North Africa

Volatile or low economic growth following the Arab Spring prevents improved labour market outcomes

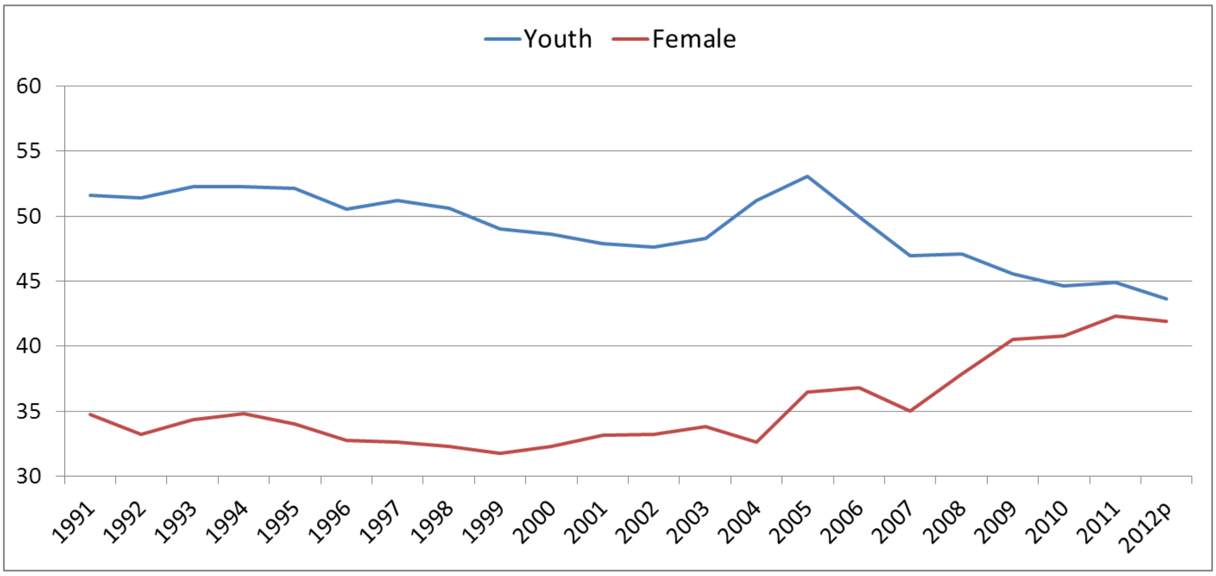
Economic growth in North Africa turned negative in 2011 in the face of the Arab Spring, which led to a near-collapse of economic activity in Libya, and deceleration of growth in all countries in the region except Morocco. Economic growth in Egypt dropped from 5.1 per cent in 2010 to 1.8 per cent in 2011 and remained low at 2.0 per cent in 2012, while Sudan registered negative economic growth (-11.2 per cent) in 2012 following the independence of South Sudan in 2011. Nevertheless, regional economic growth in North Africa (which does not include South Sudan) reached a record high of 9.8 per cent in 2012 on the back of the rebound in Libya. Growth in Tunisia also became positive in 2012 and is expected to accelerate further (IMF, 2012b).

So far, the countries in North Africa seem to be little affected by the on-going worries of their European neighbours, despite intensive trade and migration linkages. Although return migration from Southern Europe may have brought additional stress to labour markets in North Africa, the economic and labour market situation in the region seems to be more affected by developments in other emerging countries than by the slow-down in advanced economies. The intensification of linkages in particular with East Asia suggests that spillovers from this part of the world might increase in importance (see Cashin et al., 2012).

Together with the Middle East, North Africa remains among the regions with the highest unemployment rates, and with little signs of improvement. The unemployment rate in North Africa gradually declined from a peak of 13.2 per cent in 2000 to 8.9 per cent in 2010, but sharply increased to 10.0 per cent in 2011. In 2012, the unemployment rate is estimated to have increased to 10.3 per cent (see table A2). Unemployment in North Africa is often seen as a problem exclusively affecting women and youth, and the unemployment rates for both groups are indeed consistently higher than the rates for adult men (aged 25 and above). For example, in 2012, the male youth unemployment rate was 18.5 per cent, more than three times the male adult rate of 5.7 per cent. Similarly, the female adult unemployment rate in 2012 is estimated at 11.7 per cent, while the female youth rate at 37.0 per cent was more than six times the rate for adult men.

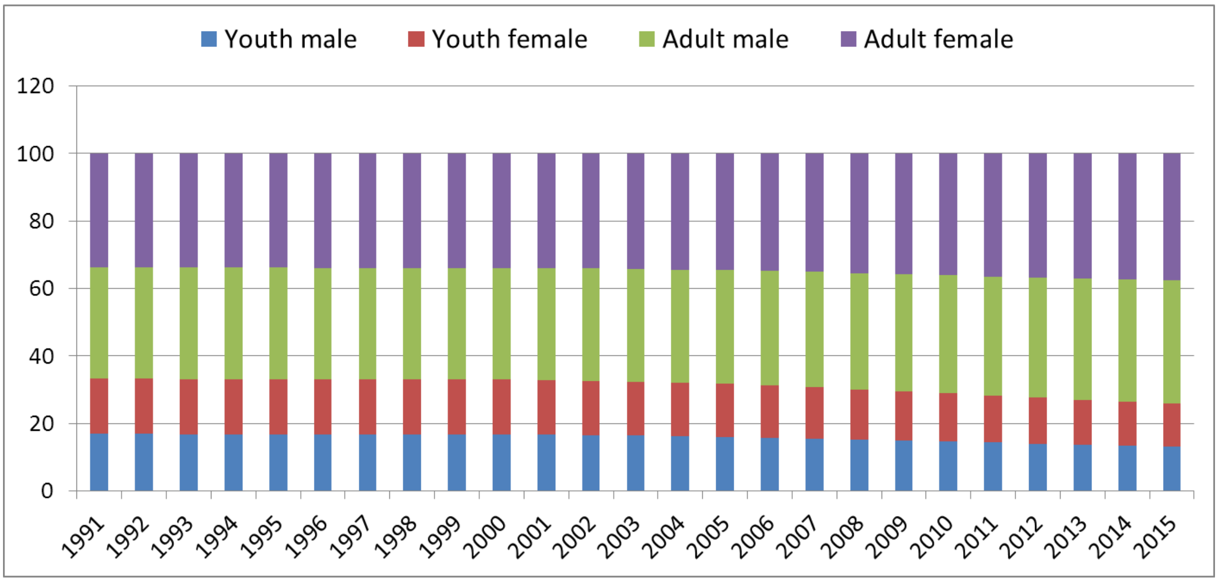
The risk of unemployment in the region is not limited to any particular group. Despite the disadvantaged position of youth, their share in total unemployment has been (slowly) decreasing (Figure 1). The main factor driving this longer term trend is demographic development. In 1991, one out of three persons of working age was aged between 15 and 24, but in 2012 this proportion had dropped to 28 per cent, and it is projected to fall to one out of four persons in 2015 (Figure 2). In other words, unless the youth-to-adult ratio of unemployment rates is at an unusually high level, it can be expected that the share of youth in total employment is declining. Figure 1 shows both the longer term downward trend in this share and the relatively high share in 2005, when the youth-to-adult ratio reached a level of 3.6. Even in North Africa, which is characterized by exceptionally high youth-to-adult ratios, this ratio usually does not exceed 3.4. Demographic trends are less important in explaining the share of women in total unemployment, which is primarily driven by labour force participation rates. The female labour force participation rate in North Africa shows an increasing trend, but is still less than a third of the male participation rate. This explains why men constitute the large majority of jobseekers in North Africa, despite the disadvantaged position of women in terms of unemployment rates. In other words, even though young workers and women face additional barriers in accessing work, the creation of decent work opportunities is important for all workers.

