

THE DECENT WORK AGENDA IN AFRICA:
2007–2015

The Decent Work Agenda in Africa: 2007–2015

Eleventh African Regional Meeting
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Report of the Director-General

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Director-General's foreword

This is a practical policy document put at the service of the ILO's tripartite constituents to advance the Decent Work Agenda in Africa.

This effort gained unprecedented momentum with the landmark African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa which took place shortly after our last African Regional Meeting.

The first-of-its-kind African Union Summit in Ouagadougou culminated with African Heads of State and Government adopting the Decent Work Agenda. The Ouagadougou Summit shifted the development logic away from a narrow preoccupation with adjustment to growth that delivers decent work.

The world has followed that lead. We have seen the call for decent work and a fair globalization echoed in the Americas, the European Union, throughout Asia, and globally at the United Nations 2005 World Summit and by the United Nations Economic and Social Council.

Within the ILO, we have aligned our workplans with the outcomes and recommendations of the Ouagadougou Summit. We are working on a number of strategic fronts: at the national level to advance through Decent Work Country Programmes (DWCP); at the regional level to strengthen the linkage to the regional economic communities; and at the multilateral level to strengthen our relationships with the African Union (AU), the New Partnership For Africa's Development, the Pan-African Parliament, the African Development Bank, the Economic Commission for Africa (ECA) and other leading development actors.

We have made tremendous progress, but there is much work ahead. The people of Africa face enormous obstacles in the way of working out of poverty. Africa is home to the largest number of working poor in the world. The problem is not want of effort. The people of Africa work hard every day. They are also expecting much from us. It is time to implement policies that match their ambitions. This is our collective duty.

This report details many of the challenges facing Africa, but it goes much deeper. *The Decent Work Agenda in Africa: 2007-2015* is our tripartite contribution to the effort to make measurable progress in achieving the Millennium Development Goals in Africa by 2015.

The report presents three areas of focus:

- Linking the Decent Work Agenda to the Millennium Development Goals and the wider global development agenda.
- Shaping ILO support to the Ouagadougou follow-up through a decent work policy portfolio for Africa within a framework of time-bound targets.
- Reinforcing the ILO's Africa constituents. If the world is committed to national ownership of poverty reduction strategies, then we have to be serious about reinforcing the social and economic arm of governments and helping African social partners to organize and exercise their voice as the real actors of the economy. This is integral to good governance and making decent work a national reality.

At heart, this report is an argument for reinforcing the strength – the voice – the organization – the potential of tripartism to guide the way in Africa. Tripartism is a central part of sound governance systems.

Of course, no entity can do it alone. Success in meeting the Millennium Development Goals and rooting out poverty will take a system-wide drive and focus. We have made significant headway in launching a new level of cooperation with the United Nations Development Programme along with our traditional work with specialized agencies to develop a tool to enhance the decent work dimension of United Nations (UN) activities, projects and policies.

We have much to gain from the ongoing effort to reform the UN. We have much to share particularly through our unique tripartite identity that encompasses the world of work and adds value to designing effective policy solutions.

We move forward confident in the knowledge that there is a steady, solid momentum for our agenda. Decent work is not a motto, it is a movement.

I am fully committed to this effort and to empowering Africa to fulfil the promise that resides in every corner of the continent and the potential that beats in every heart.

I am honoured to walk with you in our ongoing collective journey to provide the women, men and young people of Africa with all they demand and deserve: the dignity of decent work for a decent life.

Juan Somavia
Director-General

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Acronyms and abbreviations

AU	African Union
CAEMC	Central Africa Economic and Monetary Community
CEPGL	Economic Community of the Great Lakes Countries
DWCP	Decent Work Country Programme
ECA	Economic Commission for Africa
ECOSOC	Economic and Social Council
ECOWAS	Economic Community of West African States
EU	European Union
FDI	foreign direct investment
IMF	International Monetary Fund
LED	local economic development
MDG	Millennium Development Goal
NEPAD	New Partnership for Africa's Development
PRSP	Poverty Reduction Strategy Paper
REC	regional economic community
SADC	Southern African Development Community
UEMOA	West African Economic and Monetary Union
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UN	United Nations
WEDGE	Women's Entrepreneurship Development and Gender Equality
WHO	World Health Organization

Part I.

**Decent work: A global goal, an African priority,
a tripartite responsibility**

1. Africa's development in the twenty-first century: Opportunities, challenges and new approaches

1.1. Africa's opportunities in the global economy

1. In most African countries, economic growth has been relatively buoyant over the last few years. According to the International Monetary Fund (IMF), the African region grew by 5.4 per cent in 2005 and 2006, and is projected to expand further in 2007 by 5.9 per cent.¹ The number of countries achieving growth in excess of 5 per cent has increased, while the number growing by less than 2 per cent declined. Still, growth in sub-Saharan Africa remains below the levels observed in other developing regions. In addition, even in those countries that have seen significant economic growth, such growth has not had an apparent impact on poverty and only a few countries in the region are likely to achieve the first Millennium Development Goal (MDG) of halving extreme poverty by 2015. This disappointing performance has its roots in the slow and uneven growth of decent work opportunities.² Nevertheless a number of shifts in the global political and economic environment offer Africa opportunities to improve and reshape growth to ensure that it can become increasingly job-rich and reduce poverty.

2. Since the 1990s, the international community has shown increasing concern at poverty, unemployment and social exclusion in the developing world, especially in Africa. At the World Summit for Social Development (Copenhagen, 1995), these issues were placed at the top of the global agenda. The United Nations (UN) MDGs (New York, 2000)³ followed the same pattern, as did the World Summit on Sustainable Development (Johannesburg, September 2002). While the UN had for many years been drawing the attention of the international community to the need to address the plight of the poorest and least developed countries, the active advocacy role played by social partners and civil society organizations has been a key factor in bringing the question of poverty and its linkages with the globalization process into sharper focus. The Comprehensive Development Framework developed by the World Bank (1999) and the concept of Poverty Reduction Strategy Papers (PRSPs) introduced a new dimension in terms of integrating concern about poverty into the policy-making process of developing countries. PRSPs have become the main documents for defining the strategies pursued by many countries.

3. Following the adoption of the MDGs by the international community in 2000, official development assistance to sub-Saharan Africa has been increasing. At the G8 Summit in Gleneagles (2005), a commitment was made to increase the level of official development assistance to developing countries to around US\$50 billion a year by 2010, of which about \$25 billion would be allocated to Africa. The report of the Commission for Africa entitled *Our Common Interest* highlighted that "The action of the last few years, however, both within Africa and outside, has seriously lacked the scope, scale and urgency required to get anywhere near the targets of the MDGs or the kind of growth and development that the desperate poverty of Africa requires. A successful big push is required."⁴ The Paris Declaration on Aid Effectiveness (2005) reaffirmed the commitments made at the International Conference on Financing for Development (Monterrey, 2002) to scale up aid, and those made in Rome (2003) to improve the quality of aid. These commitments were made in accordance with five principles: ownership and leadership, alignment, harmonization, managing for results and mutual accountability.

4. In order to accelerate their integration into the global market, many African countries have opted for trade liberalization policies by removing tariff and non-tariff barriers. It is however important to note that despite increases in volumes of trade, most African countries, being exporters of low-value

¹ IMF World Economic Outlook Database Sep. 2006.

² Economic Commission for Africa (ECA): *Meeting the Challenges of Unemployment and Poverty in Africa*, Economic Report on Africa 2005 (2005).

³ The international community, through the United Nations Millennium Declaration, has committed itself to measurable targets that are summarized by the following eight goals: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria, and other diseases; ensure environmental sustainability; and develop a global partnership for development.

⁴ Commission for Africa: *Our Common Interest* ([London], 2005), p. 370, at <http://www.commissionforafrica.org/>.

agricultural products and importers of high-value goods and services, have experienced a long-run deterioration in the terms of trade. This was partially offset by the recent rise in the commodity prices of fuel and minerals. However, growth in the extractive mineral and fuel sectors has not generated large numbers of jobs across economies. Neither have increased government revenues and profits accruing to both the multinational and national companies, which are the main beneficiaries of these trends, been significantly channelled to sectors that would help raise employment and incomes for the poor. At the same time, sustained growth from recent increases in commodity prices (particularly oil) cannot be guaranteed.

5. Realizing the potential for African countries to benefit more fully and broadly from trade openness will require policy adjustments at a national level and a fairer global trading system. If the poor in developing and transition economies are to benefit from trade, access to the most lucrative markets for their products needs to be enlarged and the infrastructure to take advantage of market opening improved. This requires, inter alia, eliminating industrial country agricultural export subsidies, ensuring that developing countries are not prevented from undertaking legitimate domestically-based industrial development strategies, and making World Trade Organization working methods more transparent and democratic. Improved market access for developing countries' products, the continued commitment by the industrialized countries to their own implementation requirements under the Uruguay Round, and the removal of agricultural subsidies in the North can accelerate poverty eradication and the improvement of employment conditions. Since the Fourth WTO Ministerial Conference, held in Doha in 2001, which launched the Doha Development Round of multilateral trade negotiations, progress in the negotiations has been slow, particularly on those issues of most concern to Africa. Nevertheless, it has been dubbed the "Development Round", thus creating some political leverage for African negotiators to craft a package that meets the continent's development needs. As stated in the Report of the World Commission on the Social Dimension of Globalization, *A fair globalization: Creating opportunities for all*, "Governments need to manage these changes, in coordination with key social actors – supporting adjustment and new opportunities, empowering people through participation and skills and protecting citizens from insecurity".⁵

6. Foreign direct investment (FDI) flows into Africa shot up from \$17 billion in 2004 to an unprecedented \$31 billion in 2005. Nonetheless, the region's share in global FDI continued to be low, at just over 3 per cent. Furthermore, very little went to the region's 34 least developed countries with the lion's share going to South Africa, Egypt and Nigeria. Most inward FDI flows went into natural resources, especially oil, although services (e.g. banking) also figured prominently. Six African oil-producing countries – Algeria, Chad, Egypt, Equatorial Guinea, Nigeria and Sudan – received \$15 billion of FDI, representing about 48 per cent of inflows into the region in 2005. Manufacturing proved less attractive. However, automotive transnational corporations have set up export-oriented production facilities in South Africa, generating employment opportunities and export revenues. Conversely, fragmented markets, poor infrastructure and a lack of skilled workers, coupled with the ending in 2005 of the quotas established under the Multifibre Arrangement, contributed to some divestment in the ready-made garments industry in countries like Lesotho. These divestments suggest that preferential market access (as provided by the United States' African Growth and Opportunity Act and the European Union's (EU) Everything But Arms initiative) is not in itself sufficient to attract and retain manufacturing FDI in a globalizing environment. If African countries are to become internationally more competitive, it is essential that they strengthen the necessary linkages between their export sectors and the rest of the economy by building and fostering domestic capabilities in areas such as physical infrastructure, production capacity and institutions supportive of private investment.⁶

7. Migration is a further important link between Africa and the global economy. It contributes to regional economic integration as migrant workers continue to move in search of more decent working and living standards than those prevailing at home. While the dramatic circumstances of irregular migration from Africa to Europe have dominated news coverage and public attention, most African migration is from one African country to another. Labour migration within Africa and originating from it generally improves the welfare of migrants and provides skills and labour needed by host countries. Migrant remittances improve the welfare of families at home, as well as enhancing human capital through

⁵ World Commission on the Social Dimension of Globalization: *A fair globalization: Creating opportunities for all* (ILO, Geneva, 2004), para. 234.

