
Working out of poverty Views from Africa

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

Special Supplementary Report by the Director-General

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Preface

Employment is the way out of poverty.

This simple truth is understood by people the world over. To most, it is plain common sense. Yet, international policies have not yet made the essential connection between poverty eradication and employment creation.

That is beginning to change – and Africa is leading the way. The African Union (AU) Heads of State and Government recently agreed to convene a first-of-its-kind Extraordinary Summit on Employment and Poverty Alleviation. This decision is a recognition at the highest political level that without jobs, efforts to reduce poverty will not succeed. The AU specifically called on the ILO to collaborate in organizing this landmark event which will be held in Burkina Faso in 2004.

The jobs and poverty linkage was at the heart of the 2003 International Labour Conference where we discussed my report *Working out of poverty* and the need for a decisive and sustained tripartite commitment to poverty eradication. Delegates from across Africa rose to confirm the fundamental point that employment and empowerment were the best ways to break out of the poverty trap and promote dignity for all.

The challenge before us now is to translate the growing awareness of the vital role of employment for poverty eradication into policies, programmes and investments that have a tangible impact on people, their families and the communities in which they live and work.

To advance that goal, the ILO launched in October a pilot phase of national consultations focused on the challenge of eliminating poverty through employment. These meetings provided a unique forum for dialogue between our constituents and other development actors including universities, women, youth and community leaders.

I personally requested these national meetings because I believe the Decent Work Agenda is first and foremost a listening agenda rooted in the real lives – the aspirations and everyday needs – of real people. We cannot develop effective poverty-fighting tools without the direct input, ideas and initiative of people themselves.

The response to these consultations was overwhelming. In more than a dozen nations across the continent, over 650 leaders from all walks of life gathered to share ideas about how best to unleash the great talents of women and men in Africa.

What is the best way to create an enabling environment for enterprises, including community-based initiatives? What are the success stories in creating jobs to work out of poverty? Are tripartite constituents and other development actors participating fully in the PRSP process? How can a country better target initiatives to meet the needs of the poorest? What can be done to develop the tremendous potential of women and young people?

This report is based on the replies and recommendations of these pilot phase consultations. It offers an overview of what our constituents and others see as concrete policy and programme approaches.

Five key priorities emerged:

Engagement – The importance for our constituents to be more closely involved in national poverty reduction strategies and programmes and to upgrade their involvement from consultation to *effective* participation.

Interaction – A need for greater interaction between our constituents and other development actors to reach into the rural and informal economy in which the vast majority of Africans struggle every day to earn a living.

Potential – A desire to shift away from considering women and youth as so-called “vulnerable” groups. We need to recognize women and youth for what they are – high-potential groups – and boost their role in the development process.

Upscaling – A call to expand the many successful approaches to working out of poverty that have been identified, so that families nationwide can benefit from the acquired knowledge and potential for entrepreneurship that they offer.

Fairness – An appeal for a better form of globalization that addresses unfair rules of the game and provides space for home-grown solutions that mobilize local strengths and resources.

In short, these national consultations sought to find ways to make employment and empowerment a top priority at the international, regional, national and local levels. This is absolutely critical because, as things stand, the United Nations Millennium Development Goal to reduce extreme poverty by half by 2015 will not be reached. We need new ideas and solutions. The AU initiative to convene an Employment and Poverty Summit shows that Africa is confronting the poverty and employment challenge with determination. The ILO national consultations contribute to that endeavour.

Much work lies ahead. But our efforts are rooted in possibility and hope. Eradicating poverty is the biggest social challenge we face today, but it is also the biggest economic opportunity. And the ILO’s constituents – the real actors in the economy – understand the on-the-ground challenges of creating opportunities for women and men to work productively and earn a decent living.

Together, we can make more and better jobs the engine of Africa’s development.

November 2003.

Juan Somavia.

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Introduction

Employment and poverty: The African development challenge

“Work is the best medicine against poverty.”

African proverb.