Figure 1: Share of women and youth in total unemployment in North Africa, 1991-2012 (%)



Note: 2012p are preliminary estimates
Source: ILO, Trends econometric models, October 2012 (see annex tables A2 and A3).

Figure 2: Distribution of the working age population in North Africa, 1991-2015 (%)



Source: ILO, Trends econometric models, October 2012 (see annex tables A2 and A3).

North Africa faces several other labour market challenges besides the lack of employment opportunities. Although levels of working poverty at the US$ 1.25 a day poverty line are low in the region, the working poverty rate at the US$ 2 a day level is still high. In 2012, 19.7 per cent of the employed was living with their families below this poverty line. Furthermore, the vulnerable employment rate in 2012 amounted to 41.4 per cent, indicating a high proportion of workers in informal working arrangements and without adequate social protection. More than half of female workers are in vulnerable employment (61.2 per cent) as compared with slightly more than one out of three men. Vulnerable employment in the region is expected to remain high and to recede only gradually starting in 2014, provided that no further risks will weigh on the growth outlook (see Annex 2).

Labour market segmentation is pervasive

Labour market segregation along gender lines is prevalent in North Africa. Occupational segregation not only limits choices for women and constitutes an obstacle for equality of opportunity, but also hampers efficiency in the allocation of labour and therefore economic growth. Excluding part of the labour market from access to occupations reduces the pool of talent, and labour and skill shortages are likely to take longer to be resolved in strongly sex-typed occupations.

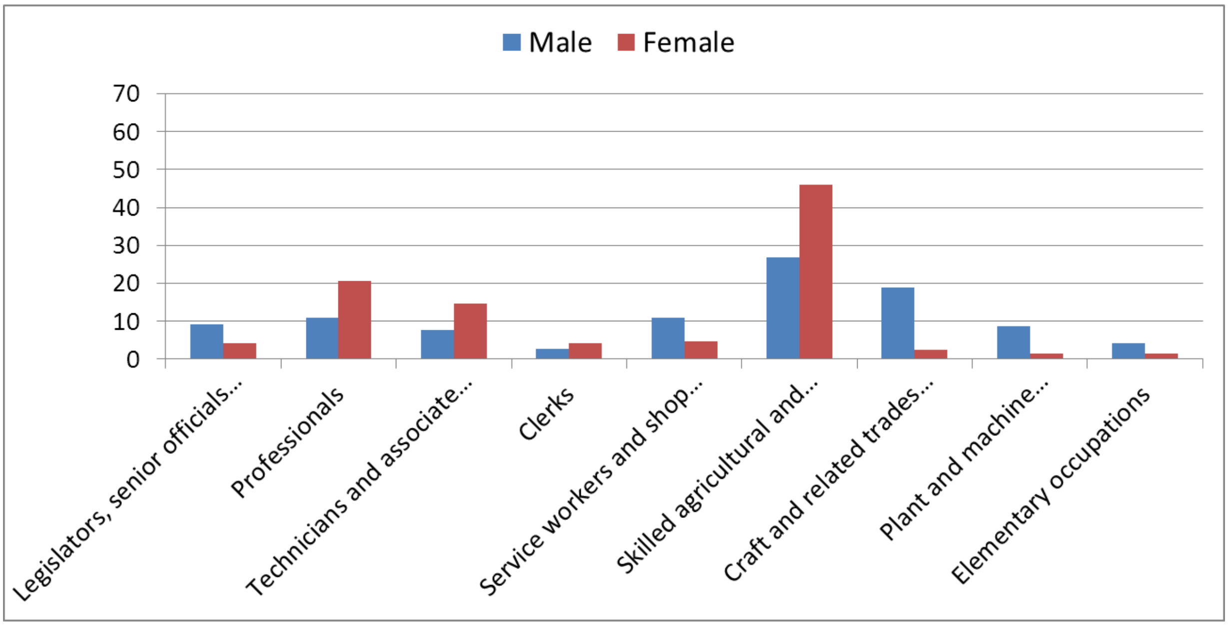
In part, segregation reflects high rates of vulnerable employment for women, in particular those working as own account workers and contributing family workers in agriculture. As shown inFigure 3 and Figure 4, proportionaly more women than men work as skilled agricultural and fishery workers in Egypt and Morocco. On the other hand, women also tend to be overrepresented in high-skilled professional and associate professional jobs, often in the public sector (Fortuny and Al Husseini, 2010). In Egypt, public sector employment accounts for about one third of employment and traditionally absorbed an important part of (female) graduates (World Bank, 2013). However, budgetary constraints and the changing role of the public sector have resulted in more queuing for the few public sector jobs that are available, which in part explains the relatively high unemployment rates of well-educated persons in Algeria and Egypt. In both countries, unemployment rates for tertiary graduates are considerably higher than for those with primary or secondary education (ILO, 2011a).

Occupational distributions indicate that few employment opportunities are available for high-skilled workers in some North African countries. In Morocco, professionals and associate professionals account for not more than 5.8 per cent of workers (Figure 4). The share of workers in these occupational groups tends to go up with the level of development, and in the vast majority of developing economies already exceeds 10 per cent. Another sign of constraints posed by human resources is the high illiteracy rate in North Africa. In Morocco, the illiteracy rate was 43.9 in 2009, while in most North African countries at least one in five adults was not able to read or write (ILO, 2011a).[1] High rates of illiteracy suggest that part of the workforce is under-qualified for their job and limit increases in productivity, for example through the adoption of new technologies or broadening of the skills base.