⁶ United Nations Conference on Trade and Development (UNCTAD): *World Investment Report 2006: FDI from Developing and Transition Economies: Implications for Development* (2006).

expenditures on health, education, nutrition and housing. However, the current patterns of skilled migration lead to brain-drain losses that may impede economic development. Therefore, policy-makers must on the one hand address employment challenges in order to retain the educated young people and skilled professionals needed for development in Africa, and on the other, consolidate the regulation of labour mobility, thereby achieving successful regional economic integration.

8. The Heavily Indebted Poor Countries (HIPC) Initiative of 1996 and the Enhanced HIPC Initiative of 1999 aimed at reducing the external debt burden of the poorest and most indebted countries to a sustainable level. A further commitment was made to cancel some debt immediately, starting with the debts of 18 of the world's poorest countries, most of which are in Africa. The G8 has agreed to a proposal to provide 100 per cent debt relief to the poorest countries in the world. This is worth \$40 billion and could reach \$55 billion as more countries qualify. As of 2006, 38 countries were eligible for such relief, including 32 in sub-Saharan Africa. The resources that will become available as a result could be an important source of investment for the creation of decent jobs. Debt relief, along with an increase in the region's current account balance, has led to a fall in total external debt as a share of exports to an estimated 54 per cent in 2007 from 92 per cent in 2005.⁷

9. The launch of the New Partnership for Africa's Development (NEPAD) in 2001 and the creation of the AU in 2002 signalled Africa's commitment to home-grown development initiatives. As an AU programme, NEPAD is a comprehensive integrated sustainable development initiative for the economic and social revival of Africa. Its aims are: to contribute to the effective implementation of infrastructure projects; to integrate its priorities into national development plans in order to enhance the ability of African countries to meet the MDGs; and to reinforce engagement with the international community. NEPAD considers the issues of good governance, peace, security and human rights as critical to any prospects for development in Africa, giving priority to the settlement of internal conflicts in Africa and the creation of a political democratic order.

10. By comparison with earlier periods, the international economic environment offers some opportunities for Africa. Increasing fuel and mineral exports, FDI, aid, debt relief and remittances from migrants are injecting resources that, if wisely invested, could trigger sustained development. However, Africa has many challenges to overcome, and many of them are to be found in the way work and labour markets are organized.

1.2. Key challenges to Africa's development towards 2015 and beyond

11. For Africa to realize its potential and meet the targets set in the MDGs by 2015, a number of key challenges have to be addressed. While some are of a global nature, many are specific to the continent, and those that have a direct bearing on African countries' labour markets stand out: the weakness of the public and private sectors, the huge size of the urban informal economy and the lack of modernization and/or transformation of the rural sector. Ensuring that Africa's most valuable resource, the honest hard work of its women and men, is fully utilized and fairly rewarded places great responsibility on the roles and functions of African employers' and workers' organizations and ministries of labour, employment and social affairs.

12. Defining and designing a new direction in policy-making to create decent work for all involves a close interaction between the social partners, various government ministries and a number of international partners, including the ILO. Key policy areas with maximum impact on labour supply and demand need to be identified.⁸ Critical policy measures to bring about an employment-friendly growth strategy would include, inter alia, a reorientation of macroeconomic and sectoral policies that would balance investment and growth, with the imperatives of productive and remunerative employment generation. Account needs to be taken of the fact that demand management constitutes a significant element of macroeconomic policies and that investment, which needs to be significantly boosted though incentive structures, depends on several factors and not simply macroeconomic stability. Public policy and public

⁷ IMF, op. cit.

⁸ For an exposition on the nature of the challenge, and different means of addressing the challenge, see ILO: *Implementing the Global Employment Agenda: Employment strategies in support of decent work*, "Vision" document (Geneva, 2006).

expenditure in social and physical infrastructure can help make investment more employment-friendly, while financial reform and liberalization policies can be designed in ways that ultimately result in more employment.

13. Trade liberalization measures should be preceded by impact assessments aimed at identifying opportunities for job creation, as well as risks of adverse employment and social consequences, so that the pace and sequencing of reforms can be considered alongside adjustment programmes, especially training. These considerations point to the need for fiscal policies to be designed to enhance the employment-creating impact of expenditure, as well as for monetary and financial policies to be directed in order to mobilize savings and set employment-generating investment targets, and exchange rate policy to be guided by the need to improve competitiveness, especially of labour-absorbing export sectors.⁹

14. Africa accounts for 11.9 per cent of the total world labour force, with over 368 million women and men. Agriculture and rural non-farm activities are still predominant in most economies in Africa. Although an estimated 70 per cent of the African population lives in rural areas (where agriculture is the main source of income for 90 per cent of the population), poverty can hardly be characterized simply as a rural phenomenon, as large numbers of rural poor have migrated to urban areas in search of job opportunities. An increase in rural incomes would probably not only improve the living standards of the rural poor, but could also drive a structural transformation of the whole economy. African agriculture is characterized by low performance and is severely undercapitalized, resulting in low productivity. Increased productivity and competitiveness are needed, particularly in production, storage, processing, and domestic marketing.¹⁰ Ethiopia's agriculture-led industrialization strategy may be cited as a case in point.¹¹ Increased public investment in rural infrastructure is also necessary in order to ease supply constraints.

15. The informal economy, comprising the self-employed, micro- and small enterprises and workers who find themselves in informal contractual arrangements, accounts for a significant percentage of economic activity in Africa, both in rural and urban areas. While reliable data and a lack of comparable definitions make it hard to come up with regional estimates, it is estimated that around three-quarters of activities in the urban economies of Africa are informal in nature. Perhaps as few as one in ten rural and urban workers have jobs in the formal economy.¹² Improving productivity and market access for workers and producers in the informal economy is at the heart of many poverty reduction efforts in Africa. As discussions at the ILO¹³ and pilot programmes in the field have demonstrated, promoting decent work in the informal economy requires an integrated approach that includes access to mainstream business services and programmes, respect for fundamental rights and provision of social protection, especially in view of the greater vulnerability of micro- and small enterprises to the impact of HIV.

1.2.1. Tackling unemployment, underemployment and poverty

16. Poverty is a multidimensional phenomenon. Joblessness and the poverty associated with it cause people to feel useless and excluded from their family and community. This underscores the fundamental subjective dimension of work.¹⁴ The feminization of poverty is equally a matter of concern: throughout life, from birth to old age, gender discrimination contributes both to the feminization of poverty and to the perpetuation of poverty from one generation to the next. Young women face greater difficulties finding employment than young men. The school-to-work transition is harder for young women than for young men.¹⁵

⁹ For a detailed analysis see ILO/ECA: *Employment-friendly macroeconomic policies for Africa* (draft, mimeo), 2006; also ECA: *Meeting the Challenge of Employment in Africa: An Issues Paper* (Addis Ababa, 2006).

¹⁰ ECA: *Economic Report on Africa 2005: Meeting the Challenges of Unemployment and Poverty in Africa* (2005).

¹¹ See Plan for Accelerated and Sustained Development to End Poverty, 2006-10 (PASDEP).

¹² ILO: *Changing patterns in the world of work*, Report of the Director-General, International Labour Conference, 95th Session, Geneva, 2006.

¹³ The 2002 International Labour Conference conclusions and resolution concerning decent work and the informal economy.

¹⁴ D. Peccoud (ed.): *Philosophical and spiritual perspectives on decent work* (ILO, Geneva, 2004), pp. 34-39.

¹⁵ ILO: *Working out of poverty*, Report of the Director-General, International Labour Conference, 91st Session, Geneva, 2003, and ILO: *World Employment Report 2004-05: Employment, productivity and poverty reduction* (Geneva, 2004).

17. While the total number of people worldwide living on less than \$1 a day declined from 1.45 billion to 1.1 billion, between 1981 and 2001, mainly as a result of the rapid economic growth in China and other countries in Asia, the number in sub-Saharan Africa increased from 164 million to 314 million.¹⁶ Of this total, some 155 million are women and men of working age. Africa has the largest number of working poor in total employment of any region.¹⁷ It is estimated that around 55 per cent of all people employed in sub-Saharan Africa do not earn enough to lift themselves and their families above the \$1 a day poverty line and that about 80 per cent are subsisting on under \$2 a day. These proportions have changed very little over the last ten years.¹⁸

18. High rates of unemployment and underemployment have led to the formulation of policies to attain full and productive employment and decent work for all. With the highest incidence of poverty in the world, Africa urgently needs to create more employment and thus tackle the scourge of hunger, malnutrition and overall low living standards. Unemployment represents one of the greatest challenges to the development of the continent. The 2006 overall unemployment rate in Africa was estimated at 10.3 per cent, and in sub-Saharan Africa at 9.8 per cent.¹⁹ The estimate for North Africa was 12.7 per cent. When the number of working poor is included, the employment picture looks even more unfavourable. Furthermore, these overall rates do not reveal the uneven distribution of unemployment across countries and regions, within countries, and within age and gender groups. In recent years, the annual increase in Africa's labour force has risen to 9 million per year and will continue upwards to average around 10 million per year in the period through to 2015. Despite a pick-up in growth over the last three years, employment is only expanding by around 8.6 million a year, with a consequent increase in the numbers of jobless persons. To reduce Africa's unemployment rate to the world average of just over 6 per cent by 2015 would require an increase in employment of around 11 million per year. Achieving this result in turn requires either faster growth or a more employment-rich pattern of growth, or a combination of both.

19. Although macroeconomic performance has improved, with economic growth picking up across the region, as shown in figure 1.1, economies have failed to grow at rates and in ways that generate productive and decent employment. (Latest data and forecasts from the IMF show a mild further acceleration of these trends into 2007.)²⁰ At the same time, demographic pressures (high fertility and increasing rural-urban migration) are fuelling high rates of labour force growth. Given the high levels of poverty and labour force growth rates of 2.5 per cent, the ECA estimates that a minimum yearly average growth rate of 7 per cent is needed if poverty is to be halved by 2015. Even the higher growth rates in resource-rich African countries have not resulted in sufficient job creation for the poor. Many people in these countries, especially women, still eke out their livelihoods from low productivity activities in rural and urban informal economies.

20. If extreme poverty is to be halved by 2015, an employment-centred growth strategy is required. The goal of full and productive employment and decent work as a logical means to reduce poverty and inequality is increasingly being embraced by policy-makers at the international, regional and country

¹⁶ World Bank: *World Development Indicators 2004* (Washington, DC).