Three hundred million Africans live in extreme poverty. This tragic waste of human potential is caused by unemployment, underemployment and low productivity in existing jobs, particularly in agriculture and in the urban informal economy – the main source of employment in most African economies. Africa has the world’s highest rates of open unemployment and youth unemployment. Women’s unemployment in all categories is significantly higher than the national average. In most sub-Saharan African countries, wage employment occupies only between 6 per cent (landlocked countries in West and Central Africa) and 25 per cent (southern Africa) of the active population. In other words, 75 to 94 per cent of the active population is either unemployed or ekes out a living in the rural or informal economy where they work in precarious economic activities, without any social protection – often in an unsafe working environment. The fact of the matter is that African women and men are obliged to do any work they can get, no matter how insecure, no matter how badly paid, to be able to feed their families.

Low productivity, underemployment and low levels of income and wages are all major factors that determine those working in poverty, i.e. those unable to earn a decent living and have access to basic social needs for themselves and their families. The greatest number of working poor live in sub-Saharan Africa, where they account for between 46 and 62 per cent of all workers.

In recent years, the performance of African economies has improved. According to the United Nations Economic Commission for Africa (ECA), growth levels picked up from 3.2 per cent in 2002 to about 4.2 per cent in 2003. However, these rates are only marginally higher than population growth rates. To reduce extreme poverty by half by the year 2015 – as set out in the United Nations Millennium Development Goals – economic growth needs to be twice as high as it is today.

It is now becoming clear, however, that a high rate of economic growth, albeit necessary, is not enough to reduce poverty. Employment is the principal mechanism that distributes the benefits of economic growth to those who have helped create it, i.e. the workers, and is the vehicle for reducing poverty. Economic growth will reduce poverty only if it takes place in an environment of poverty- and employment-sensitive macroeconomic policies. At present, the poverty-reducing potential of employment is not fully realized in Africa because:

- the productivity of the working poor, including those operating in smallholder agriculture and the informal economy, is not sufficient to generate a surplus for domestic savings, consumption or investment;
- producers are unable to move up the value chain which would enable them to compete internationally and to retain a higher share of the value added within their countries;

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- African countries cannot access the markets for the (mainly agricultural) goods they produce.

Employment is at the core of Africa's development challenge – but it is not yet at the core of international and national policies. There can be no sustainable development unless people have productive jobs, and only freely chosen and productive employment will create socially secure, stable and equitable societies in Africa. It is therefore essential to create new jobs through employment-intensive growth; address decent work deficits in the informal economy and in rural areas; improve the productivity of the working poor; and pay greater attention to equity issues.

"We consider individuals to be free from poverty when they have work which allows them to feed themselves, have access to medical care when they are sick, give their children an education and have a decent roof over their head."

Democratic Republic of the Congo, national consultation, 3.10.2003.

Working out of poverty: An ongoing dialogue

Last June, delegates from around the world gathered at the International Labour Conference and discussed the Director-General's report *Working out of poverty*. African representatives contributed greatly to these debates and delivered powerful statements about a wide variety of concerns, including:

- the negative impact of globalization, liberalization and structural adjustment on employment, economic fairness and the availability of social services;
- the link between employment, poverty and security, and in particular the negative impact of youth unemployment on the political stability of several African countries;
- the devastating impact of the HIV/AIDS pandemic on African individuals, families and communities;
- the issue of precarious (self-) employment in the informal economy and in rural areas;
- the need to promote organizations of the poor.

National consultations: Pilot phase



These discussions clearly showed that much could be gained by deepening dialogue by means of consultations at national level. The first round of national consultations confirmed that employment was at the heart of all concerns in Africa. The following chapters summarize in greater detail the outcome of the pilot phase of the national consultations, which covered 13 countries.

1. Employment, empowerment and participation to eradicate poverty

The national consultations provided a wealth of interesting and highly relevant examples of ways in which employment has reduced poverty in Africa. On the whole, participants observed that despite undeniable achievements, the present employment promotion strategies had not been winning the fight against poverty. The benefits of globalization were bypassing Africa. In its current form, globalization was not leading to employment growth and poverty eradication in Africa. A great majority of the sample of 13 countries, including those that had achieved satisfactory economic growth rates, had not recorded a significant reduction in poverty. Many participants in the national consultations acknowledged that they had a variety of employment-promotion tools, *but no coherent and comprehensive strategy* to use them systematically with the aim of reducing poverty through freely chosen and productive employment.

“The debate covered the relationship between poverty and issues relating to unequal and asymmetric globalization, the search for alternative solutions to the current system of international finance – especially after the failure of Cancún – the debt question, the role of civil society, peace and individual and national security ...”