A limited skills base is also likely to constrain structural change. Between 2000 and 2010, the share of the agricultural sector in North Africa decreased by only 1.6 percentage points, which is the lowest decrease of all regions and close to the decrease in the developed economies (which, contrary to North Africa, already have a low share of workers in agriculture). In Egypt, for example, the share of workers in agriculture was essentially stagnant between the late 1990s and 2010.

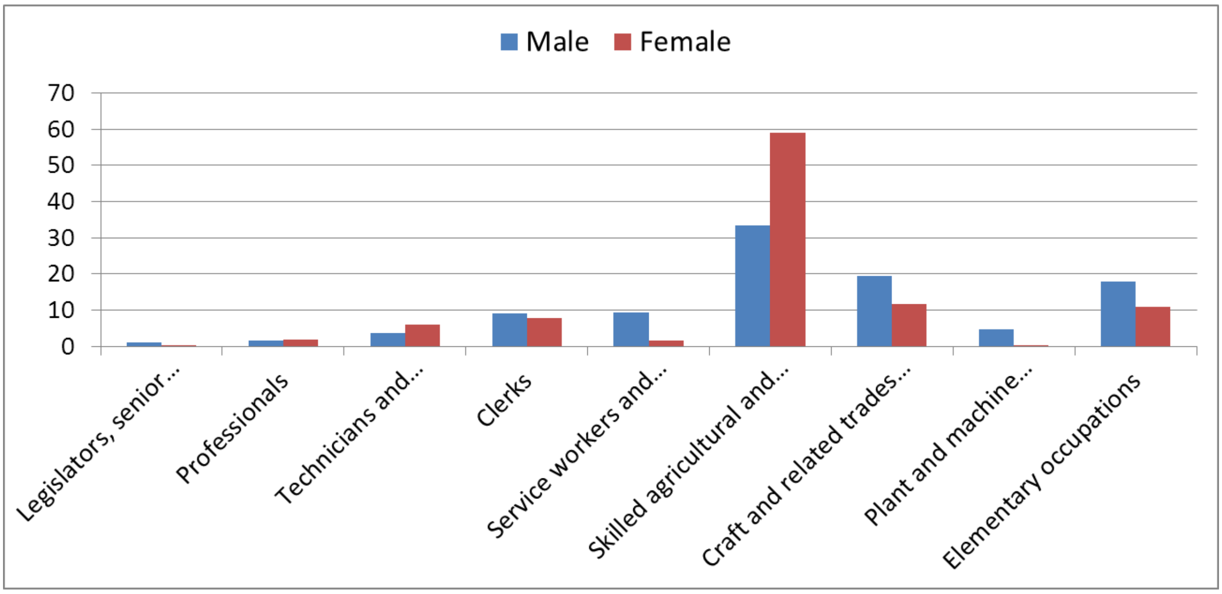
[1] The exception is Libya, where the illiteracy rate was 11.1 per cent in 2009.

Figure 3: Occupational distribution in Egypt by sex, 2007 (%)



Source: ILO (2011), Key Indicators of the Labour Market (Geneva).

Figure 4: Occupational distribution in Morocco by sex, 2008 (%)



Source: ILO (2011), Key Indicators of the Labour Market (Geneva).

Several countries in North Africa have adopted national employment strategies including common elements such as infrastructure development, facilitation of investment, strengthening of the skills base, improving labour market intermediation and special measures targeting youth. In Algeria, for example, the Government adopted a national action plan to promote employment and address unemployment covering the period 2008-2013 in 2008. This plan includes encouragement of investment, incentives to encourage companies to create jobs, improvement and modernization of labour administration, intermediation and coordination and the promotion of youth employment, in particular through active labour market policies. Under the recently launched DAIP (Dispositif d'Aide à l'Insertion Professionnelle), young people obtain an employment contract including training in an enterprises (one year renewable) or the public sector (three years renewable), which is fully funded by the Government for the salary and social security contributions, and at 60 per cent for the training costs. The DAIP can be followed by a CTA (Contrat de Travail Aidé) with a monthly wage subsidy funded by the Government.

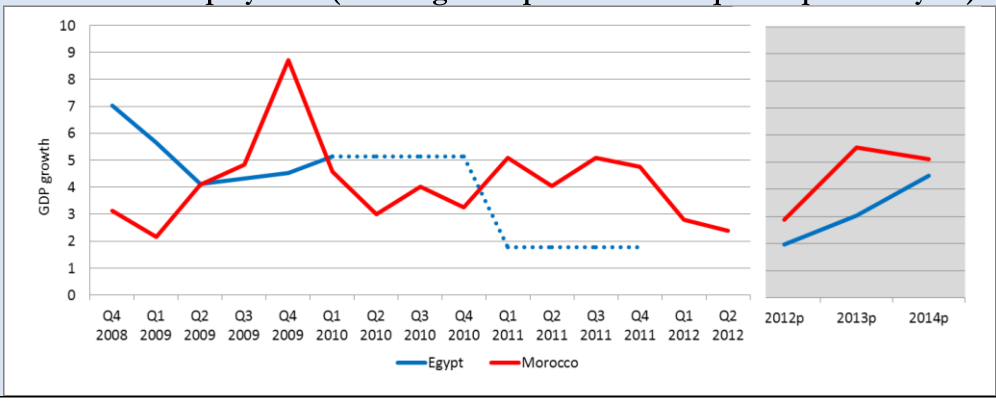
Employment promotion is also one of the priorities of the Moroccan Government, whose new employment strategy aims at increasing investment, promotion of small and medium enterprises, promotion of self-employment, skills development for youth employment and the development of a social economy. The strategy also includes apackage of measures focused on graduate youth and the improvement of intermediation on the labour market. Finally, Morocco has started a process of decentralization of employment services for more efficient and better quality delivery.[2]

In 2013, economic growth in the region is projected at 4.4 per cent, subject to the downside risks arising from continuous political uncertainty in some economies as well as depressed demand from the nearby Eurozone. The unemployment rate is projected to remain elevated at 10.3 per cent in 2013, which underlines the urgent need for inclusive decent work policies.

