-oriented programmes – such as the promotion of labour-intensive small-scale activities, credit for employment creation and so on – are often still ad hoc measures and an appendage to the main set of macroeconomic policies designed to promote growth and structural change.

Employment must be seen as an objective of macroeconomic policies; and employment policies should be redefined and extended so that all policies are coordinated in favour of productive employment. It is one of the commitments of Heads of States and Governments at the Social Summit to promote the goal of full, freely chosen productive employment as a basic priority of economic and social policies and to place the creation of employment, the reduction of unemployment, and the promotion of adequately remunerated employment at the centre of strategies and policies of governments.

This calls for the formulation of national economic and social policies to encourage poverty-reducing employment creation in a systematic way. Consequently, investment incentives, the structure of domestic production, social protection, financial markets, education, health and migration policies, inter alia, should all be subjected to the scrutiny that would ensure that the real economy is functioning in a manner conducive to employment expansion.

This approach to employment promotion and inclusive growth presupposes that developmental initiatives be pursued in an integrated and mutually supportive manner. Not only should the economic and social policies of governments be comprehensive, integrated and mutually reinforcing – as advocated in the Employment Policy Convention, 1964 (No. 122), and related Recommendations – but the initiatives of bilateral and multilateral donors' organizations should also complement the governments' overall approach. Such an approach must, by necessity, be proactive and able to redefine the development vision and strategy; it must similarly be able to implement this strategy, taking account of the relative strengths of the various actors in a mixed economy. Last and not least it requires a global partnership with the international community in order to build an enabling economic, social and institutional environment for decent job creation.

#### Conclusion: Promoting inclusive growth

There is a consensus that growth rates for most African countries are simply not high enough to reduce poverty significantly. Achieving high rates of growth is undoubtedly the most important strategy for reducing poverty in Africa. However, high aggregate growth, in itself, will not reduce poverty. The pattern of growth must also benefit the poor, either directly through increased employment and incomes or indirectly through improved social services. This clearly indicates that the impact of growth on poverty varies according to how the poor are employed and the nature and degree of inequalities.

While employment-friendly macroeconomic policies represent one of the most important factors influencing poverty, active labour market policies also serve an important redistributive function, especially when targeted to the most disadvantaged groups in the labour market. The "trickle-down" effect of policy and market reforms will be weak for the poor – who are typically assetless, uneducated, and without access to resources – unless they are accompanied by programmes to strengthen their capacity and resource base.

Thus, one of the focuses of any poverty reduction policy programme designed for Africa should be an attempt to address these expenditure constraints at the household level which ultimately (and across generations) prevent individuals from realizing their full income-earning potential within the labour market. Simply put, an interest in improving the functioning of the African labour markets should aim to enable families to escape the household poverty traps present throughout the region.

Past policies, which have focused on structural adjustments, have left the bulk of the population outside the formal economy by the wayside – and in most cases worse-off. In the African situation with disarticulated economic structures, the poverty-reducing impact of the growth process depends critically on the pattern of growth and the associated mechanism for sharing the growth dividend. Access to productive employment constitutes one such mechanism.

In many African countries, social exclusion – either through discrimination or institutional constraints – discourages the labour force participation of several population groups. Broad rather than targeted employment promotion strategies are regrettably preferred much too often, in the hope that they will meet the requirements of all those entering the labour force. What is needed, however, is an equity approach to sustainable job creation that focuses on making economic benefits more accessible by increasing access to job opportunities, the central means of livelihoods, to people living in poverty. Furthermore, a strategy for social inclusion by raising aggregate labour productivity will contribute to further growth.

Youth employment programmes, gender- and disability-sensitive employment policies and strategies, as well as targeting of the working poor, can overcome social and economic isolation and disconnection and remove systemic barriers in the labour market by "creating level playing fields" and "building ladders and webs".

The above-proposed pillars of the institutionalization of the Global Employment Agenda provide a broad framework for addressing the employment deficit in Africa. To sustain employment growth, an integrated approach which includes tapping the potential of the forces of change with policies to manage change in a socially friendly and non-discriminatory manner is desired. A strong commitment to such a vision will lead to faster economic growth and development and will constitute an important step towards making globalization more inclusive.

#### IV. Breaking the cycle of poverty

#### Introduction

The decent work deficits in Africa have led to the vicious cycle of poverty that is reflected in the unemployment and underemployment challenge. Economic stagnation together with other causes of poverty reinforce each other, to the point where the poverty trap in Africa is as much a social phenomenon as an economic one. This chapter examines these various dimensions – both social and economic – and discusses ways in which the continent might break out of the cycle of poverty. It starts by looking at child labour – itself a glaring example of the decent work deficit. It then examines the ways in which gender inequality and social exclusion prevent the full participation of women in the world of work.

Similarly, the focus is directed on the social tensions, violence and crises which create an unstable environment, inimical to employment. Lack of respect for rights at work, absence of security and safety measures, the devastation to the labour force caused by HIV/AIDS and related health problems, the high prevalence of child labour, problems related to poor governance and to social justice, as well as weak integration among African countries on labour-related matters, are all factors that impede the formulation and implementation of effective employment policies and make an African employment framework that much more difficult to realize.

#### Child labour

In 2000, it was estimated that there were about 80 million economically active children aged between 5 and 14 years of age in sub-Saharan Africa. Broken down by gender, available data show that 46 per cent of all African boys and 36 per cent of African girls work. The number of working girls is higher when services of a domestic nature within households are taken into account.

#### Progressive elimination of child labour

Over the next ten to 15 years, it is estimated that there will be at least 1 million new child workers per year.

Under the present circumstances, four policy directions have become apparent in the continent:

- (i) understanding the magnitude, nature and distribution of child labour, and the causes and effects;
- (ii) improving the general socio-economic framework in which child labour takes place;
- (iii) reaching a greater level of awareness and commitment to child development and child protection; and
- (iv) eliminating immediately the worst forms of child labour.

Within that framework, 16 African countries have signed a Memorandum of Understanding to work together with the ILO/IPEC programme in addressing the issue. Eleven other African countries are associated with IPEC and committed to sign up in the very near future. In all the 27 countries, multi-sectoral strategies are being implemented that comprise actions encouraging social partners and other stakeholders to assume greater responsibility and accountability for policies and programmes targeted to the progressive elimination of child labour across the continent.

Guided by Conventions Nos. 182 and 138, the ILO's work in this area is complemented by a number of subregional programmes and sensitization campaigns at national, subregional and regional levels.

