

# **Recommendations of the ILO Tripartite Workshop on the Impact of the Financial Crisis on Finance Sector Workers in Selected African Countries**

(Dar Es Salaam, 16-17 December 2009)

## **General Introduction**

1. In accordance with a decision of the Governing Body, the ILO organized a tripartite workshop in Dar Es Salaam, Tanzania, from 16 to 17 December 2009. The workshop brought together delegations from Egypt, Kenya, Nigeria, South Africa and Tanzania, although not all tripartite. Observers also participated from UNI Africa in Abidjan, Cote d'Ivoire, Nigeria and Tanzania. The African Development Bank was also represented by their Country Representative for Tanzania who made a presentation to the workshop. The purpose of the workshop was to promote the implementation in African financial services of the conclusions of the ILO Global Dialogue Forum on the Impact of the Financial Crisis on Finance Sector Workers held at the ILO in Geneva from 24-25 February 2009, as well as the roadmap on the implementation of the Global Jobs Pact in Africa, adopted in Ouagadougou on 2 December 2009.
2. The following are the agreed recommendations adopted by workshop on 17 December 2009.

## **Preparing for the fallout of the global financial and economic crisis**

3. The workshop noted that the impact of the global financial and economic crisis was yet to be fully felt in the region's financial services sector, mainly because many of the countries' financial services were very weakly integrated in the global financial system. Concern persisted, however, that the negative effects of the crisis on the real economy could inevitably spread to the financial sector. In addition, the problem in many African countries remained mostly one of stagnating employment rather than outright job cuts, although second wave impacts might result in significant job losses in the sector. It was therefore important that Governments and the social partners put in place strategies and mechanisms to anticipate, prevent or mitigate such negative effects should they occur.

## **The role of social dialogue in crisis response, including the formulation and implementation of stimulus package**

4. Participants underlined the importance of social dialogue in crisis response. It was important for the ILO's tripartite constituents to put in place institutions of social dialogue as well as mechanisms to ensure its effectiveness.
5. Noting that crisis oversight committees had been constituted in a number of countries, participants recommended that such bodies should include ministries of labour, as well as representatives of employers' and workers' organisations. This was the only way to guarantee that the voice of the real economy was taken into account. It would, moreover, ensure that the crisis response packages effectively incorporate the various elements of the Global Jobs Pact and the principles of decent work. Some examples cited by participants from their countries could inform the design and implementation of measures by the ILO's tripartite constituents in the region to deal with any fallout from the global financial and economic crisis. These included policy measures to encourage enhanced consultation among a wide range of concerned government departments and the social partners to assess the extent of the crisis and formulate appropriate national and sector-specific responses to crises.
6. Within such overall policy measures, economic stimulus packages should, among other things, be directed towards improving education and training, social protection and infrastructure development. Measures could also consider the establishment of mechanisms to support and accompany the implementation of agreed policy measures, including the constitution of national task forces, the development of national and sectoral response plans and appropriate monitoring and evaluation mechanisms. Stimulus packages should be implemented in a transparent way, be targeted towards the creation of sustainable employment, and within timelines agreed with the social partners. All efforts must also be taken to ensure public resources for stimulus packages are used in a socially-responsible manner.

## **Addressing employment and the labour and social dimensions of crises**

7. The workshop recognized that restructuring related to the impacts in the region of the global financial crisis could affect jobs and employment in the financial services sector of different African countries. In any situation where restructuring might become necessary, whether as a result of the effects of the current global financial crisis or other cases, efforts should always be made to explore alternatives to redundancies and terminations, using them only as a last resort, after timely sharing of information and proper consultation with workers' representatives. Contractual commitments made to workers and national worker protection legislation must be respected.
8. Governments, employers' and workers' organizations should, through social dialogue, among other things, ensure workers' employment security through skills enhancement, life-long learning and active labour market policies to support adjustment. Training and retraining should be enhanced to address job displacement, providing skills that are properly aligned to the requirements of the labour market and accessible to all. Innovative approaches to training and its financing could be explored.

## **Taking account of the jobs and labour implications in monetary and regulatory aspects of crisis response**

9. It was also important to look more broadly at monetary and fiscal policies, to go beyond narrow inflation targeting and include job creation. This should also be included among the topics for social dialogue.
10. Efforts aimed at modernising the regulatory frameworks for the financial sector should take into account lessons learnt from the crisis, including the fact that the crisis was largely a result of lack of or weak supervision and poor corporate governance. Consultations on such reforms should take into account the views and sector-specific knowledge of the social partner organisations in the sector. Reforms should include stronger provisions for responsible lending practices and legislation to protect consumers of financial products. This should be accompanied by enhanced and continuous professional development programmes

to ensure managers and workers in financial institutions and the sector as a whole have the knowledge, skills and commitment to act in a manner fully commensurate with their fiduciary and other obligations.

### **The role of the ILO**

- 11.** The workshop considered that the call in Part 2 of the conclusions of the Global Dialogue Forum on the Impact of the Finance Sector Workers was particularly relevant to the African region. The ILO should, as appropriate, provide technical, advisory and material support to constituents in the financial services sector to monitor the impact of the crisis and advise on the formulation of the most suitable reforms on employment and the social and labour dimension in accordance with each country's decent work circumstances.
  
- 12.** Participants recognised the indispensable role of social dialogue in anticipating crises, and formulating and implementing effective strategies and practical measures to prevent them or mitigate their negative impacts. It was therefore imperative that the ILO provided support to the sectoral constituents to strengthen their capacity for genuine social dialogue, which in some countries remained weak and inadequate to the needs of crisis response. Such support should include training of Government officials involved in social dialogue as well as the social partners and extend to more active promotion of labour standards and ILO policies and decisions most relevant to crisis response.