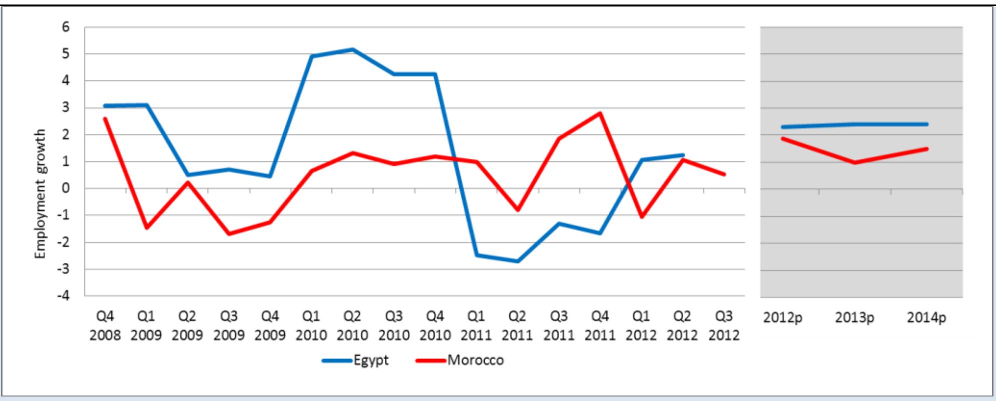
Country spotlight 1: Growth and job creation in Egypt and Morocco

GDP growth in Egypt and Morocco remained positive throughout the global economic crisis. Morocco recovered remarkably well in 2009 peaking at almost 9 per cent. However, Morocco's economy decelerated in 2010 and increased modestly in 2011 to a level of 5.3 per cent in Q4 2011. GDP growth in Egypt decelerated in the first two quarters of 2009 and slightly accelerated during the remainder of the year. Data are only available through 2009 and annual GDP growth was included in place of quarterly figures for 2010 and 2011. As a result of popular uprising and political instability in 2011, Egypt's economy declined to an annual growth rate of only 1.8 per cent. The outlook for the coming years for Egypt is encouraging, projecting steady annual increases in growth to a level of 4.5 per cent in 2014. Morocco's expected growth rate for 2012 is at the lowest level for the entire period under consideration, at only 2.9 per cent but is expected to accelerate to a rate of 5.5 per cent in 2013 and 5.1 per cent in 2014.

Figure CS6.1: GDP and employment (% change compared to same quarter previous year)



[2]Support to Morocco as well as Tunisia is provided two technical cooperation programmes: "Promoting productive employment and decent work for youth", financed by Spain, and "Support to employment promotion and poverty reduction (APERP)", funded by France.



Note: The figure compares quarterly growth in GDP (top panel) and employment (bottom panel) between Q4 2008 and Q2 2012 against annual projections between 2012 and 2014 (values shaded in grey). Quarterly growth rates are calculated on the basis of the same quarter in the previous year. Quarterly GDP data for Egypt were not available for 2010 and 2011 and annual GDP growth rates were used instead and included for each quarter (indicated by the dotted line).
Source: IMF. For projections: IMF; ILO, Trends econometric models, October 2012.

Egypt and Morocco displayed volatile employment growth throughout the entire period under consideration. Employment losses followed the outbreak of the global economic crisis in Morocco while Egypt registered growth rates just above zero. Egypt saw rapid employment growth in 2010, followed by a sharp decline in Q1 2011 and persistent contraction until the end of 2011 due to the political turmoil in the country. The latest available data in 2012 showed positive employment growth but at modest levels of approximately 1 per cent. The recovery period in Morocco took long and job recovery was highly volatile. Employment growth only recovered to pre-crisis levels in Q4 2011. Job losses were registered again in Q1 2012 but Q1 and Q2 2012 showed a positive growth rate of about 1 per cent. Job recovery in Morocco is projected to pick up and increase to stable levels of approximately 2.5 per cent. Morocco's economy is expected to recover jobs at a rate of about 2 per cent in 2012 before slightly declining to 1 per cent and 1.5 per cent in 2013 and 2014 respectively.

Sub-Saharan Africa

Growth continues to be positive and resilient but productive transformation challenges persist

Economic growth in Sub-Saharan Africa has continued its buoyancy in 2012, defying the impact of the Eurozone debt crisis for yet another year, thanks to its relatively limited linkages to the global economy and its more recent trend in diversifying its export destination markets away from Europe (AfDB, 2012; IMF, 2012a and 2012b). GDP year on year growth is estimated to have remained at virtually the same level in 2011 and 2012, at 5.2 and 5.3 per cent, respectively. Using the IMF classification of countries, oil exporters and low income countries are expected to grow at rates above the regional average, at 6.0 per cent and 5.9 per cent respectively, while moderate growth is expected in middle income countries at 3.7 per cent. More than half of the countries in Sub-Saharan Africa registered growth rates of 4.5 per cent or more in 2012, and two countries achieved double-digit economic growth (Niger and Sierra Leone). Ghana's buoyant growth of 14.4 per cent in 2011 tapered down to 8.2 per cent in 2012, while Cote d'Ivoire returned to high and positive growth of 8.1 per cent after the decline of 4.7 per cent in 2011 as peace has returned to the country. Several countries will post growth rates of above 7 per cent including Liberia, Mozambique, Nigeria and Rwanda.

On the downside, in six countries economic growth was negative in 2012 (Gambia, Guinea-Bissau, Mali, South Sudan, Sudan, and Swaziland). Economic growth in several other countries was positive in 2012, but low in the face of structural problems that afflict much of the region. For example, in South Africa, the largest economy in the region, economic growth was 2.6 per cent in 2012, while growth in Botswana (3.8 per cent) and Madagascar (1.9 per cent) was disappointing. The political and fiscal crises in Madagascar largely explain the low growth rate, while the weak external demand arising from the global and Eurozone crises and supply side structural constraints have continued to weigh down on growth of Botswana and South Africa. The declining growth in South Africa has had an immediate impact on the labour market, threatening the recovery which had started gathering momentum. The already very high unemployment rate increased from 25 per cent in the first quarter of 2011 to 25.2 per cent in the first quarter of 2012, before slightly easing to 24.9 per cent in the second quarter (StatsSA, 2012).

One of the issues on which development discourse has recently centred is whether the observed strong economic performance of Sub-Saharan Africa in the past ten years marks the beginning of a growth take-off for the region or is simply another growth spell (Roxburgh et al. 2010; World Bank, 2008). Underlying the take-off proponents' argument is the implicit claim to the effect that stabilization policies are paying off after all, albeit with a time lag. Roxburgh et al. argue that Africa's growth is more than a resource boom, and can be attributed in large part to political and macroeconomic stability as well as to reforms aimed at creating a more market-driven business environment.