#### Gender, inequality and discrimination

Women have made significant gains in the labour market. In many countries they now account for close to half the labour force. Still, labour markets remain strongly segregated. About half of the world's workers are in sex-stereotyped occupations. An extremely high number of women are confined to "female jobs" with low status – often insecure, unsafe and poorly paid – which few men will take on. Even for similar kinds of work, women are typically paid 20-30 per cent less than men. <sup>1</sup>

The creation of decent employment and income should take centre stage in the redistribution of income and programmes to reduce income disparities between men and women. Indeed, promoting equal and better access to employment and income for women is essential for the success of anti-poverty programmes. Supporting women's entrepreneurship growth is a key strategy for the economic empowerment of women and their families. In this context, balancing paid work and "care" dispensed by women at home is a critical issue, especially where HIV/AIDS is rampant. Countries will need to recognize the economic and social value of unpaid care work in national legislation, policies and action programmes.

Attempting to balance work, family demands and community responsibilities requires exceptional stamina and determination. This is especially true in poor communities, particularly where – as in many African countries – a woman's burden of providing for the family's subsistence and caring for the ill and dying has increased dramatically as a result of prolonged droughts and the rising toll of HIV/AIDS. There is still scarce recognition of the contribution of unpaid care work to national economic outcomes and therefore little change in the corresponding economic and social policies for care work.

One policy prerogative for realizing the above challenges is to ensure that men and women have the same legal status. This must include access to assets for women and progress towards full equality and respect for both

<sup>&</sup>lt;sup>1</sup> ILO: Key Indicators of Labour Market (KILM) (Geneva, 2002), p. 524.

men and women. With regard to the workplace, the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), provide guidance. The two Conventions have been widely ratified in Africa. The challenge is to continue working towards achieving the standards set in the Conventions.

The ILO is contributing towards this goal by engaging in dialogue with governments and employers and workers in each country: both the Declaration of Fundamental Principles and Rights at Work and its Follow-up and the supervision of the application of standards can provide ways of linking the standards and rights instruments and processes to practical assistance and technical cooperation. ILO experiences range from the development of tools such as the gender, poverty and employment capacity-building programme; establishment of an information base on equal employment opportunities for women and men; self-assessment through ILO Office-wide gender audits; development of tools and compilation of resource kits on gender equality; and women's empowerment.

#### HIV/AIDS and the world of work

HIV/AIDS has become a major threat to employment objectives and labour market efficiency in Africa. The loss of workers and work-days due to AIDS-related illnesses or the demands of caring can result in significant declines in productivity, loss of earning, and attrition in skills and experience. This disease is changing the age and sex distribution of the labour force and increasing the number of women, children and the elderly facing economic uncertainty. The vulnerability of women to HIV infection, as compared with men, adds to the existing gender inequalities.

The early entry of orphans into the labour force exacerbates the worst forms of child labour, and the pandemic is forcing older persons back into the workforce due to economic need. It also strikes hard at the poor who can least afford treatment and care, thereby increasing existing problems of poverty and inadequate social protection. The effects of HIV/AIDS on employment and on the labour market are therefore a major concern of the ILO, which views the pandemic as a workplace issue and a major development challenge.

Another concern of the ILO is the discrimination against workers and people with HIV/AIDS, which threatens fundamental principles and rights at work and undermines efforts to prevent the spread of the disease and mitigate its impact in the world of work. As an Organization founded to promote social justice and protect workers' rights, the ILO is committed to fighting discrimination and the stigma related to HIV/AIDS status. The ILO has adopted a code of practice on HIV/AIDS and the world of work, which is the cornerstone of its efforts to combat discrimination through protection of rights at work, including employment security, entitlement to benefits and gender equality.

The code was a product of intensive efforts by HIV/AIDS experts representing the ILO's tripartite partners – workers, employers and governments. It contains gender-responsive guidelines to help its constituents develop concrete responses at enterprise, community and national levels in the following key areas: prevention of HIV/AIDS; management and mitigation of the impact of HIV/AIDS on the world of work; care and support of workers infected and affected by HIV/AIDS; and elimination of stigma and discrimination on the basis of real or perceived HIV/AIDS status. It also provides a basis for developing national codes of practice and workplace policies and programmes at the enterprise level.

Given that HIV/AIDS is mostly concentrated among those of working age, a critical issue to be addressed is the impact of human capital losses on productive activity and sustainable development.

#### Crises and disasters

A number of African countries are confronted with some sort of crisis – armed conflicts, natural disasters or crises affecting neighbouring countries. Unfortunately, they are not an extraordinary or occasional occurrence on the African continent and constitute a major challenge that needs to be recognized as such. These crises call for appropriate strategies and policies to cope with them and, in any event, should be factored into employment policies and programmes.

Conflicts tend to destroy vital socio-economic infrastructure and production assets and may result in loss of life. They negate development gains and prevent many people from earning a decent living. Particularly affected are the most vulnerable and disadvantaged. Women are especially hard-hit by crises because they often have to assume responsibility for the household in addition to their many other tasks.

The ILO has experience in helping member States appreciate the pivotal role of productive jobs as a coping strategy – a strategy that provides an income to crisis victims through job-creation efforts, and enhances their dignity and self-confidence. It rekindles their hope and gives them a sense of belonging to a community which, in turn, reinforces their willingness to invest in the community's stability and development.

The call for an increased participation of the ILO in the management and prevention of crises in the African continent reflects on the Organization's growing capacity to assume a greater role in easing difficult economic and socio-political transitions.

#### Fighting poverty through improved social protection

Families in Africa find it difficult to break out of the cycle of poverty because they are constantly confronted with "shocks". The impact on poverty of "shocks" – such as accidents resulting in disability, HIV/AIDS or other diseases, or loss of employment by the breadwinner – cannot be overestimated. The poor are the first to be affected by these shocks and their ability to escape poverty is considerably reduced as a result. Indeed, the poor are the most exposed to hazards because of their housing conditions, working conditions and food habits – and yet they are the least protected. Those close to the poverty threshold may themselves become poor if they experience a major shock. Social protection in the form of preventive measures to avoid hazards or mitigate their consequences, or in the form of compensation to maintain income levels, may therefore actively contribute to helping individuals, families or communities escape from the poverty trap.

Job creation, particularly in the informal economy, generates income which, although low, enables those earning it to meet their basic needs – food and clothing for themselves and their families.

However, this income is not necessarily enough to satisfy other basic needs such as housing, education and health care.

Employment alone is not enough to eliminate poverty among the most vulnerable groups in the long term; neither does it prevent those unable to work from falling back into poverty, thus perpetuating it for future generations. The role of social protection is therefore to support employment and income generation as major instruments in the fight against poverty by permitting a reasonable degree of income security.