Senegal, national consultation, 21.10.2003.

Poverty reduction strategies: Employment – the missing link

PRSPs were considered by many participants to be the single most important framework for analysing poverty in the region, and for designing and implementing strategies to reduce it. Twenty-eight African countries have already designed national Poverty Reduction Strategy Papers (PRSPs). Out of the sample of 13 countries consulted, ten had completed, or were in the process of completing, an interim PRSP, or the first and second round of a full PRSP. This explains the prominence given to the PRSP process in this report. Three of the consulted countries – Algeria, Botswana and Egypt – did not have a PRSP, but had formulated national strategies to reduce poverty.

“The PRSP document has given due emphasis to the role of the private sector and enterprise promotion. However, it was noted that despite the importance of employment creation, few references were made to employment-related issues in the PRSP... concern regarding the issue of empowerment, voice, ownership and participation of the poor in the PRSP process was raised.”

Ethiopia, national consultation, 28.10.2003.

Participants often observed that the PRSPs did not consider employment promotion as an objective or strategic axis. Employment was sometimes “represented” by one of its aspects, for example where a PRSP aimed to “broaden opportunities for employment and income-generating activities for the (rural) poor”. It could sometimes be found as a “sub-item” in the list of supporting strategies. Some groups explained this low profile by stating that the PRSP “assumed that employment growth is a normal consequence of economic growth”. Participants found that the PRSPs typically did not include employment-related

indicators in the list of “essential indicators”. It also appeared that the existence (or absence) of an explicit national employment policy had little impact on the importance the PRSP attributed to job creation in a particular country. What was missing was the link between growth, the Decent Work Agenda and poverty reduction that is highlighted in the report *Working out of poverty*.

While some participants recognized that employment creation was a cross-cutting issue that should be a matter of interest to all government ministries, others tended to consider employment as a distinct sector that only concerned the Ministry of Labour/Employment and social partners. These stakeholders, however, had often been given a minor role to play in elaborating the PRSP. Consequently, employment and decent work had seldom been championed in poverty reduction strategies.

Nevertheless, the consultations showed that there was a growing awareness of the need for ministries responsible for, inter alia, finance, agriculture, trade, women, youth, public works, or education, to put employment as a national development goal.

Priorities

There was a consensus that employment should be at the centre of macroeconomic and social policies. These policies should include: measures to upgrade the informal economy and rural employment through policy linkages to the formal economy; a conducive legislative and regulatory framework; the organization of workers and employers; improved productivity; and the provision of support services, including finance for entrepreneurship.

Having policies “on the books” was not enough, participants noted. Such policies should be implemented and have the maximum impact on job quantity and job quality in terms of workers’ rights, safety, security and income-generating activities.

The voice of tripartism: A key development instrument

In most countries, the ILO’s tripartite constituents had been associated to some extent in the development of the PRSPs – but their involvement was limited.

In some cases they had only been consulted once the draft document had already been written. In others, tripartite participation had been incomplete, with employers’ or workers’ organizations being forgotten or left out of the process. Generally speaking, the tripartite constituents had not been invited to be part of the monitoring and evaluation committee. Monitoring and evaluation tended to be carried out on a sectoral basis.

“The group noted that the PRSP development process had been set up during a workshop organized in January 2000, and that there had been involvement from universities, NGOs, etc. Social dialogue does take place, but current institutional trends do not allow for real dialogue between the Government and the chief social partners, particularly in the context of the PRSP. Only a proportion of the observations and suggestions of social partners are taken into account.”

Cameroon, national consultation, 22.10.2003.

All the participants felt that they could be more involved and that participation of the constituents should not be restricted to the preparatory phase and work in the technical preparation unit and the various commissions.

The national consultations revealed a need to strengthen the capacity of the tripartite constituents in PRSP negotiations; they should be provided with the knowledge and skills to be able to put their case that employment is indeed the principal route out of poverty.

Ensuring ownership and interaction

“Consultation processes in the design of policies to improve the access of the poor to employment and income were not deep enough to ensure that the voices of the poor were expressed in the policies and their implementation.”

Ghana, national consultation, 20.10.2003.