Somewhat in contrast to this position, the ILO has recently argued that Sub-Saharan Africa's strong growth is not a new phenomenon, and can be viewed as a catch up for the 20 years of stagnation from the 1980s to the end of the 1990s (ILO, 2011b). The decade of rapid growth does not necessarily signify the beginning of sustained structural transformation in the region (see also chapter 4) and the region continues to suffer from large decent work deficits and the highly unequal distribution of the fruits of growth.

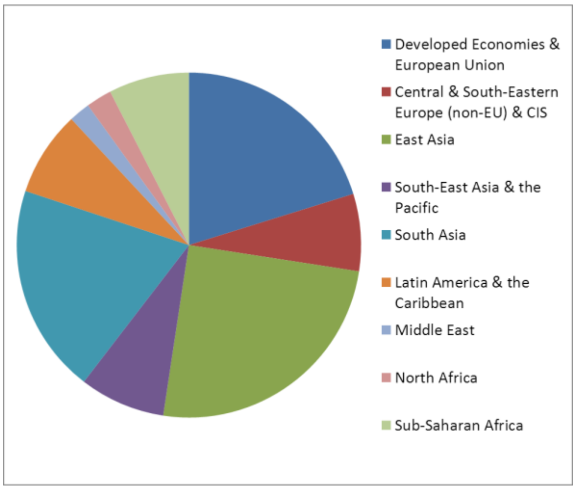
The analysis in this section demonstrates again that the solid growth of the past decade has not led to a significant improvement in labour market outcomes and poverty reduction, although there are positive developments in terms of fast productivity improvement. It is therefore urgent to redouble efforts to put in place pro-employment economic and social policies based on productive transformation and fast structural change.

As has been highlighted in numerous reports, the analysis is constrained by the paucity of labour market data in most countries of the region, and only Mauritius and South Africa currently conduct quarterly labour force surveys. Nevertheless, several trends can be discerned as will be discussed below.

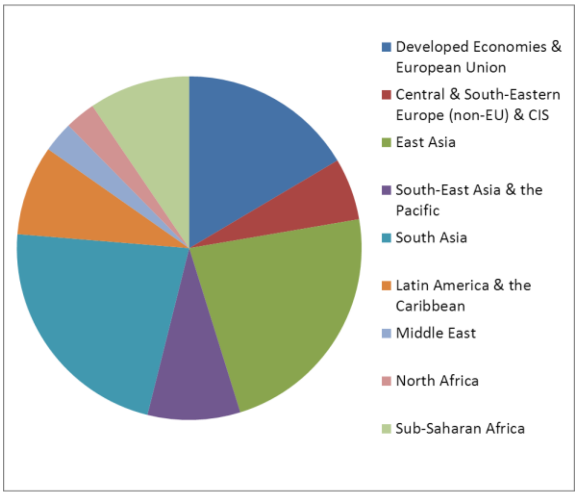
The region's working-age population is estimated to have reached 492 million in 2012, representing an increase of 137 million people since 2000 and an annual compound growth rate of 2.8 per cent. In 2012, the region accounted for 9.5 per cent of the global population of working age, up from 7.6 per cent in 1991, and expected to rise further to above 10 per cent by 2017 (Figure 5). Sub-Saharan's growth rate of the working-age population is second only to the Middle East, but the long-term decline in the growth rate is less in Sub-Saharan Africa: the growth rate of the working-age population in the Middle East decreased from 3.7 per cent in 2000 to 2.4 per cent in 2012, while in Sub-Saharan Africa the growth rate dropped only marginally from 2.9 per cent to 2.7 per cent. Accordingly, the share of youth in the population of working age is likely to remain higher than in other regions for years to come (Figure 6).

Figure 5: Regional shares in the global working-age population, 1991, 2012 and 2017 (projection)