In the industrialized nations, strong social protection mechanisms do much to prevent the negative consequences of the business cycle. It is perfectly feasible, and legitimate, to imagine that appropriate forms of social protection could come to play a similar role in the fight against poverty in African countries, particularly in the informal economy. The informal economy generates income. Like all earned income, but to a much greater degree, these earnings are used primarily to meet the basic needs for food, shelter and clothing. In this sense there can be no doubt that the jobs created by the informal economy help to fight against extreme poverty.

However, the incomes earned by the vast majority of people working in the informal economy do not enable them to meet other needs such as health care and education which are also considered "basic". Leisure, ownership and free choice of employment, generally held to be rights in the formal economy, remain virtually out of the reach of workers in the informal economy.

In addition, workers in the informal economy are especially at risk if they lose their job – and therefore their income – or if there is no work available, since they do not have access to compensatory mechanisms or savings on which to fall back. The vulnerability of workers employed in the informal economy therefore makes it difficult for them to be sure of escaping poverty in the long term despite a marked rise in employment in the relevant economic sectors.

The role of social protection is precisely to compensate for the threefold source of income insecurity in the informal sector: absence, inadequacy and loss of income.

#### The skills gap

Training and human resources development hold out hope for the future because it is through them that people may become employable.

Recent evidence from selected country case studies in Africa also suggests that the process of globalization and technological change is increasingly excluding low-skilled workers from decent employment. Moreover, in segments of the labour market where employment relationships are less formal and jobs are of relatively low quality (low pay, poor working conditions, poor job security and fewer opportunities for advancement) there are disincentives for both firms and individuals to invest in training. Because the return on investments in a worker's training package is a function of his or her total future working time with the firm, the return is lower for workers in insecure, temporary and part-time jobs. Furthermore, because of the lowquality employment trap, many workers at the poverty level cannot afford the time or money needed to invest in their skills, no matter what returns such investments might bring. This process of exclusion of low-skilled workers from quality employment particularly affects women workers, especially in EPZs where women provide up to 80 per cent of the labour force. While the employment provided in these zones may compare favourably with other alternative options available for women, there is a real concern that the quality and stability of these jobs are still generally poor. Many of the multinational corporations that operate in EPZs employ young and unskilled or semi-skilled women, provide minimum training and undertake relatively frequent job-shedding. A related concern, however, is that, as

the composition of export manufacturing and services in most EPZs is shifting towards more technology-intensive products, openings are very limited for women in higher skilled and higher wage positions.

### Enabling environment for investment and enterprise development

Over the past two decades, it has been increasingly recognized that small enterprises have the potential to provide much-needed jobs for both men and women. The role of smaller firms as providers of employment is now well documented. Not only are small enterprises important sources of jobs, but also there have been indications that their relative significance could be growing.

Greater prominence is being assigned to the role that small enterprises might play in the creation of decent work and in alleviating poverty. In 1998, the International Labour Conference adopted the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189). The Recommendation recognizes the importance of setting a policy and legal environment conducive to small enterprise development, and recommends that member States "adopt and pursue appropriate fiscal, monetary and employment policies to promote an optimal economic environment".

Financial markets in almost all African countries are small, fragmented and stagnant; above all, they function only for a small group of large private and public enterprises. Capital is generally scarce and with a system of interest rate ceilings, banks are induced to ration out smaller sized transactions. Many enterprises find it difficult to obtain access to formal credit and other financial resources because it is hard for them to provide bank-acceptable collateral. As a result, many investments are simply not undertaken, thus leading to a socially suboptimal level of employment. At the same time, Africa's financial sector is characterized by a wealth of innovative techniques in financial intermediation that help to reduce risk and cost. This applies particularly to the informal economy that operates in a personalized manner, without written contracts, while keeping up social pressure to ensure compliance with repayment obligations. The problem is that the financial services provided in the informal sector are often too small, too short and sometimes too expensive to be of interest to investors with jobcreating opportunities. More recently, many governments in Africa have liberalized and reformed the financial sector. As a result, it has become sometimes easier and less expensive for investors to raise resources. However, fundamental distortions and market failures remain.

#### Conclusion: Building solidarity

It is clear that weak African national economies, working individually, are vulnerable to the possible blows of the volatility of the global economy, and have difficulty taking advantage of some of the benefits of globalization which may require collective action. Solidarity among African countries in jointly defining employment-friendly labour policies, including those related to workforce migration and efforts to expand regional markets and support free trade, are potentially enabling tools for more effective poverty eradication at national and subregional levels.

The AU and NEPAD are, from a regional perspective, accelerating the regional integration process for Africa. At the subregional level, the regional economic communities are increasingly setting common development standards. Enhancing shared approaches to the labour and social dimensions of regional integration will be an important contribution of the ILO to Africa's development efforts.

Action to break cycles of poverty should be part and parcel of all discussion on employment issues in Africa. To build a consensus and ensure sustainability, these discussions should involve tripartite partners in consultation with relevant civil society organizations.

Employment and social dialogue can be routes to achieve and communicate with a larger social consensus, which is an African cultural feature, to stop crises, enhance democracy, make social choices and fight against HIV/AIDS and poverty.

Rising poverty is bringing a growing chorus of concerns in its wake. The voice of African workers must be heard – particularly that of the women and youth of Africa who seek dignity and income but find themselves driven to the informal economy without legislative protection. It is only through discussions and dialogue directly with the poor that progress can be achieved in these areas.

The international community is responding to these voices through various initiatives including the MDGs, the NEPAD and the PRSPs. These initiatives tend to serve as channels for fostering commitment to long-term poverty reduction led by pro-poor economic growth. They are also built around core principles, including national ownership and broad-based participation.

# V. The role of social dialogue in African development

#### Introduction

Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.

A missing component in development strategies is often the governance of the labour market. Indeed, a major factor that distinguishes those countries that are successful in reducing the poverty level and those that are not is the quality of governance of the labour market. Such governance cannot be the responsibility of governments alone; rather, labour market governance should be shared through social dialogue which involves interaction between the formal institutions and civil society.

A basic requirement of good governance is that there be institutions that provide for the effective participation of interest groups in the formulation and implementation of policies that affect them. Within this framework, free and independent organizations of workers and employers can act as pressure groups for more participatory, transparent and accountable government. At the same time, social dialogue may be an important force for raising productivity and economic competitiveness. As such, effective social dialogue has a key role to play in minimizing the social costs of globalization and ensuring more equitable access to its benefits.

It was widely recognized in the 1990s that globalization required a social pillar that supported democracy, transparency, equity and development. In 1998, the ILO constituents achieved consensus when they adopted the Declaration on Principles and Rights at Work and its Follow-up which articulates four basic categories of basic principles and rights at work – principles and rights that contribute to, and indeed are, a prerequisite to equitable development. The promotion of these values make an important contribution to social dialogue.