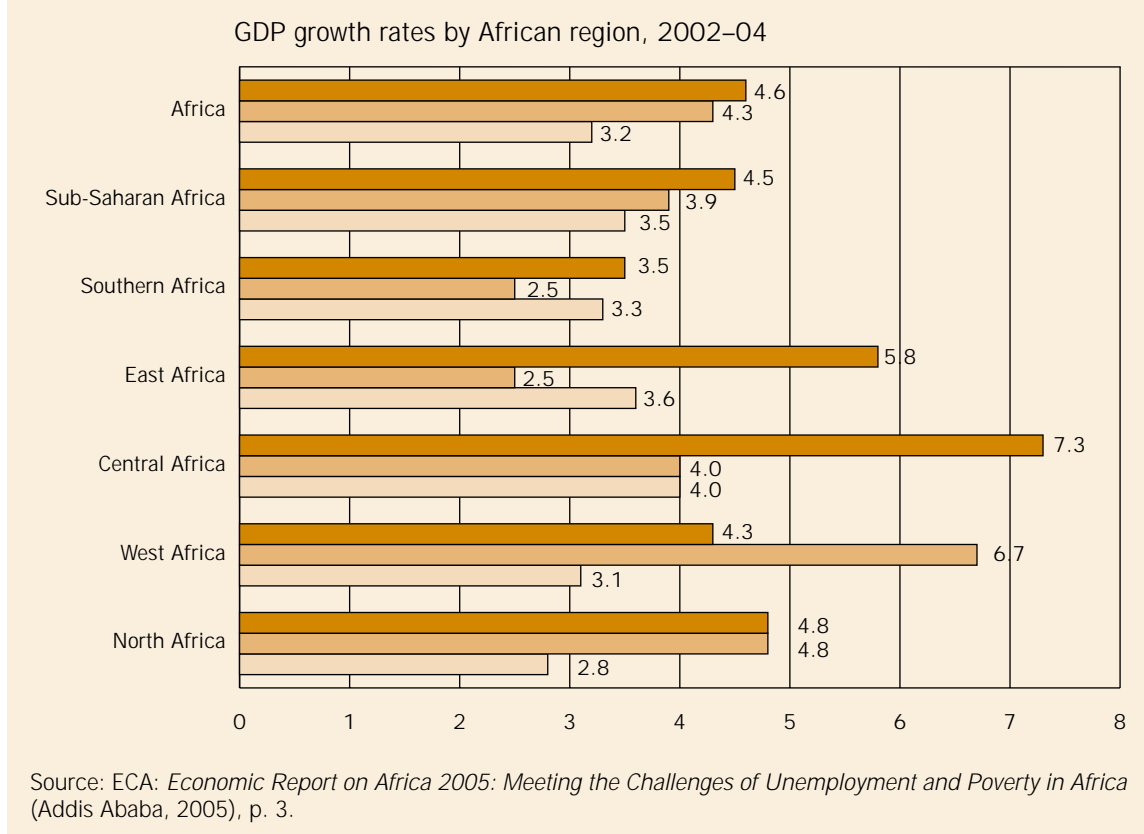
¹⁷ The ILO developed the concept of the working poor to cover those people who work but do not earn enough to lift themselves and their families above the \$1 or \$2 a day poverty line. There is a very high likelihood that people who constitute the working poor work in the informal economy (whereas the reverse is not necessarily the case – people who work in the informal economy are not necessarily working poor). For this reason the estimate of working poor can be interpreted as a first approximation of people who work in the informal economy with very low earnings. It is important to note that, by definition, a person is counted as working poor only if that person is unable to lift himself or herself *and his or her family* above the poverty threshold. This means that somebody who earns only \$0.50 a day would not be considered as working poor if somebody else in the family earns enough to make sure that each family member lives on more than \$1 a day. Conversely, somebody might earn as much as, for example, \$5 a day but with a family consisting of, say, ten members (nine of them not working) each member would be living on less than \$1 a day. Such a person would still be counted as working poor. Including the whole family in the concept of working poverty ensures that a rich young person in the developing world who has just started working without remuneration in order to gain work experience is not considered to be working poor.

¹⁸ ILO: *Global Employment Trends Brief*, January 2007 (Geneva).

¹⁹ *ibid.*

²⁰ IMF, *op. cit.*

Figure 1.1. African economies pick up speed



levels.²¹ It is therefore essential to put greater policy emphasis on the failure of Africa’s labour markets to create more and better paid jobs for women and men, with a particular focus on:

- making economic growth pro-poor and employment-friendly;
- harnessing the potential of globalization to create decent jobs;
- transforming rural economies to reduce underemployment and poverty;
- addressing youth unemployment, and
- facilitating private sector investment to create more employment.

1.2.2. The role of social protection in poverty-reducing development

21. Within the overall decent work strategy of the ILO, social protection is a critical component. Without social protection, neither work nor lives can be decent. Social protection seeks to protect workers at their workplaces in the formal and informal economy against unfair, hazardous and unhealthy working conditions. It seeks to provide access to health services, a minimum income for people whose income puts them beneath the poverty line, and support for families with children. It replaces income from work lost through sickness, unemployment, maternity, invalidity, loss of a provider or old age. While everybody needs social protection, some groups are particularly vulnerable and disadvantaged. In Africa, migrant workers and their families, as well as people living with or affected by HIV/AIDS and people

²¹ See, for instance, Ministerial Declaration on Employment Generation and Decent Work for All of the High-Level Segment of the United Nations Economic and Social Council (ECOSOC), Geneva, 2006; Declaration on Financing Employment and Poverty Alleviation in Africa to the Conference of African Ministers of Finance, Planning and Development, Ouagadougou, May 2006; Declaration and Plan of Action of the Extraordinary Summit of Heads of State and Government of the African Union, Ouagadougou, 2004.

in the informal economy at large constitute a large population of women and men whose productive potential is considerably weakened by the absence or inadequacy of social protection.

22. The main challenge for social protection in Africa is to extend coverage of social security to ensure that people have access to health care and enjoy at least a minimum level of income security. Only in this way will it be possible to make the right to social security, as embodied in Article 22 of the Universal Declaration of Human Rights, a reality on the African continent. As a corollary of economic and employment policies, social protection is a powerful instrument to reduce poverty and improve people's lives. It is widely accepted that public social protection provides mechanisms to help the vulnerable with the risks of life. It presupposes public interventions to reduce risk, such as preventive health-care services, basic education and prevention in the area of occupational safety and health; interventions to mitigate risks, such as social security schemes for health, sickness, maternity, employment injury, old age, disability, death, family and children; and last-resort interventions to help individuals and families cope when prevention or mitigation programmes fail to work. Last-resort interventions include all forms of social assistance providing cash and in-kind conditional transfers.²²

23. Access to health care is one of the most pressing challenges for social protection in Africa. Many people face major difficulties in accessing health services due to financial constraints. In Kenya and Senegal, 45 per cent of total health expenditure is paid as out-of-pocket payments.²³ Catastrophic health expenditure is one of the major poverty risks for individuals and their families. Paying for medicine and health care may force families into poverty for years; they may be obliged to exhaust their savings and sell their productive assets, falling into long-term debt.²⁴ Health insurance mechanisms therefore play a crucial role in ensuring access to health-care services, protecting people from poverty and vulnerability and safeguarding or restoring their productive capacities. The economic and social effects of diseases such as HIV, tuberculosis and malaria, as well as other health problems, could be attenuated if adequate access to health care were provided. The strengthening of health systems will also require a new focus on health workers, to ensure that their own health and rights are safeguarded and to improve wages and working conditions.

24. The proportion and number of older persons in the population will increase rapidly over the coming years. Although deplorably low life expectancy at birth seems to suggest otherwise, an increase in the ageing population is a reality for much of Africa. On reaching the age of 40, Africans can expect to live another 30 years on average.²⁵ Only in the heavily HIV-affected countries of Botswana, Lesotho and Swaziland is the remaining life expectancy at age 40 less than 20 years. In the rest of Africa, 40-year olds can expect to reach at least the age of 60, if not well beyond. Older persons constitute a particularly vulnerable population group.²⁶ Only a small proportion of older persons have access to an old age pension: some 3 per cent of those aged 65 and older in Burkina Faso, 9 per cent in Ghana and 10 per cent in Senegal.²⁷ While the majority of older persons have traditionally been supported by families and communities, these traditional support mechanisms have increasingly come under strain due to the effects of HIV/AIDS and other diseases, migration and widespread destitution. As only a small minority of older persons receives old-age pensions from statutory pension schemes, innovative forms of support have to be found.

25. The working-age population is also poorly protected against the risks of life. In sub-Saharan Africa, coverage by statutory social security schemes is very limited and largely confined to workers in the formal economy and their families. Preliminary data shows that for old age, disability and survivor

²² See ILO: *Social security for all: Investing in global social and economic development: A consultation*, Issues in Social Protection series, discussion paper 16 (Geneva, 2006); ILO: *Social security: A new consensus* (Geneva, 2001).

²³ X. Scheil-Adlung et al.: *What is the impact of social health protection on access to health care, health expenditure and impoverishment? A comparative analysis of three African countries* (ILO, OECD and WHO, Geneva and Paris, 2006), at http://www.who.int/health_financing/DP06.2.pdf.

²⁴ S. Dercon and J. Hoddinott: "Health, shocks and poverty persistence", in S. Dercon (ed.): *Insurance Against Poverty* (Oxford University Press, Oxford, 2005), pp. 124-136.

²⁵ Calculated from United Nations: *World Population Prospects: The 2004 Revision* (New York, 2005), projections for 2005-10.

²⁶ A. Barrientos et al.: "Old age poverty in developing countries: Contributions and dependence in later life", in *World Development* (Elsevier, 2003), Vol. 31, Issue 3, pp. 555-570.

²⁷ Preliminary results of the ILO Social Security Inquiry. Due to data availability problems, coverage ratios might be slightly understated.

pensions, slightly more than 10 per cent of the economically active population contributes to a pension scheme in Ghana and Zambia, and just over 5 per cent in Senegal.²⁸ These figures reflect the fact that only a small minority of workers are in the formal economy, while most workers in the informal economy are not covered.

26. Gender differences in employment patterns for men and women are also mirrored in the coverage by statutory social security schemes. While some 15 per cent of the economically active male population is covered in Ghana and Zambia and 8.1 per cent in Senegal, the same is true for only 7 per cent of economically active women in Ghana, 5 per cent in Zambia and 2 per cent in Senegal.²⁹

27. In extending coverage of social security schemes, a variety of challenges need to be addressed. These include, from an economic perspective, limited productivity, persistently high inflation rates, high and increasing rates of informal economy employment and skewed income distributions. From a socio-demographic perspective, they include low life expectancy, high birth rates, inequalities between urban and rural areas, the effects of migration both within and between countries, and changing family and community structures. Governments have only limited capacity to deal with these challenges, owing to weak governance and administrative structures. The revenue base of governments often is rather thin, due to a small tax base and ineffective and inequitable tax systems.³⁰

28. Existing social security schemes have not been able to meet the challenge of extending coverage to the majority of the population. These schemes, often established in the 1960s, were intended to cover the formal public and private sector rather than the informal economy. In addition, the political, economic and administrative environment in which these schemes developed has had implications for their effectiveness, efficiency and governance which still need to be addressed.

29. In this context, social security arrangements tend to be characterized by fragmentation and the lack of a clear vision for their extension to as yet uncovered groups within the population. Although there is a great need for social security in Africa, factors such as limited formal economy employment, high rates of inflation and the impact of HIV/AIDS, make meeting this need, even partially, particularly difficult. Low productivity limits the necessary fiscal space, and weak governance mechanisms pose serious challenges to efficient delivery and administration. At the same time, governance and administrative problems in some existing social security schemes undermine trust and public support for social security. The coverage of targeted populations tends to be narrow, leaving the most vulnerable, in particular those in rural areas, without any form of social protection. There is therefore a very limited capacity to provide adequate social protection. High levels of unemployment and underemployment, as well as the inadequacy of current labour and social protection standards, hamper the delivery of social protection in many countries.³¹ Some governments, social partners and other stakeholders in African countries have stepped up their efforts to improve social protection. In countries such as Senegal and the United Republic of Tanzania, social protection plays an important role in the second and third generation poverty reduction strategies and associated policies. Nevertheless, major efforts are required to overcome the obstacles to the extension of social protection as part of a decent work strategy.