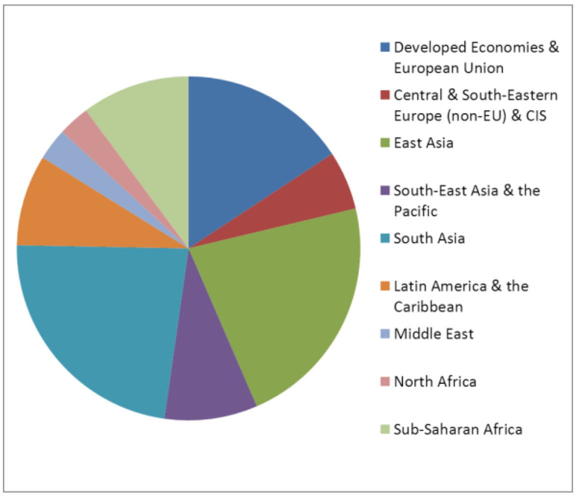
1991



2012

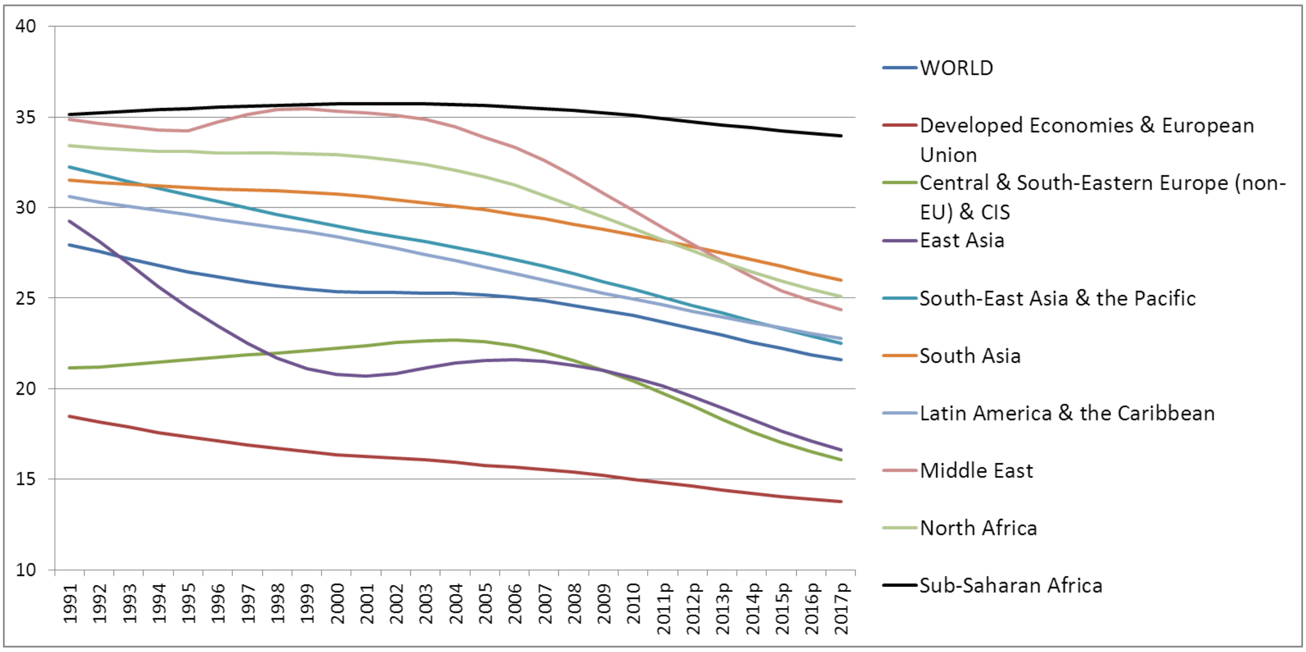


2017



Source: ILO, Trends econometric models, October 2012 (see annex table A8).

Figure 6: Regional shares of youth population, 1991-2017p



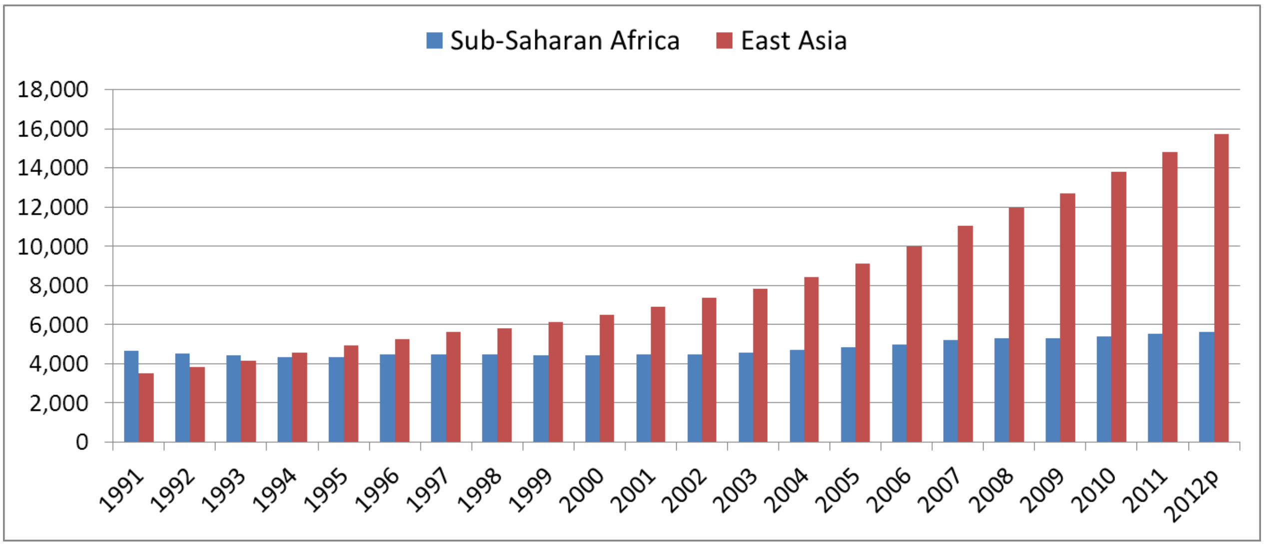
Source: ILO, Trends econometric models, October 2012 (see annex table A9).

Sub-Saharan Africa's absorption of its working age population in employment seems to compare favourably to other regions, only falling behind East Asia and the region of South-East Asia and the Pacific. Between 2000 and 2012, the employment-to-population ratio has been fluctuating between 63.8 and 65.0. Given the fairly stable level of unemployment, estimated at close to 7.5 per cent in the past five years, this implies that only a small proportion of the working age population is outside the labour force - engaged in the care economy, retired, students, or discouraged workers. Indeed, the labour force participation rate edged upward by 0.1 percentage point over 2011 to 70.4 per cent in 2012, and the region's labour supply as measured by the participation rate is second only to East Asia. The abundant supply of labour primarily reflects the vulnerability of workers; they cannot afford to exit the labour market as they have no alternative means of survival in the absence of adequate social security and safety net programmes in the region.

The challenge in Sub-Saharan Africa is therefore not so much to get more people integrated in the labour market, but far more to improve labour productivity, conditions of work and the returns and benefits people derive from their work. Employment only plays its intermediary role between growth and poverty reduction if it is productive. Therefore sustained reduction of poverty requires increasing the labour productivity of women and men in wage and self-employment (Kanyenze et al., 2011). However, labour productivity in Sub-Saharan Africa is still very low, particularly in the informal economy where many workers eke out a living, and the region continues to be at the bottom of the global chart in terms of labour productivity.

In comparison to East Asia, Sub-Saharan Africa's labour productivity was 1.3 times higher in 1991 but 2.8 times lower in 2012. Between 1992 and 2003 labour productivity in SSA actually remained below its 1991 level and only surpassed this level from 2004 onwards, when a clear upward trend emerged (Figure 7). At the rate of productivity growth in Sub-Saharan Africa during 2000-2012, averaging 2.0 per cent annually, the region is ahead of the Middle East (0.5 per cent), Latin America and the Caribbean (1.0 per cent) and the developed economies (1.0 per cent). Sub-Saharan Africa therefore seems to have embarked on a path of catch up growth in its labour productivity, and the upward trend underlies much of the optimism about the region's prospects.

Figure 7: Labour productivity in Sub-Saharan Africa and East Asia, 1991-2012



Note: Constant 2005 international dollars
Source: ILO, Trends econometric models, October 2012 (see Annex 1).