Governance of the labour market is a shared responsibility of governments and of employers' and workers' own freely organized institutions. Investing in social dialogue is a key element in promoting a process of

Table 5.1. Ratification of ILO fundamental Conventions by African countries, August 2003

	Elimination of forced labour		Freedom of association		Elimination of discrimination		Abolition of child labour	
	C.29	C.105	C.87	C.98	C.100	C.111	C.138	C.182
No. of African member States that have ratified fundamental Conventions	51	51	46	52	49	50	42	45
Percentage of ratification	96	96	86	98	93	94	79	85

C.29: Forced Labour Convention, 1930

C.105: Abolition of Forced Labour Convention, 1957

C.87: Freedom of Association and Protection of the Right to Organise Convention, 1948

C.98: Right to Organise and Collective Bargaining Convention, 1949

C.100: Equal Remuneration Convention, 1951

C.111: Discrimination (Employment and Occupation) Convention, 1958

C.138: Minimum Age Convention, 1973

C.182: Worst Forms Of Child Labour Convention, 1999

institutional change to improve the performance of labour markets and thus the poverty-reducing quality of growth.

## Basic principles and rights at work

The promotion of human rights is one of the key priority areas for the African continent and the world at large and the ILO made a major contribution to this process when it adopted the Declaration on Fundamental Principles and Rights at Work. The Declaration contains a promotional follow-up that exists to encourage – in the form of technical cooperation – the promotion and realization of these fundamental principles and rights at work expressed and developed in the eight ILO Conventions deemed fundamental.

The level of ratification by the African countries of the eight fundamental Conventions is remarkably high. This is the result in part of the massive adherence to the campaign launched since 1999 to promote the fundamental Conventions with a view to their universal ratification. However, constituents from Africa had long felt the value of the rights and principles embodied in these instruments since the number of ratifications was already relatively high prior to the launch of the campaign.

A universal realization of these fundamental principles and rights, which are at the core of the ILO's Decent Work Agenda, can thus be envisaged with the support of the ILO through technical cooperation projects, particularly within the framework of the Declaration.

# ILO assistance in promoting social dialogue in Africa

The objectives of the process of social dialogue are fourfold. First, the process provides a means of sharing information between participants. This promotes transparency and is beneficial for the quality of the decisions made, as well as improving mutual understanding and trust between the participants. Second, the social dialogue process serves as a consultative mechanism, allowing governments to hear the views of other participants on policy issues and to adjust or supplement policy to deal with the concerns raised. Third, social dialogue provides a negotiation mechanism. And, fourth, it provides for a joint decision-making mechanism.

The resolution concerning tripartism and social dialogue adopted by the ILO Conference at its 90th Session in June 2002 reaffirms the importance of the tripartite nature of the ILO. It underscores the crucial role accorded to social dialogue in fostering a tradition of social peace and in responding to the challenges of social and economic development.

The strengthening of social dialogue is a strategic objective of the ILO. Furthermore, it is considered an efficient means of action to achieve the Organization's other strategic objectives. Social dialogue contributes to the formulation, implementation, monitoring and adjustment of policies related to the world of work, including employment for development. At a time when the opening up of national economies to global markets challenges the sovereignty of nation States to develop their own policies, social dialogue enhances the capacity of countries to choose their own path towards growth and development. A number of governments have found that social dialogue with employers' organizations and trade unions can help achieve a convergence of expectations about economic developments. This lowers the risks of financial or social instability and of reduced trade competitiveness undermining employment creation and sustainable pro-poor growth.

In Africa, the Regional Programme for the Promotion of Social Dialogue in French-speaking Africa (PRODIAF) was set up in 1998 (see box).

Programmes in support of the implementation of the Declaration and social dialogue have been launched in other African countries. These include: (i) Strengthening of Labour Relations in East Africa (SLAREA) (see box); (ii) Strengthening Labour Administration in Southern Africa (SLASA) (Botswana, Lesotho, Malawi, Zambia); (iii) the Nigeria Declaration Project (NIDEC) (Nigeria); the Strengthening Industrial Relations project in Morocco; and the Advance Social Partnership in Promoting Labour Peace in Southern Africa project (see box). All these projects aim at promoting and strengthening social partnership and labour law reforms to address labour conflict and further industrial peace.

#### Social dialogue in French-speaking Africa

The primary objective of the PRODIAF is to assist a wide range of French-speaking African countries to strengthen tripartite cooperation structures at national and subregional levels, thus enabling governments and social partners to evaluate their social dialogue and tripartite cooperation system and jointly analyse improvements, changes and reinforcements where it is deemed necessary. The focus of the programme is on institutional and organizational aspects of tripartite consultation and negotiation mechanisms. The PRODIAF programme assists the countries concerned in evaluating their situations; strengthening their structures; enhancing their deliberation and negotiation capacities; undertaking research activities and creating a network of African social dialogue practitioners/experts. PRODIAF was launched in 1998 and is funded by the Belgian and French Governments.

Between 1998 and 2003, the PRODIAF worked with 22 African countries through exploratory missions (22), national studies on social dialogue and tripartite collaboration (21) and sensitization and capacity-building workshops (18). The experience gained both at national and subregional levels (AEMC, UEMOA) was extremely valuable. What is more, the interest expressed by major donors such as the European Union within the context of the ACP/EU Cotonou Agreement, augurs well for the future of the programme. It is in that context that the current main donor to the programme, Belgium, has committed funding for the period 2004-07.

#### Strengthening Labour Relations in East Africa

The ILO is working with the social partners in Kenya, the United Republic of Tanzania and Uganda, to strengthen institutional and human capacities of the Ministries of Labour and of the social partners in the implementation of the principles of freedom of association and collective bargaining enshrined in ILO Conventions Nos. 87 and 98. This project also intends to build and strengthen the capacities of the trade unions and employers' organizations in collective bargaining, human resource management, organization skills and conflict resolution, as well as strengthening of tripartite consultation in support of the implementation of the principles on freedom of association and collective bargaining. This United States-funded project addresses labour law reform, labour administration, labour courts and other dispute settlement mechanisms, as well as the improvement of relations between workers and employers.

# Advance Social Partnership in Promoting Labour Peace in Southern Africa

Since 1995 technical assistance has been provided by the ILO, in successive phases, towards promoting social dialogue, facilitating labour law reform and boosting labour conflict management capacity in several countries in southern Africa. The first intervention was in South Africa, where over a four-year period from 1995 onwards, the ILO worked with government, employers' and workers' representatives to stabilize South Africa's labour market in the immediate post-transition period from apartheid to national democracy. This experience in South Africa led to a pilot initiative in developing conflict management capacity in Namibia and Lesotho, and ultimately to technical assistance to an expanded range of countries in southern Africa, including in addition Botswana, Swaziland, Zimbabwe and, most recently, Mozambique.