As one group commented, PRSP consultations, while not always in-depth, could be very extensive. Non-governmental organizations (NGOs) and associations, scientists and academics, religious organizations and community leaders –all have been consulted in the various countries. Some NGOs are relatively stronger than others, notably women’s groups and associations. Nobody was entirely satisfied with the process, but the participants acknowledged that the process could be improved.

For instance, Burkina Faso, drawing upon the lessons learnt from the first PRSP, had attempted to define an improved poverty reduction strategy by organizing more systematic and structured consultations to ensure ownership and enable those concerned to contribute constructively to the review of the process and its implementation. Civil society organizations in Cameroon had developed a decentralized network for information exchange and were promoting indigenous solutions on poverty reduction.

The majority of the consultations agreed that there was no adequate framework representing the poor in the PRSP process, mainly because the poor were unorganized or their organizations not recognized. “In cities as in the countryside, the informal sector workers and the farmers are neither unionized, nor in associations, not even in village groupings”, noted one participant. The consultations revealed a general consensus that the poor needed to be better represented in decision-making that affected them. The lack of voice and representation of the poor working in the informal and rural economy had to be remedied.

Priorities

“Lack of dialogue results in uncoordinated policies, both at the State and societal levels. Social dialogue cannot be but part of a comprehensive national dialogue on development.”

Egypt, national consultation, 25.10.2003.

The participants of the consultations had a number of recommendations on ways to improve the participation of social partners – and the organizations of the poor – in the design, monitoring and review of poverty reduction strategies. They advocated:

- making sure that the social partners were fully involved with PRSP teams, which had the final say in designing poverty reduction strategies;
- deepening the participatory policy-making process through capacity building, so that the social partners and other development actors could understand better the macroeconomic fundamentals underlying the PRSPs; this process should include the development of tools for policy advocacy at the local and national levels;

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- developing effective negotiation skills on economic, structural and social policies, to create the necessary enabling environment for enterprise and job creation;
 - building the capacity of state and non-state actors in the policy analysis, implementation, monitoring and evaluation of impact of national poverty policies, programmes and projects, so that these policies might be analysed and assessed from an employment angle;
 - promoting institutions that provide the poor, particularly in rural areas and the informal economy, with a voice and representation at the local and national levels, so that they can effectively participate in policy-making;
 - developing a broad partnership of support for employment promotion through new partnerships, which would include, in addition to the social partners, relevant government authorities, civil society organizations and associations formed by the poor themselves;
 - assisting tripartite constituents in rebuilding capacity in post-conflict or crisis situations.

2. Upscaling African success stories

“... there are a number of success stories in the country, which include among others, the retail trade, information and communication technologies, education and training, transport ...”

Zambia, national consultation, 20.10.2003.

The national consultations highlighted a broad range of concrete examples of poverty reduction through employment creation. However, participants acknowledged that the impact of these projects on poverty was limited at the national level, and thus called for the systematic replication and upscaling of successful initiatives.

What are the most successful approaches the 13 countries have used to promote employment? Those mostly mentioned were: employment-intensive projects; skills development and basic education; microfinance; local development through cooperatives; and micro and small business development.

Promoting labour-intensive infrastructure and investment

“It is important to stress that the labour-intensive approach to public investments creates a large number of jobs, often for the most marginalized population groups, and thus fights against poverty and social exclusion.”

Madagascar, national consultation, 23.10.03.

“Transport and communication infrastructure is absent in most parts of the country. About 75 per cent of the rural population is half a day’s walk from the nearest all-weather road. This has severely constrained the development of input and output markets in the country ... labour-intensive works of rural road construction ... have contributed significantly to improving the livelihoods of a large proportion of the rural population.”

Ethiopia, national consultation, 28.10.03.

This approach promotes employment and enterprise growth through applying employment-intensive methods to the production of public goods and services. Infrastructure projects (road construction, dams and urban drainage systems) can be a source of massive income generation. Long-term jobs may also be created in such areas as maintenance, irrigation, forestry, etc., as well as in the operation of urban services – for example, solid waste disposal. Changes in the legal and institutional framework enable small civil works or service enterprises to set up and tender for (local or central) government contracts, which previously were accessible only to large national and international contractors. Participants said that “the employment variable should be used in all public investment programmes, to measure the impact of investments on employment creation and poverty reduction”, and that “in order to effectively combat poverty, investments should be labour-intensive” (Madagascar). They further stressed the need for policies that combined labour- and capital-intensive production techniques in such a way as to reconcile productivity growth and employment objectives of the whole economy (Egypt). The labour-intensive approach is premised on the fact that governments still retain control of the public investment budget and can choose to use it in a way that stimulates the demand for jobs. One key challenge is long-term development. In addition to building a road, for example, a labour-intensive approach should also pave the way for local economic development and sustainable growth.