1.2.3. Social exclusion and the effects of HIV/AIDS

30. Sub-Saharan Africa has just over 10 per cent of the world's population, but is home to more than 60 per cent of all people living with HIV, or almost 26 million people. In 2005, an estimated 3.2 million people in the region became infected, while 2.4 million adults and children died of AIDS. Over 90 per cent of those living with HIV are adults in their prime. In many countries, AIDS is erasing decades of progress in development, including longer life expectancy and gains in health and education. Average life expectancy in sub-Saharan Africa is now 47 years. Without AIDS, it would have been 62. HIV/AIDS is both a cause and an outcome of poverty, just as HIV/AIDS and poverty drive, and are driven, by gender

²⁸ *ibid.*

²⁹ *ibid.*

³⁰ See ILO: *Social security for all*, *op. cit.*

³¹ *ibid.*

inequalities. It impacts on the most vulnerable groups in society, exacerbates child labour and fuels stigma and discrimination. Through its effects on the labour force, households and enterprises, it can act as a significant brake on economic growth and development. HIV/AIDS compounds the ill health and deaths caused by malaria and other diseases, and has led to a resurgence of TB, putting enormous pressure on the health sector.

31. The effects on households can be very severe. Many families are losing their income earners. In other cases, income earners are forced to stay at home to care for relatives who are ill with AIDS. Many of those dying have surviving partners who are themselves infected and in need of care. They leave behind children grieving and struggling to survive without a parent's care. As the epidemic develops, the demand for care for those living with HIV rises, but so do the number of health workers affected. Schools are also heavily affected. Significant levels of infection are also being recorded among teachers. This is a major concern, because schools can play a vital role in reducing the impact of the disease, through education and support. Stigma is a cause and effect of HIV/AIDS secrecy and denial in Africa. Although more attention has been paid to AIDS as a source of stigma, TB is also a stigmatizing disease, both in its own right as and in association with AIDS. The fear of stigma limits the efficacy of HIV testing programmes because people are scared of breaches of confidentiality or gossip concerning their status. Such fear causes treatment delays and undermines prevention efforts.

32. It is now well acknowledged that HIV/AIDS is a labour and development issue. The epidemic has thrown new light on the connections between the world of work and socio-economic security. The impact of AIDS on household incomes and expenditure is compounded by labour force losses and reduced labour productivity, enterprise efficiency and competitiveness. The epidemic increases the direct costs for enterprises through medical, disability, death and survivor benefits, or the cost of insurance against these risks. In many small and medium-sized enterprises, workers and employers bear the costs directly. Of additional concern is the long-term damage to human resources due to erosion of skills in both technical areas and management. One of the most significant long-term effects of HIV/AIDS is the breakdown in the transfer of skills between generations.³² The loss of skilled workers and managers in the public sector threatens the capacity of nations to deliver, let alone develop, essential goods and services.³³

33. Nine out of every ten children under 15 with HIV live in sub-Saharan Africa. Of 15 million AIDS orphans in 2005, 12 million were in sub-Saharan Africa. UNAIDS estimates that this figure may reach 20 million by 2010. There is clear evidence that children from AIDS-affected households, especially girls, are increasingly not being enrolled in school. The World Bank projects that by 2010, as a result of HIV/AIDS, the number of primary school pupils will have fallen by 24 per cent in Zimbabwe, 14 per cent in Kenya and 12 per cent in Uganda. Increased child labour is another serious consequence, with many children forced to work to support the family income or simply to survive. As heads of household, they have to support themselves and often their younger siblings.

34. Stigma and discrimination directed at persons living with HIV or living in households affected by HIV/AIDS are a particular concern. Discrimination on the basis of real or perceived HIV status violates basic human rights and is an impediment to disclosure and to effective HIV prevention. The fear of stigma and discrimination leads to weak take-up of services such as voluntary testing and treatment, even where it is free. Discrimination by employers includes pre-employment testing, denial of training or promotion to employees who are HIV positive, and reassignment or dismissal of workers with HIV, regardless of their capacity for work. Workers may also stigmatize and shun colleagues they know or believe to be HIV-positive. These forms of discrimination violate the principles of the ILO code of practice on HIV/AIDS and the world of work and present a major challenge for the successful implementation of HIV workplace policies and programmes.³⁴ Building a supportive environment requires not only the adoption and application of laws and the inclusion of rights in workplace policies, but also education to change attitudes and reduce fear.

³² D. Cohen: *Human capital and the HIV epidemic in sub-Saharan Africa*, Working Paper 2 (ILO, Geneva, 2002).

³³ I. Coulibaly: *The impact of HIV/AIDS on the labour force in sub-Saharan Africa: A preliminary assessment*, Research and Policy Analysis No. 3 (ILO/AIDS, 2005).

³⁴ O. Dupper: "Protecting the rights of people living with HIV/AIDS: A South African case study" (2003), in ILO/UNAIDS: *People at work: Addressing stigma and discrimination*, ILO/UNAIDS meeting on AIDS and the World of Work in Latin America and the Caribbean, Brasilia, 2006.

35. Women and girls comprise an increasing proportion of people living with HIV. Three-quarters of all HIV-positive women aged 15 and over worldwide live in sub-Saharan Africa. Gender inequality in the world of work (such as occupational segregation, lower wages and poor working conditions) is both a cause and effect of the lower economic and social status of women in society at large and plays a significant role in the vulnerability of women. Women, including married women, have limited opportunities to insist on safe sex, and many need to exchange sex for food, shelter and other basic needs. Studies show that not only does violence against women increase their risk of HIV infection, but that women who are HIV-positive may be more susceptible to violence or the threat of violence by their partners and/or families. Access to decent work opportunities and a secure income is one of the best means of empowering women to protect themselves from HIV infection, and of containing the impact of HIV/AIDS on children and households.

36. To protect women from sexual violence and exploitation, it is necessary to provide income support, access to education and training, legal protection, and, where necessary, cash transfers, so that they do not need to exchange sex for food, shelter and other basic needs for themselves and their children. Other measures to prevent HIV transmission, including information campaigns, should be designed to reach women and children. The needs of women with HIV or those who are highly exposed to the risk of HIV should be addressed, including the risk of domestic violence, barriers to care and treatment, abandonment by families, limited inheritance rights, and their often heavy family care responsibilities for young children and elderly relatives. Access to HIV-related healthcare, the provision of post-exposure prophylaxis to rape survivors and treatment for the prevention of mother-to-child transmission are also vital in this respect.

1.3. The need for new approaches: Strengthening governance in the world of work

37. The trend towards political liberalization and democratization in Africa and endorsement of efforts to achieve good governance, as in the AU and NEPAD, are indications that Africa is rethinking its approaches to development management. The African Peer Review Mechanism is a particularly important initiative in the area of governance. The mechanism introduces analysis and review of African performance by Africans, with Africans taking responsibility for monitoring their own behaviour, on their own terms and at their own initiative.

38. Despite this progress, challenges to political governance remain in many African countries. The democratic process is often fragile and barely institutionalized. The 2005 *African Governance Report* identifies a number of priority areas for action in building capable and accountable states. These include strengthening the capacity of Parliaments to perform their core functions, deepening legal and judicial reforms, improving the delivery of public services, removing bottlenecks to private enterprise, tapping the potential of information and communication technologies, fostering a credible and responsible media, and maximizing the contribution of traditional modes of governance.

39. Several countries in the region are emerging from long periods of conflict, with the associated challenges of restoring not only individual and family security, dignity and relationships but also productive capacity, following the destruction of social and economic infrastructure. Armed conflicts erode productive assets, destroy workplaces and weaken labour markets. Ensuring that women and men can go back to work in conditions in which their basic human rights are respected represents a major step in the process of recovery and rebuilding, not just of physical, but also social, infrastructure.

1.3.1. The role of international labour standards

40. The ILO's normative approach contributes to good governance in a number of ways. The application of international labour standards, especially those concerning freedom of association and non-discrimination, has a direct impact on contributions to and participation in political and economic processes. Tripartism and the consultative mechanisms associated with social dialogue also contribute to creating a new culture of transparency, democratic decision-making and mutual respect among the social partners.

41. The challenges of globalization have made international labour standards more relevant than ever. The most fundamental elements of the rule of law in a market economy, such as respect for contracts and recognition of title to property, are often not available to wage workers, self-employed workers or micro- and small enterprises in the huge and growing informal economy. Because respect for international labour standards is central to the attainment of decent work for all, a major commitment for the ILO in Africa is to help its constituents to address the often neglected issue of governance of the labour market.

42. Principles and rights at work provide the basic rules and framework for development. When it comes to the question of how to keep social progress in pace with economic growth, “the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned to claim freely and on the basis of equality of opportunity their fair share of the wealth which they have helped to generate, and to achieve fully their human potential”.³⁵

43. Ratification of an ILO Convention is a national commitment to other member States, backed up by a system of international supervision. In addition, it is a promise to a country's citizens to use an international benchmark of fairness as a guide for national governance of the labour market. A number of ILO Conventions were singled out as particularly important by the World Summit on Social Development. Subsequently, the Declaration on Fundamental Principles and Rights at Work, adopted by the International Labour Conference in 1998, established an obligation on all member States of the ILO to respect, to promote and to realize, in good faith and in accordance with the Constitution, the following:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

44. The fact that Africa is well on its way towards the universal ratification of the eight fundamental human rights Conventions of the ILO reflects the region's commitment to promoting, respecting and realizing the fundamental principles and rights at work. As shown in figure 1.2, among the 53 member States, ratifications range from 46 for the Minimum Age Convention (No. 138) to 53 for the Forced Labour Convention (No. 29) and the Discrimination (Employment and Occupation) Convention (No. 111). The pace of ratifications has been particularly impressive in recent years with regard to the two child labour Conventions. However, the major challenge now is to translate commitments into effective protection and guarantees, with real enforcement of the relevant provisions.

45. Thus, while there is a commitment to respect fundamental rights and rights at work, their effective application is still lagging behind. This is due to a number of factors, including incomplete and outdated legislation, a lack of effective enforcement by labour inspectorates and labour courts, an increase in the number of workers in the informal economy and the limited capacity of trade unions and employers' organizations to engage in advocacy, dialogue and policy formulation.

1.3.2. Tripartism, labour law and social dialogue

46. As more and more African countries hold elections that are considered to have been competitive, free and fair, efforts are also under way in a number of countries in the region to revitalize or create effective institutions for social dialogue. Much still remains to be done, but measures to establish effective conflict prevention and resolution mechanisms and social dialogue institutions to facilitate participation by the tripartite partners in national decision-making processes are well under way and could form an important basis for improved governance. A number of ILO Conventions are particularly relevant in the region, including the Labour Inspection Convention, 1947 (No. 81), the Labour Administration Convention, 1978 (No. 150), the Workers' Representatives Convention, 1971 (No. 135), the Labour Relations (Public Service) Convention, 1978 (No. 151) and the Collective Bargaining Convention, 1981 (No. 154).

³⁵ ILO Declaration on Fundamental Principles and Rights at Work, adopted at the 86th Session of the International Labour Conference, Geneva, June 1998.

Figure 1.2. Ratification of fundamental Conventions in Africa

Number of African countries ratifying the fundamental human rights Conventions

Category	Convention	No. of ratifications (out of 53)
Freedom of association and collective bargaining	C. 87: Freedom of Association and Protection of the Right to Organise Convention, 1948	48
	C. 98: Right to Organise and Collective Bargaining Convention, 1949	52
Elimination of forced and compulsory labour	C. 29: Forced Labour Convention, 1930	53
	C. 105: Abolition of Forced Labour Convention, 1957	52
Elimination of discrimination in respect of employment and occupation	C. 100: Equal Remuneration Convention, 1951	50
	C. 111: Discrimination (Employment and Occupation) Convention, 1958	53
Abolition of child labour	C. 138: Minimum Age Convention, 1973	46
	C. 182: Worst Forms of Child Labour Convention, 1999	49

Source: ILO (Geneva, February 2007).