Technical assistance to the social partners in these countries has essentially been directed towards enhancing the prospect of labour market peace and stability, assisting the social partners in each country to: modernize flawed and outdated dispute settlement machinery; reinforce a regime of rights and protections that promote compliance with core labour standards; and promote a pervasive culture of fair labour practices by introducing codes of good practice, guidelines and model agreements. Capacity-building at the level of institutional development, and social partner utilization of new systems and procedures, have been central to the technical assistance strategy. The ILO's work with its southern African constituents is made possible by the financial support of Switzerland.

Although the practices of social dialogue vary from country to country, it is generally accepted that a prerequisite for successful social dialogue is a level playing field with independent partners of comparable strength and capacity taking part in the process. Therefore, engaging in meaningful social dialogue is possible only if the social partners are guaranteed the ability to defend their members' interests in total independence.

In this context, the outstandingly high rate of ratification by the African countries of the two fundamental Conventions related to the right for freedom of association and collective bargaining – namely the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) – should be seen as a remarkable achievement.

Table 5.2. Ratification of ILO Conventions addressing tripartism and social dialogue by African countries, August 2003

	C.87	C.98	C.144	C.150	C.151	C.154
No. of African member States that have ratified Conventions		52	30	17	7	5
Percentage of ratification	86.8	98	56.6	32	13.2	9.4

C.87: Freedom of Association and Protection of the Right to Organise Convention, 1948

C.98: Right to Organise and Collective Bargaining Convention, 1949

C.144: Tripartite Consultation (International Labour Standards) Convention, 1976

C.150: Labour Administration Convention, 1978

C.151: Labour Relations (Public Service) Convention, 1978

C.154: Collective Bargaining Convention, 1981

However, the state of ratification of the other instruments set out in the 2002 Conference resolution concerning tripartism and social dialogue is relatively low.

This is a sign that the culture of consultation still needs to be strengthened in Africa, and that the support provided by the ILO to the constituents, through its various technical cooperation activities at all levels, must be continued and extended.

Exercise of the right to organize and collective bargaining has a huge potential to reach areas of the informal economy which de facto escape normal regulation and inspection; not only are they a means for working people to obtain a greater voice and empowerment in daily life, collective agreements also constitute an alternative form of regulating working conditions which is all the stronger because it is voluntary. The ILO can, with the right levels of constituent and donor support, greatly advance progress by promoting implementation of rights and principles in this area.

#### Millennium Labour Council - South Africa

The Millennium Labour Council (MLC) is a bipartite consultative forum in South Africa comprising captains of industry on the one hand and prominent labour leaders on the other. It was launched in 2000 by South African President Thabo Mbeki and was based upon a mutual recognition by employers' and workers' leaders that their constituencies and the country would benefit from their engaging in matters of economic and social policy.

They signed a Millennium Agreement committing the Council to developing a shared analysis of South Africa's deepening crisis of unemployment and to develop potential solutions to be explored with the Government and NEDLAC – South Africa's premier tripartite social dialogue institution. The MLC has in its brief history made crucial interventions to avert national strikes, to develop consensus around changes to South Africa's national labour laws and to contribute ideas to the country's recent Growth and Development Summit. Its members have committed to a joint vision to promote decent work and to build the South African economy.

The body is entirely voluntary, has no statutory authority and sees itself as building consensus on important issues of policy rather than striking binding agreements. As such, it represents an important experiment in bipartite social dialogue supporting both government and NEDLAC policy-making functions. The ILO assisted in the formation of the MLC and has since its inception furnished technical, administrative and financial assistance.

# Conclusion: Key role of workers' and employers' organizations in enriching African associational life

In view of the large rural and urban informal economies in African countries, reaching out to enterprises and workers in the extensive rural sectors of African countries is a major challenge for the employers' and workers' organizations. The ILO has always stood for the transformative power of organizing – whether to organize governments, employers or workers. The freedom for people to band together and develop common strategies and solutions is fundamental to social progress. Employers and workers in the rural areas as well as in the informal economy need representation and organization. The ILO constituents are well placed to assist them in either joining established organizations or creating new independent democratic and representative bodies.

Institutional development implies putting in place channels enabling the relevant organizations to represent the concerns of their members as well as to support their efforts at modernization and implementing policies. Development of the technical capabilities of employers' and workers' organizations is necessary to allow them to process the demands, possibly contradictory, of their members and thus faithfully and effectively to articulate their interests in social dialogue with their partners.

The long-term objective is to organize employers and workers in the rural and urban informal sectors and bring them into the formal, modernized and more productive economy. Effective tripartite social dialogue, within a larger framework of consultations, that fosters the participation of a wide range of representative social and economic forces is key. Governments must accept and lead such a process. The role of democratically constituted parliaments and local assemblies is also vital to the forging of a broad national consensus on development priorities.

The absence of an appropriate framework for the governance of markets in general, and labour markets in particular, creates an environment of insecurity which prevents the accumulation of physical, financial, human and social capital. Without a strategy for the gradual extension of formal regulations to meet the needs of informal workers and enterprises in Africa, the productive potential of the continent's working poor will remain untapped, acting as a brake to growth and a source of increasing social tension.

The social partners have a key role to play in promoting representative organizations of small businesses and workers in the informal economy and seeking ways to ensure that people living and working on the margin of formal economies organize and have a say in policy-making. In this way they can help to enhance the scope of actors contributing to economic and social development.

People in poverty need a voice in order to obtain recognition of their rights as well as the respect and merit they deserve. They need representation and participation. Social dialogue, enhanced and broadened to include macroeconomic and social development policy issues is a mechanism for transforming African societies, by building solidarity and making development the equal responsibility of all.

Many African countries have only recently started to develop the key features of a democratic polity, such as respect for freedom of association, that are the underpinnings of successful and inclusive social dialogue. Investing in this key element of the social capital of the society and the economy is an important part of the effort needed to mobilize African nations for poverty-reducing development.

# VI. Towards an African decent work strategy for development

#### Introduction

The Tenth African Regional Meeting should take an important step towards an African decent work strategy by starting a process of reviewing, rethinking and reorienting the strategies of the past and by establishing employment for development as a concept for successful poverty alleviation strategies.

There is a need for coherent, holistic and integrated policies to be formulated within which specific employment and poverty-related interventions can be situated. This arises in part from the fact that high levels of poverty and unemployment are a consequence of various interrelated structural and cyclical factors and in part due to the fact that launching of a virtuous circle of sustainable human development requires the interaction of a range of coordinated policies. It must be emphasized that increased employment and reduced poverty requires the stimulation of the demand and production sides of the economy.