Another challenge is to extend the employment-intensive investment model from infrastructure to other sectors such as manufacturing.

Priorities

Employment-intensive infrastructure programmes were considered by a large number of participants as a key strategy to generate a large numbers of jobs for the poor. However, due to the short- or medium-term nature of these jobs, it would be desirable to combine employment-intensive programmes with other initiatives that have a longer term, sustainable impact, such as microcredits for self-employment, promotion of cooperatives and micro-enterprises and skills development. From an operational standpoint, employment-intensive programmes should:

- streamline government procurement and contracting systems, so as to create opportunities for small-scale and community-based enterprises to bid for contracts;
- train local small-scale contractors in procurement procedures;
- undertake policy reform of public institutions entrusted with the development of infrastructure for employment-intensive technology;
- strengthen local capacity for community contracting.

Basic education, literacy and skills development

Low levels of literacy, education and skills are major obstacles preventing individuals from finding a job and thus having an income. Skills development – carefully planned and implemented in the context of employment and income-generation opportunities – is critical for poverty alleviation. This approach has proved to be most successful when used as a key component of an integrated strategy that combines literacy training with training in small business skills and assistance with credit access. Only with these tools at their disposal can the poor hope to generate an income and escape poverty. The beneficiaries of these programmes include women, parents of child labourers, the urban and rural poor and, in particular, those with low levels of education.

“It is important to have education for productive employment. Life skills education should go hand in hand with entrepreneurship skills education.”

United Republic of Tanzania, national consultation, 30.10.2003.

Participants noted major challenges – such as the need to align the supply of skills to the requirements of the local markets. There is clearly a demand for assistance in identifying new economic or income-generating activities. There is a related need to improve the quality of skills development being provided by many institutions. Many small and micro-enterprises also require help in upgrading the skills of their workers to improve the quality of their products and generate greater income for their families. It was recognized that community-based training approaches could contribute effectively towards overcoming many of these problems.

The traditional African apprenticeship is also seen as a low-cost method of providing training. Strengthening this process has the potential to develop skills which harness local resources and capabilities.

Priorities

Participants agreed that strengthening the employability of the active population through skills acquisition was a prerequisite for productive employment, especially at the local and middle entry points in the labour market. It was felt that the provision of vocational training and programmes – including less formal systems such as internships, apprenticeships and traineeships – also increased the chances of finding formal employment. In the case of self-employment, however, a combination of skills and access to capital was considered critical. This points to the following areas for intervention:

- reform of curricula in vocational training institutions to bring them in line with labour market demands;
- support to less formal vocational training programmes for practical skills acquisition and preparation for active employment – including, in particular, the upgrading and formalization of the traditional African apprenticeship system.

Job creation, security and empowerment through microfinance

“In order to solve these difficulties, the organization of the microfinance sector should be improved, and its scope should be extended to include principal towns and some villages.”

Burkina Faso, national consultation, 16.10.2003.

Village banks, savings and credit cooperatives, as well as decentralized financial systems, provide facilities (small-scale credit, leasing, guarantees, insurance and, above all, savings) to micro-enterprises and households that have no access to the conventional financial system. Poor households can insure themselves against illness and accidents, and very small enterprises can make investments to sustain and create jobs. Microfinance schemes have demonstrated the enormous potential of mobilizing domestic savings of the rural and urban poor for local level investment.

Several of the countries consulted had successfully tried this approach. It had often entailed reforming the financial and banking laws – if, for instance, only fully-fledged banks are allowed to handle deposits, credit unions cannot operate. Microfinance programmes work with government and other public authorities, financial institutions (including central banks), NGOs and the social partners. These programmes establish a decentralized financial infrastructure which reaches ordinary people, organizes their participation and builds on social relations of trust. Despite the undeniable success of microfinance systems, challenges remain: strong donor dependency, insufficient scale and limited accountability, on the one hand, and lack of incentives for conventional banks to go downmarket, and insufficient competition in the financial market, on the other.