47. Despite some encouraging progress, the weak institutional and human resource capacity of the tripartite partners constitutes a major hindrance to the prevention and settlement of industrial disputes. Nevertheless they retain a significant presence in a number of key sectors. Trade union federations in Africa are still often perceived as a political threat by governments and excluded from social dialogue processes, rather than being looked upon as valuable partners. When looking to the future and seeking to overcome the obstacles faced by unions, it is important to focus on enhancing their capacity to negotiate collective agreements, to analyse labour market information, to better understand international labour standards and national labour legislation, to apply dispute prevention and resolution procedures, and to use socio-economic data to support collective bargaining skills. The capacity of independent employers' organizations should also be strengthened, to enable them to articulate the legitimate interests of businesses, large and small. Nevertheless, especially in countries with stable economic and political systems, they are often effective in engaging in social dialogue and providing services to their members.

48. Unfortunately, the important role of labour administration in development is often neglected. In some countries, specialized labour courts do not exist, and labour cases are referred to ordinary civil courts, thus often delaying judgements and disrupting the industrial environment unnecessarily. Moreover, judges and staff appointed from ordinary courts are often not as well-versed in national and international labour standards as specialized labour judges. Even in those countries where labour courts do exist, they are often overburdened with trivial cases that could have been settled earlier through industrial relations mechanisms.

49. Social dialogue also has an important role to play at subregional and continental levels. The challenge is for African tripartite constituents to fully explore the scope for working with the regional economic communities (RECs) from the perspective of promoting social dialogue and strengthening the social dimensions of Africa's engagement in the global economy. A start in this direction has already been made in the Southern African Development Community (SADC), the Economic Community of the Great Lakes Countries (CEPGL), the Central Africa Economic and Monetary Community (CAEMC) and the West African Economic and Monetary Union (UEMOA).

50. When it comes to strengthening democratic governance, the main challenge is to involve all stakeholders in national decision-making processes and in managing labour policy. Tripartite consultations should be broadened to eventually cover the whole range of labour, employment and macroeconomic policies.

2. Making decent work a reality in Africa

2.1. An international framework for action

51. The Decent Work Agenda offers an integrated framework for promoting institutional change. It advocates a set of universal values, together with understanding for the specific circumstances affecting each country. Harnessing the potential of globalization by ensuring that it offers opportunities for all requires a foundation of shared commitments as well as development strategies that respond to the priorities at a country level. The Report of the World Commission on the Social Dimension of Globalization (2004)³⁶ found that people all around the world judged globalization by whether they saw it as contributing to the goal of decent work. By focusing on the world of work, the ILO is addressing the reality that women and men everywhere need to earn a living for themselves and their families if they are to begin to enjoy freedom in its widest sense.

52. For most people and their families and communities the main route out of poverty, and the key to reducing the risk of falling into poverty, is decent and productive work. Decent work sums up the aspirations of ordinary people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives, and equality of opportunity and treatment for all women and men.

53. Ever since both the Ninth ILO African Regional Meeting (Abidjan, December 1999) and the Tenth ILO African Regional Meeting (Addis Ababa, December 2003) recognized the importance of decent work for Africa, the goal of decent work has resonated strongly all over Africa as a unifying theme to guide national policies and to frame the continent's engagement with global institutions and the processes of international economic integration.

54. Through the commitment of its tripartite constituents, the ILO has successfully urged the international community to redirect development policies towards the goal of decent work for all. This has led to an international consensus that full and productive employment and decent work are key elements in achieving poverty reduction. The alignment of the priorities of the international development framework with those of Africa around the goal of "Decent Work for All" marks an important shift in the political environment and opens up significant avenues for Africa to articulate its own vision for progress and contribute to shaping new strategies for poverty reduction through job-rich growth.

55. Decent work evolved from an internal agreement within the ILO as to how best to express its role in the twenty-first century and reinvigorate its capacity to deliver the policy advice and technical service its constituents needed, into an international goal that now enjoys recognition and endorsement throughout the multilateral system. This global convergence of views in support of decent work is confirmed by a number of recent documents, agreements and statements. Paragraph 47 of the 2005 World Summit Outcome Document, adopted by the High-Level Plenary Meeting of the 60th United Nations General Assembly, makes "the goals of full and productive employment and decent work for all ... a central objective of our relevant national and international policies as well as our national development strategies, including poverty reduction strategies, as part of our efforts to achieve the Millennium Development Goals."

56. In July 2006, the High-Level Segment of the UN Economic and Social Council (ECOSOC) adopted a wide-ranging Ministerial Declaration on Employment Generation and Decent Work for all, stating that it would help strengthen efforts by the UN and the multilateral system to create jobs, cut poverty and provide new hope for the world's 1.4 billion working poor over the next decade. The Declaration reinforces efforts to make decent work for all a global goal and a national reality. The Ministerial Declaration is of great significance, in that ECOSOC coordinates the work of all 14 UN agencies, ten functional Commissions and five regional Commissions.³⁷

³⁶ World Commission on the Social Dimension of Globalization: *A fair globalization: Creating opportunities for all* (ILO, Geneva, 2004).

³⁷ Ministerial Declaration of the High-Level Segment of ECOSOC, adopted in July 2006, on Employment Generation and Decent Work for all, reproduced in Governing Body doc. GB.297/WP/SDG/1, 297th Session, Geneva, Nov. 2006.

**Box 2.1 Declaration on Employment and Poverty Alleviation
adopted at the Third Extraordinary Session of the African Union Heads of State
and Government (Ouagadougou, September 2004)**

WE, the Heads of State and Government of the African Union, meeting at the 3rd Extraordinary Session of our Assembly in Ouagadougou, Burkina Faso, from 8th to 9th September 2004, ...

COMMIT OURSELVES TO:

...

PLACE employment creation as an explicit and central objective of our economic and social policies at national, regional and continental levels, for sustainable poverty alleviation and with a view to improving the living conditions of our people;

SUPPORT the continuing efforts made by our governments, social partners and civil society organizations to promote the decent work development agenda of the International Labour Organization (ILO) through achievement of the following related strategic objectives: (i) promote and implement international labour standards and fundamental principles and rights at work; (ii) create greater opportunities for women and men to secure decent income; (iii) enhance the coverage and effectiveness of social protection for all; and (iv) strengthen tripartism and social dialogue.

Source: African Union (2004).

57. The central place of decent work in a new development paradigm for the continent has been underscored by a number of key institutions and in the course of several events, notably in Africa. The Heads of State and Government participating in the AU Extraordinary Summit on Employment and Poverty Alleviation in Africa (Ouagadougou, September 2004) overwhelmingly endorsed the Decent Work Agenda. The Summit adopted a Declaration, Plan of Action and Follow-up Mechanism, which committed member States to placing employment at the centre of economic and social policies. The primary goal of the plan of action is “to reverse the current trends of pervasive and persistent poverty, unemployment and under-employment on the continent; and to have tangible improvement in the living standards of the people and their families at the national and community levels in Africa”. The AU Summit benefited from input by the African Social Partners’ Forum (Ouagadougou 3-4 September 2004), which called on African Heads of State and Government to make decent work, as defined by the ILO, a global and African objective, and to place it at the heart of socio-economic policies in Africa.

58. In this context, member States committed themselves to empowering the poor and vulnerable, particularly in rural areas and in the urban informal economy, as well as the unemployed and the under-employed, through capacity enhancement in terms of access to education, skills and vocational training and retraining of the labour force, access to financial resources, in particular micro-financing, land, infrastructure, markets, technology and services, in order to integrate them meaningfully into the labour market. The Summit called on UN agencies and international and regional finance institutions to adopt greater policy coherence and to increase support for employment creation within the context of national and other development strategies. The Ouagadougou Summit follow-up mechanisms designated the member States and the RECs as the principal actors responsible for implementation.

59. Since the Ouagadougou Summit, decent work has received backing from several other African institutions, including the ECA and the RECs. The March 2005 Report of the Commission for Africa (the Blair Commission) also recognized that creating jobs in Africa will not only depend on accelerating economic growth but also on more direct action, calling for an integrated approach to employment strategies in Africa. The report refers to the importance of influencing sectoral investments towards employment creation as one of the ways to reduce poverty. Under the heading “Employment promotion”, it states that “these issues call for an integrated approach to employment strategies in Africa, with an equal focus on the four priority areas of entrepreneurship, employability, equal opportunity and employment creation, which the International Labour Organization and the AU highlighted at the summit on Employment and Poverty Alleviation in 2004 in Burkina Faso.”³⁸

³⁸ Commission for Africa: *Our Common Interest* ([London], 2005), at <http://www.commissionforafrica.org/>.

60. The Ministerial Statement of the Conference of African Ministers of Finance, Planning and Economic Development (Abuja, 2005) underlined the need “to develop strategies for generating decent and productive work for men and women as well as youth in Africa, and to explicitly address employment generation issues in national poverty reduction strategies”. At their 2006 Conference on the theme of “Meeting the challenge of employment and poverty in Africa” (Ouagadougou, 2006), Ministers reinforced Africa’s commitment to decent work. Paragraph 11 of the adopted statement states: “Given the importance of poverty reduction strategies (PRSs) as the framework for national budget allocation and official development assistance, we acknowledge the necessity of aligning the various processes towards realizing economic and social objectives in our countries, especially the MDGs. We also note the need to integrate the goal of decent employment into the design, implementation and monitoring of the second generation PRS.” The Ministers further recommended that “ECA, in collaboration with ILO and African regional institutions, establish a regional employment forum of technical experts and policy facilitators to assist Member States in developing capacity and facilitate learning and sharing of country-specific experiences”.

61. Important analytical support for decent work as a development strategy in Africa came from the 2005 ECA Economic Report which focused on “Meeting the Challenges of Unemployment and Poverty in Africa”. The Report states that “Decent employment strengthens the link between economic growth and aggregate poverty reduction. Prerequisites for creating decent employment include the transformation of African economies from low productivity traditional agriculture to labour-intensive high value agriculture and agro-processing – and to the growing industrial and services sectors, taking advantage of globalization’s opportunities. Political leadership is thus required in managing African economies to give priority to broad-based employment creation in national development programmes, including poverty reduction strategies”.

62. The Seventh ILO European Regional Meeting (Budapest, 2005), the 16th ILO American Regional Meeting (Brasilia, 2006) and the 14th ILO Asian Regional Meeting (Busan, 2006) gave similar backing to the decent work approach. Both the Americas and the Asian ILO meetings adopted conclusions that initiated “Decent Work Decades”, with recommendations on how to provide decent and productive employment opportunities for people living in those regions.

63. In May 2006, the European Commission adopted a communication entitled *Promoting decent work for all: The EU contribution to the implementation of the Decent Work Agenda in the world*. This communication proposes a series of concrete steps through which the EU and its Member States may contribute to the implementation of the Decent Work Agenda, for example within the framework of joint technical cooperation programmes with the ILO. More recently, at the Employment, Social Policy, Health and Consumer Affairs Council Meeting (Brussels, 30 November and 1 December 2006), the “Conclusions on Decent Work for All” was adopted. Support was given, inter alia, to the “ILO initiative on Decent Work Country Programmes or equivalent employment and social policy action plans/agendas, as these contribute to strengthened ownership by partner countries by reflecting national needs and priorities and by ensuring the involvement of employers’ and workers’ organizations and of relevant parts of civil society”. The Commission and the EU Member States were also encouraged to cooperate with the ILO and relevant organizations with a view to elaborating and applying appropriate indicators in order to measure and assess the implementation of the Decent Work Agenda.

64. The final document of the meeting of G8 Labour and Employment Ministers Meeting (Moscow, 2006), recognized that “productive employment and decent work is an essential factor of economic growth, social development and human dignity”. The ministers supported the work of the ILO and underscored the importance of the social dimension of globalization and, in this context, the Decent Work Agenda as a component of international development.