A basic message of this Report is that African social partners and governments should make employment a priority item on the development agenda. In the fight against poverty they need to make a long-term commitment to take common initiatives on all levels for a continuous increase in productivity. The foundations of a decent work approach to strategies for the reduction of poverty must be laid – and this is an urgent task. Priorities include employability, entrepreneurship, equal opportunity and employment generation, and can best be achieved through participatory consultation on national development policy-making.

## Policy challenges

Within the context of the fundamental ILO goal of full, productive and freely chosen employment, coupled with the MDG of halving poverty, there are three main policy challenges. In the Introduction to this Report, these challenges were referred to as "strategic issues for the promotion of decent work in Africa". Given their importance, it is worth spelling them out once again:

- increasing the demand for labour and raising the productivity and incomes of people living and working in poverty;
- integrating socially excluded communities into the labour market, establishing adequate protection mechanisms against income security and other social risks and overcoming discrimination, particularly against women and girls; and
- improving the terms on which African countries trade with richer countries and obtain investment finance.

An integrated effort in these three areas holds the potential for creating a virtuous cycle in which improving the earning power and productivity of the poor removes a restraint on the overall capacity of the economy and ensures that growth is "pro-jobs" and "pro-poor". National policies need to address both the demand and supply side of the labour market experiences of people living in poverty.

The ILO holds to the precept that sound macroeconomic policies are essential for growth, but such growth must be employment-friendly to reduce poverty effectively. While the main challenge remains at the national level, development cooperation has a role to play. Donor countries and institutions, especially international financial institutions, should build this in as an integral part of their vision.

#### **Priorities**

With a view to stimulating economic growth and development as well as raising standards of living, governments should declare and pursue the goal of full, productive and freely chosen employment.

Governments are primarily responsible for ensuring that the enabling environment for employment creation exists at the national level. They should ensure that representatives of persons affected by this environment, particularly workers and employers, are consulted in the design and implementation of related policies.

Given that ministries of labour are entrusted with labour and employment matters, it is their role to refocus macroeconomic policy and development strategies. In consultation with employers' and workers' representatives, they must define the national and international environment in which decent work deficits can be addressed – and this implies increasing their own internal capacity for social dialogue and policy management. Ministries of labour must take up this challenge, especially in their advocacy within the public sphere for pro-employment policies. As representatives of government, they also have responsibility for ensuring a level playing field for the development of tripartism, so that all parties can proceed on the basis of real equality.

Reference has already been made to the priorities underlying an African employment agenda: promoting proactive development strategies and coherent development frameworks; promoting growth that is employment-absorbing and poverty-reducing; promoting participatory consultation on national development policy-making; and promoting growth that is inclusive. In addition, the High-level Panel of the Youth Employment Network (YEN) has come up with a political message that addresses the United Nations General Assembly resolution on promoting youth employment, adopted in December 2002. This message can be summarized in four principles:

• *Employability:* Governments and business need to invest in education, training and health – public health as well as occupational safety and

health – in order to strengthen the productive capacity of individuals and the integration of young people into the world of work. Tackling youth unemployment is a key element in reducing the decent work deficit and poverty in Africa. A large number of African countries need to take decisive action to achieve the MDG of ensuring that, by 2015, all children complete a full course of primary schooling.

- Entrepreneurship: Governments and social partners will need to make it
  easier to start and run new businesses and to integrate existing initiatives
  into the formal economy. Cooperatives have proved to be a key organizational form in building new models to combat social exclusion and
  poverty through local development initiatives.
- Equal opportunities: Governments and social partners need to build new
  social and economic structures to strengthen the role of women in the
  economy and in the labour market. There is a need both to take specific
  measures in favour of women and to introduce gender mainstreaming of
  all policies, programmes and projects to overcome obstacles to decent
  work for women.
- Employment creation: Governments need to place employment generation at the heart of macroeconomic policy-making to draw the full benefit of structural policies for adaptability, employability, equal opportunities and entrepreneurship.

## The process

At subregional levels, it is the collective responsibility of governments to promote an employment agenda. The subregional economic communities are in a position to provide the leadership through the development and adoption of subregional employment strategies. It is also at the subregional level that governments can assist in developing employment policies that harmonize labour laws, as well as migration in search of employment. Governments should guarantee freedom of all workers, irrespective of where they work, to organize themselves. An appropriate framework through annual national action plans for employment ought to be the centrepiece of their PRSPs.

Participatory consultation on national development policy-making should therefore be promoted. Large parts of the African countries' population, especially in the rural areas and in the informal economy, remain unorganized and thus unable to make their voices heard in national development strategies. The "working poor", particularly those in the informal economy and rural workers – and even more so the women among them – are not organized enough to influence development frameworks and strategies such as the PRSPs. Yet their participation in development strategy formulation and implementation is necessary, both on democratic principle and also for strategy effectiveness.

It is for this reason that the ILO JIA policy framework was premised on the need to promote investment-led economic growth by mobilizing all stakeholders through a participatory and consultative process of policy-making and implementation. The aim was to ensure the formulation of development strategies which more directly address the needs of marginalized and excluded groups so as to accelerate inclusive growth. It advocates coherent, integrated and coordinated policies instead of ad hoc programmes. These policies will not automatically result from unilateral government action or outside pressure such as donor-driven programmes and need to be based on a process of institutionalized participation, consultation and dialogue, involving stakeholders and beneficiaries.

If development policies and projects are truly to reflect the needs of the majority of the population who are generally excluded in normal policy-making, it is necessary that the policy-making process be participatory and consultative to include vulnerable groups – hence those who are normally excluded must be given a "voice" through formalized structures of representation and consultation. The ILO's constituents should therefore develop methods and services to represent larger segments of their poor populations.

The new perspectives for the fight against poverty and the need to focus on productivity and employment in African development strategies call for strengthening social dialogue:

- A first step is to recognize that tripartism and social dialogue are necessary means for African countries to ensure ownership of any employment agenda and all poverty reduction strategies.
- A second step is to identify common ground and common objectives for social dialogue, such as the enlargement of business opportunities and job opportunities. However, to be successful in creating such opportunities, social partners need to win broad acceptance of the centrality of employment for sustainable development, the need for promotion of change and the need to manage change for widely shared prosperity. An African employment agenda should highlight these elements.
- A third step is to outline measures aimed at strengthening social dialogue, including review of legal frameworks, procedures for consultations, access to information, analytical capacity and support. At the continental level governments can set standards for social dialogue and identify good governance practices for example, the National Economic Development and Labour Council (NEDLAC) in South Africa or the Joint Industrial and Commercial Consultative Committee (JICCC) in Kenya.