Priorities

A large number of participants noted that group-based informal savings and credit schemes had facilitated the creation of micro-enterprises and the expansion of self-employment for many of the working poor. However, this approach could have a greater impact on poverty reduction through employment creation if:

- a proper legislative and regulatory framework for microfinance was in place;
- institutional capacity-building was strengthened;

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- commercial banks were willing to collaborate with microfinance institutions;
 - microfinance institutions capable of mobilizing savings in rural areas and the informal economy were developed.

Local development through cooperatives

A number of countries are promoting cooperatives as a means of helping their people to work out of poverty. Cooperatives have a dual nature. They are both enterprises and associations, and combat poverty in three ways: they empower people by enabling the poorest segments of the population to take action; they create job opportunities for those who have skills but no capital; and they provide protection by organizing mutual help in communities. Success in promoting cooperatives in recent years has been made possible by macro-level changes, legal reforms and technical and financial support to provide individuals, communities and micro-enterprises with the organizational tools they have needed to undertake collective action in areas which range from production (agriculture, trade, services) and finance (credit unions, cooperative insurance) to the social sphere (housing cooperatives, mutual benefit societies).

“The effort to promote cooperatives has gained momentum in recent years. New legislation has been introduced to ensure that cooperatives are controlled and managed by their members on similar lines to private partnerships and corporations. Cooperatives in coffee-growing areas of the Oromiya region have pooled their resources and formed strong unions. These unions have recently started exporting coffee directly to overseas markets.”

Ethiopia, national consultation, 28.10.2003.

Despite comprehensive legal and institutional reforms carried out during the last decade in the majority of African countries, the cooperative approach still suffers from the legacy of the past, when some governments used cooperatives to control people and products. Moreover, most countries have not yet realized the full potential of the horizontal and vertical integration of the national cooperative movement.

“Small and medium-sized enterprises may be brought together in cooperatives, which should improve conditions of production, market research and marketing.”

Egypt, national consultation, 25.10.2003.

Priorities

Cooperatives, which operate both in rural and urban areas and are to be found in many different economic and social sectors, empower the poor through collective action; they also create opportunities for job creation, income generation and sustainable livelihoods. Several countries reported that cooperatives were an effective approach to poverty reduction in the agricultural sector and the informal economy, while acknowledging that support was needed to:

- establish a conducive legislative, regulatory and institutional framework;
- develop organizational and managerial tools to foster ownership, accountability and effective participation;
- integrate different types of cooperatives into national cooperative movements;

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- apply the cooperative concepts to new areas, such as shared service cooperatives for small businesses.

“Several areas have been identified by the authorities for reforms aimed at greater effectiveness and transparency, reforms which are indispensable in creating an environment which truly favours national and foreign investment. In particular, we would like to draw attention to the banking sector, administrative services, the legal system, industrial real estate and the economic information system.”

Algeria, national consultation, 21.10.2003.

Promoting entrepreneurship, small and micro-enterprises

This approach aims to promote entrepreneurship as a means of employment creation. People receive assistance – in the form of training, access to credit and/or equipment, and a broad range of business support services – to help them set up their own business. These may operate in the informal economy (principally micro-enterprises) or in the formal economy. All 13 countries covered by the consultations reported the existence of enterprise promotion programmes, and many mentioned national efforts to improve the legal and institutional framework for small businesses. Many participants stressed the close link that existed between enterprise promotion and investment. The Egyptian consultation emphasized the need to establish forward and backward linkages between SMEs and big businesses, while the Zambian participants highlighted the importance of regional markets for the development of SMEs.

The most frequent problems encountered by SME promotion programmes include: donor dependency; insufficient promotion of off-farm enterprises in the rural areas; and lack of market access.

Interestingly enough, only two countries in the sample had export processing zones. While acknowledging their contribution, the participants from these countries did not consider that they had been particularly successful in employment creation and rather voiced concern about the working conditions and lack of durable skills acquisition in these zones.