65. Decent work is now firmly fixed as a global goal and an African priority. The next steps are to deepen its practical implementation in Africa’s regional integration process and the evolving framework for international development cooperation.

2.2. Building regional integration in Africa

Figure 2.1. The spaghetti bowl of overlapping regional economic community memberships



CEMAC	Central African Economic and Monetary Community
CEN-SAD	Community of Sahelo-Saharan States
CEPGL	Economic Community of the Great Lakes Countries
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
IGAD	Inter-Governmental Authority on Development
IOC	Indian Ocean Commission
MRU	Mano River Union
SACU	Southern African Customs Union
SADC	Southern African Development Community
UEMOA	West African Economic and Monetary Union
UMA	Arab Maghreb Union

Source: Economic Commission for Africa/African Union: *Assessing Regional Integration in Africa II: Rationalizing Regional Economic Communities* (Addis Ababa, 2006), p. 51.

66. The rationale for deepening regional economic integration is that it should enable economies to grow faster by focusing resources on sectors of comparative advantage, exploiting economies of scale and enabling the private sector to access larger and more rapidly growing markets. Greater integration can also stimulate foreign investment flows, not only raising productive capacity but also producing benefits through the transfer of knowledge and skills. Africa's longstanding recognition of the needs and benefits of regional integration has led to the establishment of several RECs and protocols. Regional integration can bring significant economic, social and cultural benefits. Moreover, integration processes embrace both economic and political objectives. The greater weight of regional groupings should increase the influence of member countries in international negotiations. African countries are taking concrete steps towards integrating their economies by building such RECs, facilitating the free movement of workers, commodities and services, adopting common currencies, increasing regional trade and laying the groundwork for the establishment of an African economic community. Like the EU, it could provide the economic stimulus and benefits of a large common market.³⁹

67. There are now 14 RECs, considered the precursors of an eventual African Economic Community, as well as a number of regional bodies such as the West African Monetary Institute and the Development Bank of Southern Africa's Preferential Trade Area, which have been created to support regional integration. Numerous protocols have been signed aimed at strengthening transportation and telecommunications links and allowing the free movement of workers and capital between countries. Following the decision at the Seventh Ordinary Session of the Assembly of African Heads of State and Government (Banjul, July 2006), the AU and the ECA are currently reflecting on rationalizing these institutions and protocols.

68. Discussion of Africa's efforts to advance regional economic integration and intra-African trade are currently focused on:

- strengthening regional institutions in key sectors, including infrastructure, water, food security and energy, and sustainable management and conservation of natural resources;
- enhancing market access for trade within African free trade areas or customs unions;
- supporting the efforts of African countries to eliminate tariff and non-tariff barriers within Africa.

69. Underlying these economic issues is the need to achieve more rapid social development. Regional economic integration would be bolstered by practical progress in raising living standards, especially of Africa's poorest citizens. Mainstreaming the Decent Work Agenda within the agendas of the RECs was thus a key element of the Plan of Action adopted by the Ouagadougou Summit. This requires investing in capacity building and continued policy dialogue to ensure that interventions are demand-driven. An important aspect of integration is the creation of a common regional labour market information system that can measure and compare progress in reducing unemployment. Greater attention to social and labour issues will help give added momentum to integration processes such as those envisaged in the follow-up mechanism of the Ouagadougou Summit. For this to happen, Ministers of Labour should be part of the policy decision-making processes. Greater involvement of employers' organizations and trade unions would also add a further dynamic to the advancement of the social dimension of regional integration. The current process of drafting a unified labour code for the 17 countries which make up the Organization for the Harmonization of Business Law in Africa (OHADA) is likely to reap particular benefits from first-hand tripartite involvement.

2.3. *Increasing the effectiveness of the multilateral development framework*

70. Growing awareness of the importance of accelerating poverty reduction in Africa and other less developed countries has led to increased interest in remedying weaknesses in the multilateral development framework. Much of this attention has focused on the UN system. Among the criticisms to which the UN and its agencies have to respond is the charge that it has become too scattered and poorly coordinated, with a multitude of agencies competing for visibility and resources. At the same time, given its

³⁹ ECA/AU: *Assessing Regional Integration in Africa II: Rationalizing Regional Economic Communities* (Addis Ababa, 2006). The report documents progress since the 1994 Abuja Treaty setting up the African Economic Community came into force.

mandate, neutrality, universality and global resource base, the UN system is seen as a close and trusted partner of countries and one that is uniquely qualified to support governments' national strategic plans for pursuing global commitments. The UN is also well positioned to build capacity to manage a complex multi-sectoral and multi-donor process.

71. The Ministerial Declaration on Employment Generation and Decent Work for all, of the July 2006 High-Level Segment of ECOSOC, has given added stimulus to the efforts of multilateral agencies and the whole development community to provide coherent support to the Decent Work Agenda as a key element in sustainable development. In their Declaration, ministers “encourage multilateral and bilateral donor and interagency cooperation and coordination, in the pursuit of the goals of full and productive employment and decent work for all”. They further “request the UN funds, programmes and agencies and invite financial institutions to support efforts to mainstream the goals of full and productive employment and decent work for all in their policies, programmes and activities ... tak[ing] account of the International Labour Organization's Decent Work Country Programmes in order to achieve a more coherent and pragmatic UN approach to development at the national level on a voluntary basis.” As a means of facilitating this coherent and pragmatic approach, the ministers “encourage all relevant agencies to collaborate actively in the development of the toolkit to promote decent work that is currently being developed by the International Labour Organization at the request of the UN System Chief Executives Board for Coordination”.

72. The ILO is further requested by ministers “to focus on the implementation of commitments regarding the promotion of full and productive employment and decent work for all at the major UN conferences and summits, including those contained in the outcomes of the 2005 World Summit and the World Summit for Social Development, in order to achieve significant progress in both policy and operational programmes, and in this regard we request the International Labour Organization to consider developing time-bound action plans to 2015, in collaboration with all relevant parties, for the achievement of this goal”.

73. In 1997, well before the current harmonization and alignment efforts of development partners, the Secretary-General launched the UN Reform Process to make the UN more effective in contributing to global development goals. Operational agencies of the UN system, under the umbrella of the United Nations Development Group, were called upon to harmonize a wide range of tools and procedures and to put national strategies and priorities at the centre of UN cooperation with member States. The implementation of global conference action programmes and agreements has coincided with pressure for new development approaches and aid modalities that have emerged from the perceived failure of earlier development aid paradigms.

74. The Report of the High-Level Panel on UN System-wide Coherence in the areas of development, humanitarian assistance and the environment, entitled “Delivering as One”, puts forward a series of recommendations to overcome the fragmentation of the UN so that the system can deliver as one, in true partnership with all countries and serving their needs in their efforts to achieve the MDGs and other internationally-agreed development goals. It argues that the UN system has both strengths and weaknesses but is an indispensable instrument in an age of growing interconnection between peace and security, sustainable development and human rights. To improve the UN effectiveness in delivering its mandate and responding to new and growing challenges, the Report advocates a more united System that would be stronger, more responsive and effective; a repositioned UN, delivering as one and much more than the sum of its parts.

75. This vision of a reformed UN system at the country level is summarized in the concept of “one programme, one team, one leader, one budget”. At the same time, it is widely recognized that one of the strengths of the UN system lies in its multi-sectoral and multidisciplinary character, and in the fact that UN agencies have specific mandates across a range of means of action, from technical cooperation to research, normative and advocacy functions. The challenge is therefore to create a more tightly managed framework that will harness the combined strengths of a diverse system to achieve practical results in line with national and international goals. At the country level, among the issues under consideration are a more prominent role of the UN Resident Coordinator, a more active role for the UN country team, and the evolution of the United Nations Development Assistance Framework (UNDAF) into a United Nations Development Assistance Programme.

76. The ILO is fully committed to a stronger, more responsive and effective UN, not only because its mandate places it at the heart of the fight against poverty, but also because it offers an opportunity to integrate the priorities of DWCPs into other development frameworks and agendas at the country level. ILO also encourages and facilitates the full participation of its tripartite constituents in the process of building a more effective and efficient UN and in the design and operationalization of the UNDAF. Tripartism and decent work have considerable potential to influence inter-agency collaboration and to strengthen joint UN programmes combining the expertise of different specialized agencies.

2.4. Mobilizing additional resources for Africa's Decent Work Agenda

77. The International Conference on Financing for Development, held in Monterrey, Mexico in March 2002, was the first UN-hosted conference to address key financial and development issues. Attracting some 50 Heads of State or Government, over 200 ministers, as well as leaders from the private sector and civil society and senior officials of all the major intergovernmental financial, trade, economic and monetary organizations, the Conference adopted the Monterrey Consensus, which resolved “to address the challenges of financing for development around the world, particularly in developing countries” with the main goal being “to eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system”. World leaders pledged “to make concrete efforts towards the target of 0.7 per cent of gross national product (GNP) as ODA to developing countries and 0.15 to 0.20 per cent of GNP of developed countries to least developed countries”. Although these commitments have not been fully met, aid flows are increasing. Aid to sub-Saharan Africa increased in 2005 by 2.5 per cent, largely due to debt relief to Nigeria. Excluding Nigeria from the figures reveals that the rest of the region saw a fall in aid. Looking at the global picture, much of the increase in aid in 2005 went to Afghanistan and Iraq.⁴⁰

78. The bulk of the ILO's technical cooperation programmes are funded through voluntary contributions by bilateral governmental agencies channelling part of their development cooperation budgets through multilateral organizations; by intergovernmental institutions, in particular the European Commission; by international development banks; and, to a limited extent, by local governments and non-state actors, including employers' and workers' organizations. In 2005, extra-budgetary expenditure totalled \$156.6 million, up from the 2004 total of \$129.2 million. Estimates for 2006 point to a likely volume of around US\$161.5 million. This figure would represent an all-time record in annual extra-budgetary technical cooperation spending by the ILO. The forecast expenditures in 2006 represent a 25 per cent increase over 2004.⁴¹ In 2006, \$37.9 million or 23.5 per cent of the ILO's total technical cooperation funds are expected to have been spent in Africa, up from \$28.4 million and 22.1 per cent respectively in 2004. In recent years, Africa has garnered a gradually increasing share of total ILO technical cooperation funds, which in turn have picked up significantly after falling in the 1990s.⁴² A number of factors help explain this rise in support for the ILO's work, including increasing awareness of the significance of the Decent Work Agenda to overall development efforts. In Africa, ILO technical cooperation will continue to focus on the priorities defined at the Ouagadougou Summit by supporting member States in implementing the Summit's Plan of Action. In view of the increasing decentralization of donor funding, ILO constituents in Africa have a critical role to play in terms of working together with local ILO offices to mobilize resources for DWCPs.

⁴⁰ OECD: “Final ODA data for 2005”, Development Assistance Committee press release, 6 Dec. 2006, at <http://www.oecd.org/dataoecd/52/18/37790990.pdf>.

⁴¹ Latest ILO estimates. See also ILO: “Resource mobilization for technical cooperation: Policy and implementation status”, GB.297/TC/2, 297th Session, Geneva, Nov. 2006.

⁴² ILO: *ILO Programme Implementation 2004-05*, Report of the Director-General, International Labour Conference, 95th Session, Geneva, 2006; ILO: *The role of the ILO in technical cooperation*, Report VI, International Labour Conference, 95th Session, Geneva, 2006.