# A global alliance for decent work in Africa

A global alliance for decent work in Africa would aim to forge closer cooperation between the ILO and its tripartite constituents and other organizations, with the goal of giving higher priority to employment in Africa. It would foster an African employment agenda in line with the ongoing promotional activities of the Global Employment Agenda. Such an alliance could be used to develop policies that would be more broad based and have greater reach and impact, and thereby become a useful tool for policy implementation.

This alliance could be described as an organized and well-structured partnership between the constituents and development agencies working in and for Africa. It should be focused on specific policy areas that will result in the operationalization of employment as a development objective for Africa.

It could involve different players at different levels:

- National governments. National governments are responsible for employment policy and for placing employment at the centre of economic and social policies. With this new emphasis on employment the ILO will provide governments with concrete and meaningful guidelines for the formulation of national employment strategies based on the goals of the Employment Policy Convention, 1964 (No. 122).
- The social partners. The social partners are crucial in achieving national and international consensus on a global alliance for employment in Africa. The social partners need to play a major role in both the design of strategy and in its implementation nationally and locally. Management of change in the labour market must be the responsibility of all social partners and social dialogue must be a central element of labour market

governance. The more the social partners can do together, the more credible, concrete and successful the strategy will be.

- Strategic alliances for subregional coordination. There is an immense variety in economic and social conditions among different subregions and countries in the continent. An African employment agenda should recognize that the success of employment policies depends on how well these specificities can be taken into account. The ILO invites all subregional political as well as economic organizations, including the development banks, to contribute to the shaping of an employment agenda and to the building of a strong alliance for more and better jobs.
- Strategic alliances for regional coordination. The AU and the NEPAD initiative, with the assistance of the ILO, should play a key role in the development of such an employment agenda in collaboration with other agencies.
- Strategic alliances at the global level. Involvement of all United Nations
  agencies, as well as the Bretton Woods institutions, development agencies, donors and NGOs, is a prerequisite for the further development of
  the global alliance for employment in Africa. The form, content, and timing of these contributions can be decided jointly by the ILO and other
  agencies and constituents. The review of existing global strategies can be
  a basis for such discussions.

## The next steps

This Report has discussed ways in which the goal of decent work for all enables the ILO network of institutions representing the world of work to mobilize and make a major contribution to Africa's economic and social development. The ILO's mission can and must be enriched by a continuing process of social dialogue at the local, national, subregional and continental level.

Together we must continue to build support for our basic premise that decent work is the main route out of poverty. Over the course of next year, the ILO and its tripartite constituents have the opportunity to help shape the African Union Extraordinary Summit of Heads of State and Government on Employment and Poverty Alleviation. The Tenth Regional Meeting will design the ILO's work programme for the next four years. This is a critical period during which it is vital to get back on track to halve the incidence of extreme poverty by 2015.

About 350 million children under 14 years of age in 2001 will, by then, probably have started work. They are the generation which, if given a chance, can dramatically change the face of Africa. Progressing on four key objectives will give them the opportunity to break out of the cycle of poverty:

- ending the discrimination and social exclusion that marginalizes millions of African families and hamstrings economic development;
- raising the productivity and earning power of work on the farms and in the small businesses that are the heart of Africa's production system;
- uniting to win a better deal for the continent in the world trade and financial system;
- strengthening the mechanisms of social dialogue, representation and accountability at the workplace, at the national level and in the emerging new structures for regional development cooperation.

These are practical targets that the ILO's tripartite structure can help Africa to achieve. They are objectives around which alliances of many types can form.

- reducing and eliminating the barriers that are restraining the productive potential of Africa;
- investing in creating a sound framework for the governance of labour markets, based on the ILO's fundamental principles and rights at work, as the surest way to balance flexibility and security and lay the foundations for a pro-jobs/pro-poor pattern of growth;
- creating opportunities for people and their families living and working in rural areas as well as in the informal economy, to make their way out of poverty.

# Annexes

#### Annex 1

#### Selected JFA/JIA achievements

Assisting several countries to undertake the review of their poverty and employment situation leading to the completion of a country profile on poverty, employment and policy-making in Algeria, Democratic Republic of the Congo, Egypt, Namibia and South Africa.

- (i) In Algeria, the country profile has been endorsed by the Government as a sound basis for the formulation of the national employment policy.
- (ii) The preparation of the country profile in Namibia provided a forum for participation and wide-ranging consultations with stakeholders to develop a framework for ILO support to Namibia.
- (iii) In South Africa, JFA/JIA contributed to the setting up of a Labour Market, Employment and Poverty Research Centre within the School of Economics at the University of Cape Town. This initiative promotes a coherent national research agenda on labour markets and poverty, enhancing the linkages between the research communities.

Supporting the mainstreaming of employment concerns in national policies and development strategies, mostly with regard to the PRSP process, in Burkina Faso, Côte d'Ivoire, Kenya, Mali and the United Republic of Tanzania.

- (i) Mali has become the benchmark of what the JFA/JIA programme is expected to achieve through the advocacy process, in that the Malian National Network Advocacy Group (NNAG) has succeeded in influencing the redeployment of public investment to be effectively directed towards the promotion of productive employment and the reduction of poverty.
- (ii) In Côte d'Ivoire, the JFA/JIA programme has been able to inject employment and social protection concerns into policy dialogue in the PRSP process and to enhance the visibility of employment treatment in the interim PRSP (I-PRSP).
- (iii) JFA/JIA-funding of studies on the harmonization of employment policies and labour legislation in the East African community has enhanced the regional integration process as an effective framework for the promotion of coherent and cohesive labour and employment policies.

Enhancing the ILO knowledge base and facilitating the dissemination of national and international experiences accumulated through its projects and programmes so as to improve the quality of its advisory services to its constituents. JFA/JIA has funded –

- (i) Policy analysis and research on productivity and employment: the first study on Kenya and Mauritius has been completed and is almost ready for publication (Job Creation and Enterprise Department).
- (ii) Development of a methodological approach to mainstreaming employment concerns in national policy-making processes and structures and the PRSPs.
- (iii) Through ILO/AIDS, development of conceptual and methodological approach to mainstreaming HIV/AIDS in a macroeconomic policy framework with due regard to employment concerns.
- (iv) ILO Tripartite African Meeting on Learning and Training for Improved Performance and Decent Work.
- (v) Research on knowledge management and skills acquisition in sub-Saharan Africa.
- (vi) Two papers that provide the underlying theoretical and conceptual foundation for the JFA/JIA programme: "Poverty reduction in Africa:

- Taking the employment route" and "Investment, employment and poverty nexus in Africa".
- Supporting pilot projects to enhance the capacity of social partners.
- (i) The JFA/JIA programme has provided financial support for field activities undertaken by the INDISCO programme to address policy issues and conduct an assessment survey on improving the employment and livelihood practices of pygmies in Cameroon and pastoralist people (Masai) in the United Republic of Tanzania.
- (ii) Jointly with ACT/EMP, the JFA/JIA programme initiated and funded the organization of the African Regional Employers' Meeting (Nairobi, October 2001) on mainstreaming employment concerns in national policies. The major outcome of the Meeting was the Nairobi Declaration in which African employers' organizations made a commitment to contribute actively to employment policies formulation with the aim of ensuring job creation through enhanced investment.