Part of the growth in labour productivity is due to the shift of labour from less productive to more productive sectors, in particular service sectors (see also chapter 4) but unfortunately quite limited towards industry. With the share of workers in agriculture at 62.0 per cent in 2012 Sub-Saharan Africa is the only region in which the large majority of workers are still employed in this sector (South Asia is second with 50.8 per cent). As a consequence, there is still ample scope for the region to benefit from Baumol's 'structural bonus' through continuous structural change, although this would require more explicit efforts towards industrialization.[3] For example, in the period 2001 to 2006 Tanzania experienced rapid structural change that allowed productivity gains of 2.8 per cent annually, despite the fact that the level of productivity in both the industrial and services sector declined in this period. In other words, the productivity gains were almost entirely due to the shift of labour from less productive to more productive sectors (Sparreboom, 2013). Sub-Saharan Africa also needs productivity growth within sectors, which is often linked to technological change and higher levels of skills. In the case of Tanzania, only agriculture experienced some gains in productivity, but these gains seem to have been primarily driven by the relatively low employment growth in agriculture combined with steady increases in productivity at large farms, rather than increases of smallholder productivity (Albee, 2011).

Between 1991 and 2012, the share of employment in agriculture in Sub-Saharan Africa declined only gradually, falling not more than 5.5 percentage points (from 67.5 per cent to 62.0 per cent). This decline in agricultural employment almost exclusively benefited services sectors, leaving employment in industry stagnant at close to 8.6 per cent. Women experienced a greater shift in the share of employment by broad sector, as the share of employment in agriculture for women dropped by 9.5 percentage points, but still remained at a high level of 62.2 per cent in 2012.

[3]See Baumol et al. (1985), who called the effect of the transfer of labour on productivity the 'structural bonus' of economies with a large share of employment in low-productivity activities (normally agriculture).

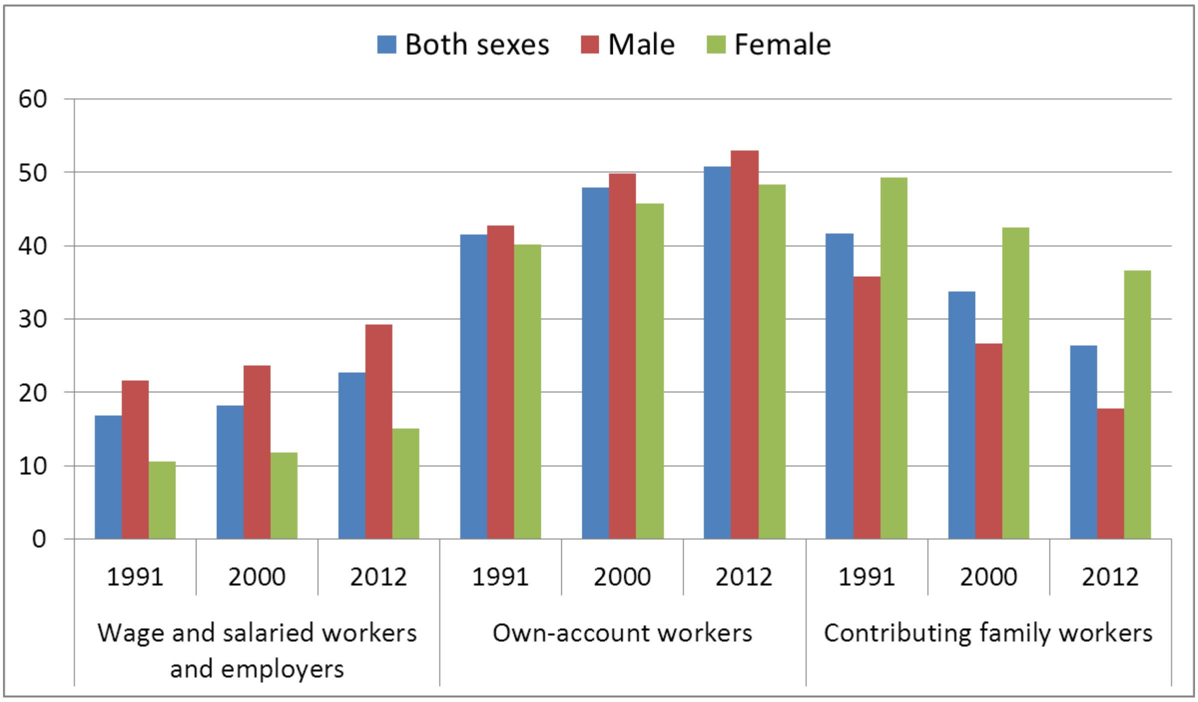
Employment of women in services increased by 8.9 percentage points, almost matching the decrease of employment in agriculture. While most economic activities in the services sector in Sub-Saharan Africa are characterised by low productivity informal enterprises, it is likely that productivity is nevertheless higher than in subsistence agriculture.

In summary, the basic growth story in Sub-Saharan Africa is one oflow but rising labour productivity and aslow but steady structural shift of labour from agriculture to services, butwithout an expansion of the industrial sector. Consistent with this, the basic jobs story is one of persistently high levels of vulnerable employment that declined only modestly over the past two decades, despite high growth. In 2012, there were 247 million workers in vulnerable employment in Sub-Saharan Africa, 62 million more than in 2000 and at least 100 million more than in 1991. The proportion of workers in vulnerable employment (defined as own account and contributing family workers) in the region decreased from 83 per cent in 1991 to 82 per cent in 2000 and 77 per cent in 2012.[4] This proportion remains unacceptably high, and is comparable only to South Asia. In other words, even during the much touted decade of sustained growth in the region, vulnerable employment remained high, only dropping by 5 percentage points over the past 12 years, and declined too slowly to lift the majority of workers into productive employment in the foreseeable future.

A large gender gap remains in vulnerable employment as women are more likely to be in vulnerable employment than men and this gap has widened during the past two decades. In 1991, 89.4 per cent of women and 78.5 per cent of men were in vulnerable employment, but the gender gap increased from 11 percentage points to 14 percentage points by 2012 (84.9 per cent and 70.6 per cent, respectively). For both sexes, the major shift has been within the vulnerable employment category, from contributing family workers to own account workers, which reflects the increased share of employment in services noted before (Figure 8). The downward trend in vulnerable employment was interrupted by the crisis at its peak in 2009 when wage and salaried employment dropped by 0.3 percentage points to 20.2 per cent, but by 2011 this level had risen to 21.1 per cent.

[4] The vulnerable employment indicator has some limitations: (1) wage and salary employment is not synonymous with decent work, as workers may carry a high economic risk despite the fact that they are in wage employment; (2) the unemployed are not included in the indicator, though they are vulnerable; (3) a worker may be classified in one of the two vulnerable status groups but still not carry a high economic risk, especially in the developed economies.

Figure 8: Employment distribution by status in Sub-Saharan Africa, 1991, 2000 and 2012



Source: ILO, Trends econometric models, October 2012 (see Annex 1).