Priorities

Many participants underlined that most economic (non-farm) activities in Africa were carried out by small and micro-enterprises in the formal or the informal economy. However, the low level of productivity and income, and the precarious nature of some of these businesses, generally resulted in unstable employment relationships and in poor living standards. In order to improve the situation, the participants felt it was necessary to:

- establish policies and a regulatory and legislative environment that would stimulate enterprise growth and development, thus encouraging enterprises to start up, grow and create jobs;
- invest domestic savings in enterprise and job creation;
- facilitate access to product markets, capital, training and information;
- provide education, training and efficient business development services as indispensable ingredients for successful entrepreneurship.

Home-grown solutions and long-term perspectives

The participants welcomed international financial help and technical support, but expressed their conviction that more home-grown solutions, informed by best practice programmes in the region, were indispensable.

Despite the success stories, many participants stressed the need to achieve far greater impact. In addition, externally funded programmes were time-bound and their existence was defined by the availability and priorities of donor inputs. Although long-term donor commitment was sometimes observed in the form of ten- to 15-year programmes, this was certainly not the general rule.

The consultations also highlighted the need for much better coordination of programmes geographically – over time and across sectors. The participants proposed the design of projects specifically targeted at women and youth. Some observed that there was little sectoral coordination, including between donors and United Nations agencies.

A number of participants noted that certain projects were successful in creating a massive amount of short-term employment; however, they were not accompanied by a longer term perspective that would translate this success into sustainable poverty reduction and wealth creation.

The national consultations revealed that much more needed to be done to upscale these programmes to benefit more families and strengthen and guide policy-making.

3. Targeting high-potential groups: Women and youth

The term “women, youth and other vulnerable groups” has become a standard expression in development jargon. However, in national consultations, it was pointed out that the extraordinary entrepreneurial spirit of African women and the tremendous creativity of Africa’s youth constituted an enormous, untapped development potential that, if properly used, could go a long way towards reducing poverty through employment.

Harnessing the entrepreneurial power of women

The consultations indicated that gender mainstreaming concerns were an integral component in employment promotion: in fact, many participants, when describing gender-neutral development programmes in their countries, explicitly mentioned the extent of women’s participation. Several countries stressed that they had ratified ILO Conventions on discrimination and equality and adopted policies and national action plans for women in the area of employment.

“Self-employment, developing a spirit of enterprise among women, access to credit and the creation of guarantee funds have been advocated as ways to promote employment among women and young people.”

Burkina Faso, national consultation, 16.10.2003.

However, many participants agreed that much remained to be done to address issues of discrimination, equality and equity in employment promotion and poverty reduction strategies, and to put in place policies and national plans to promote gainful employment for women. A number of participants highlighted the “feminization” of poverty in Africa and the “informalization” of the livelihoods of African women. Participants also identified issues to do with women’s health generally, and with HIV/AIDS in particular. The consultations provided examples of ways in which women had worked out of poverty – but many of those were very limited in terms of scope, impact and duration.

Priorities

The consultations suggested that there was a need to:

- include systematically gender concerns in PRSPs and promote organizations representing the interests of women in policy-making bodies;
- make women’s contribution to economic and social development transparent through gender-disaggregated statistics;
- draw up legislation to ensure a non-discriminatory, gender-sensitive policy environment;
- promote literacy training, education, skills development and training specifically for women and the girl-child;
- improve access to credit for enterprise and cooperative development by women;
- expand job opportunities for women with disabilities;
- strengthen career counselling, mentoring and role modelling for women;

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- increase the representation and voice of women through organizational development.

Unleashing the creative energy of youth

“The funding and targeting of assistance to women and youth, access to employment opportunities and the elimination of cultural barriers to women should receive priority attention.”

Ghana, national consultation, 21.10.2003.

Youth unemployment was a priority concern, but participants generally acknowledged the absence of any specific policy or plan of action on youth employment in their respective countries. Many of the recommendations made with respect to women were also made with respect to youth – particularly recommendations on macro-policy and representation, and on HIV/AIDS prevention. Many participants observed that ending child labour was a key to breaking the cycle of poverty. In addition, participants stressed the point that youth unemployment and underemployment were often the root causes of political instability, civil unrest and crime. The creation of employment opportunities specifically for young Africans should therefore rank highest on the agenda of national decision-makers. Where operational measures were concerned, the participants often cited modernizing the African apprenticeship system as a way of capitalizing on existing skills and the social structure; increasing the role of enterprises in training was also advocated. Information and communication technologies, as well as modern agriculture, were seen as the most promising sectors for the promotion of youth employment.