Box 2.2 The role of technical cooperation in Africa's development

Technical cooperation is fundamental to the attainment of the four strategic objectives of the Organization, namely the promotion of standards and rights at work, employment, social protection and social dialogue, as well as the cross-cutting issue of gender equality. This will also contribute towards the alleviation of poverty and the improvement of the lives of vulnerable workers. Technical cooperation programmes also contribute to employment promotion and enterprise development, job creation, the upgrading of skills and competencies, and the promotion of workers' rights and gender equality.

The ILO should facilitate collaboration between other international agencies, donor agencies, and employers' and workers' organizations, with regard to the attribution of development aid and programmes.

The specific needs of countries in particular regions, especially Africa, the least developed countries and countries in crisis, as well as poor and vulnerable groups in other countries, should receive greater attention and resources and be integral components of the strategy. To this end, the ILO should invite donors to increase their contributions to the ILO's technical cooperation programme.

Every assistance should, as a priority, be given to member States to promote the universal ratification and implementation of all eight Conventions relating to the Declaration on Fundamental Principles and Rights at Work adopted in 1998. The ILO should provide technical cooperation requested by countries which experience problems of implementation identified by the ILO supervisory bodies.

Source: Excerpts from the resolution concerning the role of the ILO in technical cooperation adopted by the 95th Session of the International Labour Conference, Geneva, June 2006.

2.5. *New aid modalities*

79. A series of high-level meetings of national and international aid agencies held after the Monterrey Conference⁴³ provided a critical impetus for changes in aid modalities at the country level, based on the following principles:

- **Ownership:** governments have the right to articulate their objectives and priorities without any interference or “guidance” from development partners. In most African countries, this is done through the PRSPs, which have largely replaced 5-year development plans. Government ownership requires development partners to use, wherever possible, the governmental exchequer for aid disbursement and national procurement systems, and to avoid parallel programme implementation units.
- **Alignment:** development partners must align their priorities with those of government, rather than pursuing their own objectives. Donors may develop their own plans and programmes, but these must be fully consistent with the government programme.
- **Harmonization:** This principle requires development partners to work as a team, seek complementarities, avoid duplication, and focus on a few selected thematic and/or geographic priorities. In several African countries, development partners (including the UN) have agreed on a Joint Assistance Strategy which includes a division of labour among the partners.
- **Mutual accountability** means that both donors and governments are accountable; while governments must justify the use of funds they receive from donors, the latter must demonstrate predictability in determining the amount and timing of aid they plan to disburse.

⁴³ Rome, Feb. 2003, on Aid Harmonization and Alignment; Marrakesh, Feb. 2004, on Managing for Development Results; Paris, Feb. 2005, on Aid Effectiveness.

80. A logical consequence of the principles of the Paris Declaration is the recognition of General Budget Support and Sector-Wide Approaches (SWAPs or “basket funds”) as preferred aid modalities. In both cases, aid is disbursed not for specific project or programmes, but in the form of a cash transfer to the government’s general or sector-specific budget. Although the share of general budget support in total aid disbursement is likely to grow in the coming years, most development partners have earmarked a certain amount of aid for more traditional projects, in particular those that develop pilot initiatives or test innovative approaches.

81. The reform of the aid environment entails a number of consequences for cooperation with ILO constituents at the country level. It is critical that decent work priorities are reflected in national development frameworks and that the ministries in charge of labour, employment and social affairs elaborate coherent programme proposals that are capable of attracting funding through general budget support.

82. Another consequence is that the ILO will have to reposition itself from a provider of foreign donor-funded technical assistance to a provider of home country government-funded advisory services. It will also be important for the ILO to pool its expertise with that of other UN agencies in order to develop larger, sector-wide programmes that can be funded through SWAPs and basket funds. This will strengthen system-wide coherence at the local level. The ILO, as well as the other UN agencies, will have to put more emphasis on their role as honest broker between governments and bilateral donors. Moreover the ILO can facilitate consultations between other international agencies, donor agencies, and employers’ and workers’ organizations on technical cooperation priorities, allocation of development aid and programmes, both in donor and recipient countries.⁴⁴

2.6. Delivering decent work: The role of Decent Work Country Programmes

83. Accelerating globalization and the importance of coherent international policies notwithstanding, most of the decisions that shape people’s daily working environment and livelihood are taken at the country level. The Decent Work Agenda provides a starting point for national policy-making, but needs to be adapted to national priorities and conditions by focusing on the most relevant elements and incorporating them into national development policies. To support member countries in these efforts, the ILO has introduced the concept of DWCPs.

84. Indeed, the task ahead for the coming decade is to realize the Decent Work Agenda as an effective means of sustainable poverty reduction. Employment and labour issues need to be analysed and addressed using a decent work lens that does not just focus on employment creation as such, but also includes the perspectives of principles and rights at work, social protection and social dialogue. The priority is to translate the global goal into national priorities and local realities. DWCPs are the vehicle for action to roll out decent work at the country level, and DWCP priorities should therefore be reflected in national development plans and strategies.

85. DWCPs integrate the lessons learned from earlier ILO activities in the countries concerned and are also aligned with national development programmes, plans and international cooperation frameworks. The ILO and its constituents will therefore need to become increasingly aware of the way in which their policies can interact with frameworks such as national poverty reduction strategies, UNDAFs and national MDG targets, as well as the priorities, strategies and plans of the RECs and the AU. DWCPs are designed to accompany ILO constituents in the complex and challenging task of integrating decent work priorities into national development plans and strategies. National ownership is a key feature and essential for achieving lasting results.

86. National development priorities such as poverty reduction lead to vast agendas. Taken at this level of generality, they run the risk of being omnibus programmes of many elements, loosely held together by a distant common goal. If they are to have an impact, development priorities must be disaggregated technically and strategically to identify the most promising contribution that the decent work approach can make. One way to achieve this is through a sectoral approach or by targeting specific groups of workers. This can help to provide focus and to ensure that the four dimensions of decent work are functionally linked and mutually reinforcing rather than parallel strands in a DWCP.

⁴⁴ Resolution concerning the role of the ILO in technical cooperation adopted by the 95th Session of the International Labour Conference, Geneva, June 2006.

Box 2.3 African Decent Work Country Programmes: Focus, approach, achievements

Ghana: Poverty reduction and decent work in the informal economy

Focus and approach: Ghana's Poverty Reduction Strategy (GPRS) sets the national framework for policies and interventions to combat poverty. A large and growing group of poor is concentrated in the informal economy. To contribute to this process, the country programme uses a two-pronged strategy: first, by enhancing the capacity of social partners to participate meaningfully in the policy-making process and to incorporate decent work in the poverty agenda and in the revised GPRS; and second, by developing an integrated approach to improving productivity and incomes in the informal economy at the local level.

Achievements: ILO constituents have acquired the capacity to effectively participate in the elaboration of the poverty reduction strategy. The final draft of the GPRS II (2006-09) makes employment an explicit goal and a selection criterion for sectors to develop. It also includes specific programmes for youth employment and skills development, the integration of persons with disabilities, labour-based infrastructure and for boosting productivity and wages. The informal economy has become a priority for the second term of the President. The model for local economic development tested under the Programme in two districts will be replicated as part of a major national youth employment programme and will receive support from the Social Investment Fund and the President's Office. The Minister of Private Sector Development has requested assistance from the Programme for the formulation of an informal economy strategy.

Morocco: Trade liberalization in the garment sector

Focus and approach: Adopting a sectoral approach, the pilot programme focuses on the textile and garment sector, which is critical to the country's development. The sector is highly employment-intensive and a major export-earner, but faced by major challenges due to the phasing out of export quotas. The social partners are working to preserve and strengthen their market position through a new industrial strategy, which integrates both competitiveness and the social dimensions of restructuring. Tripartite discussions facilitate action on such issues as productivity, working conditions, employment and vocational training policies, and respect for fundamental rights at work.

Achievements: The Programme has been able to bring about constructive dialogue involving all partners, including three different trade unions, which culminated in the adoption of a National Action Plan to promote the competitiveness of the textile and clothing industry. The Plan is an integrated economic and social strategy. For the first time the gender dimension is explicitly recognized and addressed. The Plan includes improved social dialogue at sector and enterprise level and upgrading at enterprise level using decent work as a productive factor. The Plan is being implemented by the constituents with the support of the Ministry of Trade and Industry and with financial assistance from Spain. As a first step towards the development of collaborative labour-management relations, a national bipartite industrial council has been created. A training package for the upgrading of textile and clothing enterprises and for the strengthening of human resource management and of enterprises' role in training is being adapted to the sectoral and national context. The upgrading is based on a bipartite approach facilitated by national trainers who help workers and managers identify actions that can be implemented at their workplace to improve working conditions, productivity and labour-management relations. In order to secure sustainability, the training at the enterprise level is undertaken by national training institutions trained by the ILO. This approach is being tested on a pilot group of voluntary enterprises.

Source: ILO (Geneva, 2006).

87. The integration of DWCP priorities is also essential in order to ensure that they become visible in UN and bilateral development cooperation programmes. This is especially important in the context of the ongoing UN reform process. Box 2.3 shows how two pilot DWCPs have managed to integrate their priorities into national programmes and mobilize external funding. One is based on a target group approach while the other has adopted a sectoral approach. This shows that there is no "one size fits all" DWCP but that each country will need to adopt the approach that best fits its individual circumstances.

88. DWCP priorities should be derived from and feed into national development priorities. They need to be embedded in complementary policy frameworks rather than presented as stand-alone goals. Only in that way can they become effective instruments to promote decent work for all, rather than simply a series of ad hoc interventions and limited-scale projects.

2.6.1. The ILO's approach to Decent Work Country Programmes: Policy coherence, public policies, institutional aspects, monitoring and measuring progress

89. DWCPs are the vehicle by which national priorities and international, continental and regional commitments are blended into operational policies and programmes. The guiding method is tripartite consultation. DWCPs are formulated in consultation with constituents with the understanding that successful and sustainable poverty reduction ultimately depends on national actions supported in an integrated way by regional and international development actors. The process of programme formulation includes: analysis of the status of decent work in the country; identification of priorities with tripartite constituents and other key actors; identification of objectives and strategies based on analysis and evaluation of the country's strengths, weaknesses, potential (within the context of international cooperation) and the risks involved; identification, mobilization and consolidation of resources, both national and external, to attain the objectives; the development of an effective implementation strategy, as well as an efficient management strategy; and the design and implementation of a system to monitor and report on achievements and results. The ILO brings to these discussions a portfolio of policy approaches and tools that can be used to design specific programmes to meet country priorities.

2.6.1.1. Policy coherence

90. DWCPs explicitly recognize the fundamental importance of policy coherence, both among the four elements of decent work and in relation to broader development policies. Policy coherence is critical for broad-based growth and wealth creation to reduce poverty. Economic growth does not automatically create sufficient employment and the generation of new employment does not guarantee poverty reduction. Effective poverty reduction policies and strategies must be designed and coordinated so that the poor can take advantage of the employment opportunities generated by growth, overcome income poverty and insecurity and exercise their rights.

91. Another important, but often neglected, aspect concerns the role of public policies in promoting decent work. The earlier distinction between the private and public sectors or between "markets" and "the state" has turned out to be a false dichotomy. The most successful countries are those where the public and the private sectors have joined forces to maintain effective demand, to stimulate investment, to improve productivity and to distribute the benefits widely. Public policies are also necessary to ensure well-aligned exchange rates, provide safeguards against large and sudden international capital in- or outflows and take measures to smoothen the economic cycle. The best way to create an enabling environment for the private sector and stimulate pro-poor economic growth is not less government, but better government. That requires adequate resources for public policies and institutions as well as a competent and motivated civil service. In its latest evaluation, the World Bank underscores the importance of jobs in alleviating poverty. It argues that the poverty-reducing effect of growth is dampened particularly if growth is concentrated in sectors that have low employment potentials, and where workers lack the skills or mobility to take advantage of the opportunities offered by growth. Moreover "growth delivers poverty reduction more effectively when it occurs in sectors and regions where most of the poor live and derive their incomes and when it results in strong job creation".⁴⁵

92. International experience suggests that policy coherence is best achieved at the policy design and formulation stages. It is very difficult to "retrofit", given the many actors involved and the tremendous coordination efforts required to bring them together.

