"Economic growth alone is unlikely to be sufficient to empower Africa's people through providing new job opportunities"

ILO, 12 October 2011

Address by the President of South Africa, Mr Jacob Zuma, during the <u>12th ILO African</u> <u>Regional Meeting held in Johannesburg between Tuesday 11 October and Friday 14 October</u> <u>2011.</u>

I would like to thank the International Labour Organisation for having chosen South Africa to hold this important gathering. I hope that Director General Somavia you and your team have received nothing but splendid warmth and co-operation that we have become famous for.



The issues that are going to be discussed here are critical to the economies of the continent in particular and the international community in general. But in keeping with the theme of the conference which is Empowering Africa's Peoples with Decent Work, I will largely confine myself to issues affecting our continent.

This is an important opportunity to debate the ways in which African countries should be responding to the challenges posed by the ILO's Decent Work agenda.

This agenda provides an important framework that can be used by our countries to consider national policies and to give meaning to decent work on our continent.

To many the idea of decent work in Africa may seem like a dream. Our continent has an unfortunate history marked by colonialism and forced labour.

More recently, many African countries have experienced an underutilisation of labour, an outflow of skilled labour, low levels of development of manufacturing activity and a reliance on resources.

But Africa is part of the developing world and the economic fortunes of the continent are beginning to change along with those of other developing economies.

The IMF forecasts that emerging economies as a whole will grow by around four percentage points more than the rich world over the next two years. If these forecasts are correct, emerging markets will produce more than half of global output by 2013.

In this context, it is important to craft policies that maximise job opportunities for Africa's people. And these should ideally be jobs that are sustainable, that provide income security and that promote the rights and dignity of people in their workplace.

The Decent Work Agenda in Africa cannot ignore the widespread poverty that characterises the continent. The share of the world's poor living in Africa has increased over the past two decades and the UNDP report released in 2010 dealing with the attainment of the Millenium Development Goals (MDGs) suggests that Africa will have to create 100 million productive jobs in order to reduce the number of working poor. (Note 1)

In the face of formidable challenges facing the continent, it may be necessary to recognise that economic growth alone is unlikely to be sufficient to empower Africa's people through providing new job opportunities.

Many other, complementary initiatives will be needed – such as supporting the informal sector and providing bridging programmes between the informal and formal sectors, moving towards improved social security for Africa's people and paying attention to education and skills development.

It is clear that governments are going to have to play a critical role in promoting decent work in Africa by setting up appropriate development policies and ensuring regional and continental economic cooperation in ways that promote jobs.

To promote decent work in Africa will require coordinated policies that make employment the main priority. In Africa, stimulating employment will also require paying attention to the supportive environment in which inclusive growth can develop.

The basics for putting job creation in an upward trajectory are proper infrastructure development, a well functioning education system and social and government services that support inclusive growth.

To give impetus to efforts aimed at growth, the South African Government in 2009 decided to focus on five priority areas namely; education, health, rural development and agrarian reform, taking forward the fight against crime and creating decent work.

More recently, Government declared 2011 a year of job creation through meaningful economic transformation and inclusive growth.

This has enabled Government to better align its efforts by ensuring that the programmes of state departments and state owned entities align their efforts to the imperative of job creation.



We also introduced a New Growth Path that will guide our work in achieving these goals, working within the premise that the creation of decent work is at the centre of our economic policies.

In the NGP, the South African government has set an ambitious target of achieving 5 million new jobs by 2020. Achieving this target would mean reducing our narrow unemployment rate by 10% to around 15%.

This means we have to bring many young persons into economic activity as well as many of the long-term unemployed to achieve this

monumental task.

At the core of our efforts, will be the focus on building a developmental state with the strategic, political, administrative and technical capacity to give leadership to our development trajectory.

The focus for governments efforts in the coming years will be to stimulate the country's productive capacity to stimulate job creation and expenditure on the social wage," including access to health services, education, social security, transport and municipal infrastructure.

Our first strategic priority, however, is to speed up growth and transform the economy to create decent work and sustainable livelihoods. The key elements that we will focus on will be the following:

- To maintain a stable pro-employment macroeconomic environment;
- Implement trade and industrial policy to create decent work on a large scale;
- Undertake interventions to create a more inclusive economy, by expanding opportunities for the poor to access the labour market and broadening the impact of growth;
- Strengthening competitiveness and promotion of small and medium-sized enterprises (SMEs) and co-operatives, and;
- Ensuring that the country keeps up with global technological trends and fully exploits our comparative advantages;

While it is clear that all priorities should receive urgent attention, the approach of the South African government will be to phase in priorities and sequence their implementation taking into account the availability of resources.