Priorities

The national consultations proposed the following areas of action:

- youth employment policy should be part of a comprehensive national employment policy and programme formulation;
- education and training opportunities must be made available to all young people, in both rural and urban areas, and should focus on the development of skills in strong demand on the labour market;
- vocational training programmes based on the traditional African apprenticeship system should be strengthened, expanded and formalized;
- the access of young people to credit for enterprise development and self-employment should be facilitated through guarantee funds and subsidized interest rates;
- specific youth employment programmes should be developed in sectors such as information and communication technology, services, tourism and modern agriculture.

4. Connecting people's priorities with international policies

Regional and subregional integration are powerful tools in reducing conflicts, combating poverty, promoting unity and dialogue and giving Africa a strong voice in the world. Furthermore, linking poverty with employment creation should also be a key political issue on the international cooperation agenda.

"A debate should be launched to harmonize the plans and the programmes on poverty reduction. Committees should be set up at SADC and COMESA levels to deal with poverty reduction through employment creation."

Zambia, national consultation, 20-21.10.2003.

"There was also a consensus that international organizations should recognize our ability to define and understand our problems within the context of our society, and not impose values that are derived from outside our system. Local involvement in setting up poverty eradication strategies is seen as a key issue."

Botswana, national consultation, 29.10.2003.

"The tripartite partners in the six CEMAC countries, at their meeting in Bangui, applauded the 'perseverance' of the ILO in drawing the attention of the international community and of all national partners to poverty and the central role which employment can play in any sustainable strategy to eliminate it. They proposed using the opportunity provided by the ILO regional meeting, to be held next December in Addis Ababa, to define a common position – 'the minimum we can do together and which we agree on' – before moving on to the next stages to lead up to the African Union Heads of State Summit, which will be held in 2004 in Ouagadougou and will be devoted to employment and the fight against poverty."

Central African Republic, subregional consultation, 27.10.2003.

The participants in the national consultations discussed the role the following organizations might play in supporting national efforts to promote employment as the main route out of poverty:

- regional organizations and initiatives, such as the African Union (AU), the African Development Bank (ADB) and the New Partnership for Africa's Development (NEPAD);
- subregional organizations, such as the East African Community (EAC), the Southern African Development Community (SADC), the Arab-Maghreb Union (AMU), the Economic Community of West African States (ECOWAS), the Central African Economic and Monetary Community (CEMAC), etc.; and
- international organizations such as the ILO, the World Bank and the International Monetary Fund (IMF).

Participants also expected the multilateral organizations to promote decent work, provide institutional support for increased productivity and engender a culture of dialogue.

According to the consultations, the *regional and subregional organizations* should:

- facilitate the free movement of people and goods on the African continent and its different subregions, and promote the emergence of common markets;
- harmonize and standardize regulations and legislation governing economic activity across countries and subregions,¹ and develop common strategies for employment promotion and poverty reduction;
- design and implement transnational projects and programmes in fields such as infrastructure, energy, education, transport and communications;²
- restore and maintain peace and stability.

The *international organizations* were expected to:

- provide employment-sensitive macro-level policy advice;
- facilitate market access and guarantee fair and stable prices for Africa's export commodities;
- replicate and upscale successful development projects;
- support local development initiatives and projects identified and designed by the local population;
- promote the exchange of experience, knowledge and best practice.

Generally speaking, the ILO's Decent Work Agenda, as encapsulated in the report *Working out of poverty*, was seen as a key tool to help African countries in their negotiations with international institutions.

Summary

At this pilot stage of consultations, participants agreed that poverty eradication started with employment.

They stressed the need to: create an enabling environment for enterprise and job creation; improve access to education and skills; and promote income-generating activities and community-based initiatives. They called for a focus on investment, infrastructure, and capacity building. They acknowledged the importance of harnessing the high potential of women and young people in Africa.

They were of the opinion that successful local experiences should feed into national policy-making and successful national policies should be disseminated through regional and international organizations.

¹ In this context, the valuable role played by the Organization for the Harmonization of Business Law in Africa (OHADA) was mentioned by several participants.

² In this context, the role of NEPAD was emphasized.