#### Annex 2

# New Vision for Jobs in Africa, Addis Ababa, 20-21 February 2003

Delegates at the ILO Subregional Tripartite Meeting on a New Vision for Jobs in Africa assembled in Addis Ababa, Ethiopia, from 20 to 21 February 2003, agreed that African countries should:

A. Adopt a New Vision for Jobs in Africa based on the following strategic framework:

- promoting proactive development strategies and coherent development frameworks:
- promoting growth that is employment-absorbing and poverty-reducing;
- promoting participatory consultation on national development policymaking;
- promoting growth that is inclusive.
  - B. Operationalize the New Vision based on the following principles:
- empowering the State to formulate and implement this Vision;
- ensuring broader participation to sustain the continuity in the implementation of this Vision;
- employment should become the benchmark for all national development policies;
- more inclusive development plans.
  - Based on the above, the delegates recommended that:
- the Employment Creation Agenda should be placed at the highest level of the State. Involvement of the Heads of State and Government is essential to ensure that employment is given priority in development policies;
- a national economic and social development vision is critical for the promotion of the Employment Creation Agenda;
- an enabling political environment for citizens' participation should be created as an effective way of achieving sound development plans;
- the new comprehensive policy framework needed to promote the Employment Creation Agenda necessitates a strong national institutional framework, built on continuity and social dialogue;
- in order to have inclusive policies, government as well as other stakeholders (workers, employers, civil society, universities and research institutions) should participate in the formulation and implementation of development policies;
- the capacity of workers, employers, and other stakeholders to participate actively and effectively in the formulation and implementation of national policies and resource mobilization should be strengthened;
- the New Vision for Jobs in Africa should move the process initiated by the JFA/JIA programme forward, based on past experience and the emerging need to mainstreaming employment in all government policies and programmes.

*Furthermore* the delegates committed themselves to promoting the New Vision for Jobs in Africa and requested the ILO to:

 work closely with the development partners to promote the Vision and integrate employment as a major objective of their assistance, frameworks and strategies;  continue its policy research, advisory services and dissemination of results, and technical cooperation and support resource mobilization for employment in Africa.

Annex 3Ratification of Conventions addressing tripartism and social dialogue by African countries, as of August 2003

	C. 87	C. 98	C. 144	C. 150	C. 151	C.154
Algeria	Х	Χ	Χ	Χ	_	_
Angola	Χ	Χ	_	_	_	_
Benin	Χ	Χ	Χ	Χ	_	_
Botswana	Χ	Χ	Χ	_	Χ	_
Burkina Faso	Χ	Χ	Χ	Χ	_	_
Burundi	Χ	Χ	Χ	_	_	_
Cameroon	Χ	Χ	_	_	_	_
Cape Verde	Χ	Χ	_	_	_	_
Central African Republic	X	X	_	_	_	_
Chad	X	X	Χ	_	Χ	_
Comoros	X	Χ	_	_	_	_
Congo	X	X	X	X	<del>_</del>	_
Côte d'Ivoire	X	X	X	Λ	_	_
	۸	^	^	_	_	<u>—</u>
Democratic Republic of the Congo	Χ	X	Χ	Χ	_	_
Djibouti	X	X	Λ.	Λ.		
-	X	X	X	X	_	_
Egypt	X	X	^	^	_	<u>—</u>
Equatorial Guinea Eritrea			_	_	_	_
	X	X	_	_	_	_
Ethiopia	X	X	_	_	_	_
Gabon	Χ	Χ	Χ	Χ	_	Χ
Gambia	Χ	Χ	_	_	_	_
Ghana	Χ	Χ	_	Χ	Χ	_
Guinea	Χ	Χ	Χ	Χ	Χ	_
Guinea-Bissau	_	Χ	_	_	_	_
Kenya	_	Χ	Χ	_	_	_
Lesotho	Χ	Χ	Χ	Χ	_	_
Liberia	Χ	Χ	Χ	Χ	_	_
Libyan Arab Jamahiriya	Χ	Χ	_	_	_	_
Madagascar	Χ	Χ	Χ	_	_	_
Malawi	Χ	Χ	Χ	Χ	_	_
Mali	Χ	Χ	_	_	Χ	_
Mauritania	Χ	Χ	_	_	_	_
Mauritius	_	X	Χ	_	_	_
Morocco	_	X	_	_	_	_
Mozambique	Χ	X	Χ	_	_	_
Namibia Namibia	X	X	X	X	_	_
	X	X	^	^	_	
Niger				_	_	Χ
Nigeria	X	X	Χ	_	_	_
Rwanda	X	X	_	_	_	_
Sao Tome and Principe	Χ	Χ	Χ	_	_	_
Senegal	Χ	Χ	_	_	_	_
Seychelles	Χ	Χ	_	Χ	Χ	_
Sierra Leone	Χ	Χ	Χ	_	_	_
Somalia	_	_	_	_	_	_
South Africa	Χ	Χ	Χ	_	_	_
Sudan	_	Χ	_	_	_	_
Swaziland	Χ	Χ	Χ	_	_	_
United Republic of Tanzania	Χ	Χ	Χ	_	_	Χ

	C. 87	C. 98	C. 144	C. 150	C. 151	C.154	
Togo	Χ	Χ	Χ	_	_	_	
Tunisia	Χ	Χ	_	Χ	_	_	
Uganda	_	Χ	Χ	_	_	Χ	
Zambia	Χ	Χ	Χ	Χ	Χ	Χ	
Zimbabwe	Χ	Χ	Χ	Χ	_	_	
Total no. of ratifications (out of a total of 53 member States)	46	52	30	17	7	5	
Percentage of ratification	86.8	98	56.6	32	13.2	9.4	

Conventions addressing tripartism and social dialogue as set out in the 2002 resolution of the International Labour Conference on tripartism and social dialogue:

- C.87: Freedom of Association and Protection of the Right to Organise Convention, 1948;
- C.98: Right to Organise and Collective Bargaining Convention, 1949;
- C.144: Tripartite Consultation (International Labour Standards) Convention, 1976;
- C.150: Labour Administration Convention, 1978;
- C.151: Labour Relations (Public Service) Convention, 1978;
- C.154: Collective Bargaining Convention, 1981.