During the mandate period of the current government, the areas of fastest expenditure growth will include economic services and on social security.

These priority areas are of particular importance for the labour market and for dealing strategically with policies to strengthen the economic recovery. As the International Labour Organisation (ILO) points out: "If all countries stimulate their domestic activity, primarily through employment and social protection, two direct ways to support aggregate demand, then global growth and trade will recover. This implies a central focus on employment and social protection in short-term fiscal and monetary policies. And macroeconomic policy should explicitly target employment and social protection objectives in order to accelerate a recovery." (Note 2)

Our priorities are consistent with this approach. As government we are determined to implement strategic policies that will address the challenges we face and to meet these challenges with a new resolve.

Central to our approach is the recognition of the enormous responsibility on all social partners to contribute in different ways and, in particular, to contribute through effective social dialogue.

The Framework Response to the Economic Crisis has been a focus for social dialogue in the period from 2009 to 2010. At present, the NGP has broadened the agenda for social dialogue and introduced targets that the social partners can commit to and work towards.

The challenge that remains is that of using our tradition of social dialogue to tackle the more difficult challenge of job creation and reducing unemployment and its associated poverty affecting so many South Africans.

While Government needs to play a central role in creating the conditions for economic growth, it is also incumbent on the social partners to move from dialogue to partnership in tackling job creation.

In implementing the Decent Work agenda in Africa, we need strong international agencies to provide guidance and technical support now more than ever. There are many challenges in the labour market and many vulnerable workers that need the standards and services provided by the ILO.

Finally, African countries will have to find new and improved methods of cooperation at regional and continental level to ensure that we have complimentary economic and social policies.

It will only be through working together on the continent that we will be able to empower Africa's people with decent work.

I now declare this conference open and wish you well in your deliberations.

Note 1 - ILO. 2011. <u>Empowering Africa's peoples with decent work (pdf 745 KB)</u> - Report of ILO Director-General for the 12th African Regional Meeting (Geneva).(<u>Back to text</u>)

Note 2 - ILO. 2009. <u>Tackling the global jobs crisis</u>: <u>recovery through decent work policies</u>: <u>report of the Director-General</u> International Labour Conference, 98th Session (Geneva).(<u>Back</u> to text)

Further resources

ILO Publications

- ILO. 2011. <u>Empowering Africa's peoples with decent work (pdf 745 KB)</u> Report of ILO Director-General for the 12th African Regional Meeting (Geneva)
 Français (pdf 2.03 MB) قدر مة J(pdf 4.34 MB)
- ILO. 2011. <u>Global employment trends 2011: the challenge of a jobs recovery (pdf</u> 2.27 MB) (Geneva).
- ILO. 2011. <u>Realising a New Era of Social Justice through Decent Work: Success Stories from Africa (pdf 1.48 MB)</u> (Geneva).
- ILO. 2010. <u>Employment and social protection policies from crisis to recovery and beyond: a review of experience, an ILO report to the G20 Labour and Employment Ministers Meeting, Washington, DC, 20–21 April 2010 (pdf 819 KB) (Geneva)</u>
- ILO. 2010. <u>Employment policies for social justice and a fair globalization, Report VI, International Labour Conference, 99th Session, Geneva, 2010 (pdf 1.55 MB) (Geneva).
 </u>
- ILO. 2009. <u>Recovering from the crisis: a global jobs pact</u> (pdf 93.22 KB) (Geneva)
 <u>Français (pdf 105.47 KB)</u>
 <u>Español (pdf 107.50 KB)</u>
- ILO. 2009. <u>Tackling the global jobs crisis: recovery through decent work policies:</u> <u>report of the Director-General</u> (pdf 500 KB) (Geneva)

• Français (pdf 557.17 KB) • Español (pdf 371.85 KB)

ILO Videos

- Opening Ceremony of the 12th African Regional Meeting
- Videos produced by the International Labour Organization covering the African region

ILO Websites

- 12th African Regional Meeting, Johannesburg, South Africa, 11–14 October 2011
- o ILO Regional Office for Africa
- o Global Jobs Pact
- o Decent Work
- o ILO Global Job Crisis Observatory: Africa
- o ILO Global Job Crisis Observatory: Employment Promotion