Although youth unemployment rates are lower in Sub-Saharan Africa than in most other regions, they are significantly higher than adult unemployment rates. Compared to an overall unemployment rate of close to 7.5 per cent over the past five years and adult unemployment rates of around 6.0 per cent, youth unemployment has hovered just below 12 per cent since 2007. Youth unemployment rates are also higher for females than males. Overall, in Sub-Saharan Africa, the youth unemployment problem is more of quality (underemployment, vulnerability and working poverty) than quantity. The Arab Spring that originated in North Africa and the Middle East region has also catalysed policy reactions in Sub-Saharan Africa with many governments taking pro-active measures to integrate the youth in the labour market through various active labour market policies. Supply side policies focussing on training and entrepreneurship development are the most frequently used by governments (AfDB, 2012). Temporary job creation initiatives through public works programmes are also common. However, little is known about programme effectiveness, which constitutes a major main constraint in designing youth employment programmes.[5]

Governments increasingly mainstream employment in their national development frameworks and policies

It is encouraging to observe that many governments in Sub-Saharan Africa have embarked on mainstreaming employment in their national employment policies and national development frameworks in an attempt to address the glaring gap in productive employment and decent work,. In 2011 and 2012, for example, Malawi, Namibia, Tanzania, and South Africa adopted new development frameworks that mainstream to varying degrees employment objectives, ranging from specified employment targets as in South Africa and Namibia to policy statements

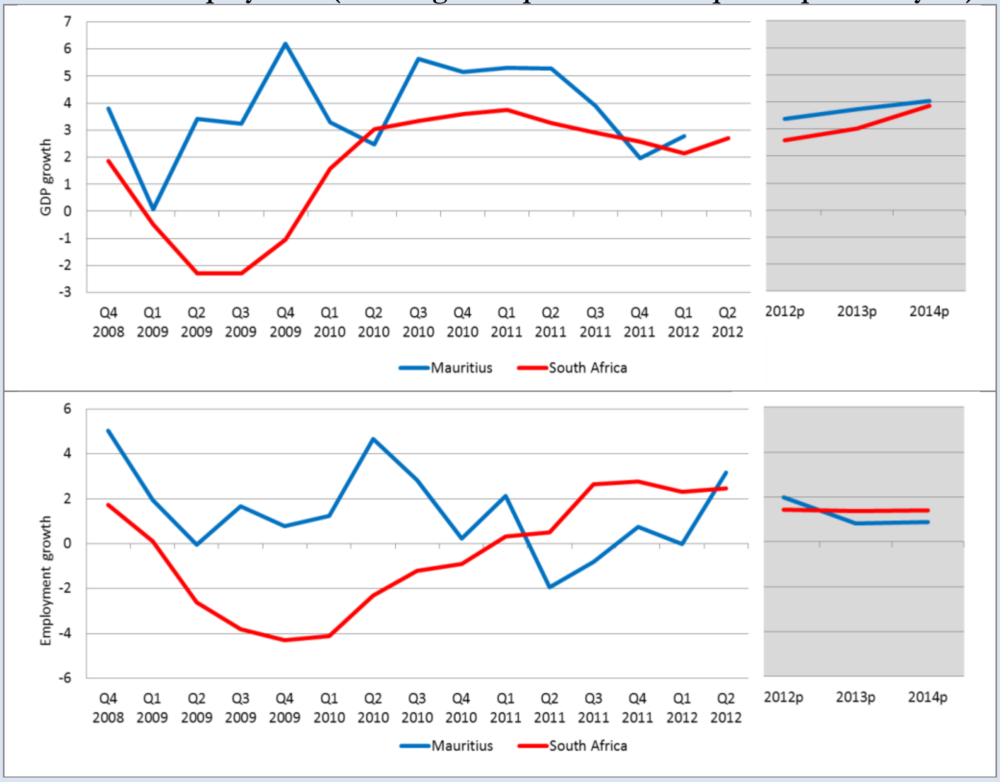
[5] See also the findings and resolutions of the International Labour Conference discussion on youth unemployment: Youth employment crisis: A call for action (ILO, 2012), which called for building up of knowledge on youth employment policies with a view to assessing what works and what does not.

of commitment in Malawi and Tanzania.[6] Nevertheless, the next and more important step for these countries is to put in place necessary measures, including budgetary and institutional capacity, as well as productive transformation and diversification to develeop the capabilities and achieve the employment objectives contained in their national development frameworks and policies.

Country spotlight 2: Growth and job creation in Mauritius and South Africa

In the Sub-Saharan Africa region, quarterly employment data are only available for Mauritius and South Africa. South Africa was hit severely by the global economic crisis and GDP plummeted throughout 2009, before growth accelerated in 2010 peaking at a rate of 3.7 per cent in Q1 2011. A slight deceleration in growth was registered in 2011 and growth rates in Q1 and Q2 2012 were at 2.1 per cent and 2.7 per cent respectively. South Africa's projected growth is similar to rates in the last quarters before accelerating to a growth rate of almost 4 per cent in 2014. Economic growth in Mauritius was highly volatilebut the economy did not contract throughout the five year period under consideration. Mauritius grew at 5 per cent at the beginning of 2011 but growth decelerated to approximately 2 per cent at the end of 2011. GDP growth is expected to steadily increase in Mauritius, up to a level of 4 per cent in 2014.

Figure CS7.1: GDP and employment (% change compared to same quarter previous year)



Note: The figure compares quarterly growth in GDP (top panel) and employment (bottom panel) between Q4 2008 and Q2 2012 against annual projections between 2012 and 2014 (values shaded in grey). Quarterly growth rates are calculated on the basis of the same quarter in the previous year.
Source: IMF, LABORSTA. For projections: IMF; ILO, Trends econometric models, October 2012.

The negative effects of the crisis on employment in South Africa were severe and employment losses more persistent in percentage terms than declines in economic growth. Employment contracted until the end of 2010 and South Africa experienced robust growth in 2011 and the first half of 2012 peaking at a level of 2.5 per cent in Q2 2012. In contrast, Mauritius registered a volatile employment growth path and employment started to contract in Q2 2011 and has not yet durably recovered to positive growth rates. Even though

[6] Malawi Growth and Development Strategy II (2012), Namibia NDP4 (2012), South Africa National Development Plan/ Vision 2030 (2012) and Tanzania MKUKUTA II (2011).

Mauritius' and South Africa's growth paths are varied, employment growth rates for 2012, 2013 and 2014 are projected to be similar at 0.8 per cent to 2 per cent per year.