⁴⁵ World Bank: *Annual Review of Development Effectiveness 2006: Getting results* (Washington, DC, 2006), p. xii.

2.6.1.2. Articulating decent work priorities in the development planning process

93. In most countries, ILO constituents have so far had only a limited role in the design and formulation of national development policies and strategies. Most of the critical decisions that could contribute to greater policy coherence and achieving decent work are made by institutions outside the labour sphere, such as ministries of finance, economic affairs, planning and trade, as well as central banks. All these actors need to be made aware of DWCP priorities and the way in which their achievement can contribute to broader national development goals and economic growth.

94. Serious policy analysis and proposals by ILO constituents can be an effective way to engage other policy actors. Improving ILO constituents' capacity to undertake economic analysis and engage in policy formulation is an important dimension of making the DWCP approach effective. This is especially relevant in light of the current policy of many donors of decentralizing funding and providing direct budget support. Only by integrating DWCP priorities in national development programmes can they generate the necessary interest and attention and thereby mobilize funding on a sustainable basis.

2.6.1.3. Monitoring

95. DWCPs can help develop national indicators to demonstrate the links between specific policies and progress toward decent work. As part of the efforts to promote policy coherence and assess the efficiency of the policies and strategies put in place, decent work indicators must also be included in the monitoring of national policies. Defining decent work outcomes as part of the national millennium development targets can be an important step in this direction. In the longer term, it is important to develop a sustainable national capacity to monitor and measure progress towards decent work. This requires not only the establishment of effective and affordable data collection, research and analysis, but also the effective engagement of the tripartite constituents in the design, planning and implementation of these steps.

2.7. *Strengthening labour administrations and employers' and workers' organizations*

96. Ministries of labour, along with employers' and workers' organizations, have a key role in the development and implementation of DWCPs. They are at the core of the approach and have to make policy coherence and integration of DWCP priorities into national development plans a reality. They can do so by highlighting decent work as a productive factor that shows the positive linkages between respect for rights, improved occupational safety and health and conditions of work, modernization of legal frameworks, increased productivity at the enterprise level, on the one hand, and employment and access to global markets on the other. Their active participation in national development policy forums will contribute to heightened recognition of principles and rights at work, employment policies and social protection in poverty reduction strategies, and help to ensure that their voice is heard. Strengthening the capacity of ILO constituents to participate in high-level negotiations on the content and effect of macro-economic policies and analyse their effects on the national development agenda will be another important element of most DWCPs.

97. International labour standards are an important means of improving governance in the world of work and thus the equity and efficiency with which labour markets function. Respect for the ILO's Declaration on Fundamental Principles and Rights at Work provides a foundation for the process of gradually broadening and deepening the coverage of labour policies and laws and social dialogue. Extending respect for international labour standards, in particular the fundamental principles and rights at work, is thus one of the central objectives of DWCPs.

98. Support for the Fundamental Principles and Rights at Work is gaining momentum within several international financial institutions such as the regional development banks, the World Bank, and its private sector finance arm the International Finance Corporation. The IFC adopted performance standards in February 2006 that make direct reference to the principles and rights in the Declaration, as well as to other principles covered by ILO standards, and the World Bank is also moving to a system that would ensure that the ILO core labour standards are respected within the infrastructure projects it funds.

99. However a number of other national and international development actors are as yet unfamiliar with the way in which the ILO's system of international labour standards supports sustainable poverty reduction and economic growth by creating an enabling environment for a fair and well-functioning labour market. This will require the strengthening of the capacity of ILO constituents and the promotion of broad-based social dialogue around the issues relating to the implementation and effects of applicable legislation. Such dialogue should involve, in addition to ILO constituents, academics, specialized research centres, government agencies, international agencies and other relevant actors in the world of work.

100. Industrial peace and improved productivity are also critical to attracting investment and creating employment. Labour administrations have an important role to play in this respect by developing and creating a conducive environment that sets the framework for improved labour market governance, fair collective bargaining and harmonious industrial relations, effective occupational safety and health management strategies and systems and decent working conditions.

101. DWCPs will need to help employers' and workers' organizations respond to a rapidly changing economic environment in which employment in the public sector is declining and ever more enterprises and workers are part of the informal economy. To remain relevant, employers' and workers' organizations will need to develop effective responses to these challenges. Only by so doing will they be taken as key partners in national development policy forums and be able to play their rightful role in the debate by showing with practical examples how decent work can contribute to solving the problems of unemployment and reducing poverty, and lead to more equitable development.

102. Knowledge and information are indispensable to the promotion of decent work. Policies to promote and achieve decent work must be formulated with reliable, gender-disaggregated data, and capture relevant data by sector. The ILO has long supported many countries in the region in their efforts to develop statistics, labour market information and analysis. However, Africa is now faced with an erosion of national labour statistical services: under-funded academic and other research institutions, inadequate access to modern information and communications technology and a brain drain of knowledge workers. DWCPs will need to help transform and better leverage information and knowledge through strengthening of national capacity for data collection and analysis; continuous updating of databases and documents providing information on labour and employment; systematic dissemination of the information; the establishment of technical networks of expertise and knowledge to bring together researchers and ILO constituents; and the introduction of decent work indicators in the policy matrices used for monitoring the impact on employment and the effectiveness of poverty reduction strategies and other development programmes.

2.8. *Building effective partnerships for decent work*

103. The Decent Work Agenda provides a strategic framework for the formulation of integrated social and economic policies in Africa. It offers numerous entry points for strengthened cooperation and mutual reinforcement of the actions taken by national governments and the UN system, the World Bank, the IMF and the EU, particularly in terms of the follow-up to the AU Extraordinary Summit on Employment and Poverty Alleviation in Africa. DWCPs provide a mechanism for the AU, the RECs, African governments and other development actors to monitor and evaluate their policies and actions in terms of poverty eradication and employment creation.

104. The need to create more decent jobs to fight poverty makes it necessary for international organizations to renew their efforts to work together in a true partnership of mutual responsibility and accountability. Building partnerships at all levels is essential for promoting decent work in Africa. To make this cooperation a reality and build effective partnerships for decent work in Africa during the coming decade, it is necessary to:

- develop effective nationally-owned and led programmes that reflect DWCP priorities;
- achieve policy coherence between governments and their key development partners, within a framework that strengthens national leadership and ownership;
- strengthen the capacity of employers' and workers' organizations and labour administrations to participate effectively in national policy dialogue and poverty reduction processes at all stages to

ensure that employment and labour issues are accorded greater importance in national development agendas;

- enhance policy coherence and strengthened collaboration between the ILO, other major international and regional development and financial agencies, and regional economic groupings, with a view to supporting national, regional and continental efforts to promote decent work;
- assess the employment and social impact of multilateral or bilateral framework agreements on trade and develop appropriate policy responses; and
- achieve greater collaboration and cohesion within the multilateral system, including on planning and implementing UNDAFs and PRSPs.

Box 2.4 Regional framework for integrated employment policy for West Africa

The Regional framework for integrated employment policy for West Africa was adopted following the African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa.

The rationale for the regional framework

The regional employment challenge is that despite appreciable improvement in the level of economic growth in recent years, aggregate employment growth has been slow relative to population growth.

The objective of the regional framework

The overall objective of the policy is to achieve development and economic growth, alleviate poverty, enhance the standards and quality of life of the people of the Region and support the socially disadvantaged through promoting more and better employment.

Principles of the regional framework

The regional policy framework will be coordinated and implemented within the framework of the regional economic and social policy. In this regard, this framework will be consistent with the overall development strategies of the region as outlined in the Economic Community of West African States (ECOWAS) Plans.

Source: AU: *Regional framework for integrated employment policy for West Africa* (Abuja, 2006), draft.

Part II.

A decent work policy portfolio for Africa

105. Despite its huge size and diversity, the continent of Africa faces a number of common challenges in achieving the goal of Decent Work for All. In implementing the regional strategy to reduce the obstacles preventing African women and men from escaping poverty through decent and productive work, the ILO offers a range of policy approaches that are adaptable to the specific circumstances of each country. The following chapters of the report summarize the portfolio of decent work policies that most countries will wish to consider adopting.

3. Full and productive employment and enterprise development

3.1. *Mainstreaming policies for employment-rich growth and sustainable enterprises in development strategies*

Objective

Greater national recognition of the importance of employment creation and enterprise development as central to sustained economic growth and poverty reduction through increased opportunities for decent work.

Context

106. Deep and widespread poverty is the primary development challenge facing Africa. This is closely linked to the many obstacles holding back the generation of sufficient decent work opportunities for Africa's women and men.

107. The failure of economic growth to reduce the number of working poor suggests the need to critically examine the links between growth, employment and poverty reduction. The problems of unemployment and underemployment in Africa are of a structural nature. Formal employment is limited to about 10 per cent of the labour force, with most workers eking out a living in survivalist-oriented activities in the smallholder or subsistence agricultural sector and in the urban informal economy, both characterized by low productivity, low incomes and low protection. Moreover, little progress has been made in shifting the reliance of African economic growth away from agriculture and resource extraction towards manufacturing and other more dynamic and knowledge-intensive activities in the service sector.

108. The agricultural sector remains the largest source of work in Africa, accounting for around two-thirds of total employment in sub-Saharan Africa in 2005. Low and precarious incomes from farming have led to situations in which poverty rates are substantially higher in rural than urban areas. In turn, this has resulted in high rates of rural-urban migration and to a concentration of youth in African cities.⁴⁶ According to the World Employment Report 2004-05, sub-Saharan Africa was the only region where labour productivity actually decreased between 1993 and 2003. Yet without increases in productivity, there is no guarantee of decent work. For policy-makers the challenge is therefore to focus on the triple objectives of employment-friendly economic growth, improved labour productivity and decent work. Progress in agricultural development is vital and requires, among other things, emphasis on the diffusion of technological innovations, investment in rural infrastructure and market development, the elimination of trade disadvantages on key agricultural export products, and the promotion of agriculture-based industries in rural areas.

109. Rural-urban migration is largely driven by low productivity and absence of regular income in the rural economy, with the expectation of better standards of living in the urban economy. However, the urban labour market is also associated to a large extent with underemployment and low productivity. Emigration to other countries in Africa and outside Africa is a logical next step for those in search of

⁴⁶ M. Sommers: "Youth, war and urban Africa: Challenges, misunderstandings and opportunities", in B. Ruble, J. Tulchin, et al. (eds.): *Youth explosion in developing world cities* (Woodrow Wilson International Center for Scholars, Washington, DC, 2003). See also, United Nations Office for West Africa: *Youth unemployment and regional insecurity in West Africa* (Dakar, Dec. 2005).

better incomes. Although home countries do benefit from remittances, emigration represents a significant loss of human capital and exposes young migrants, especially young women, to situations of exploitation and abuse.

110. Most of the first generations of PRSPs did not adequately address employment and decent work issues and often bypassed ILO constituents in the national consultative processes. The challenge is now to ensure that poverty reduction strategies fully integrate the employment dimension, especially as it affects women, the young, rural workers, indigenous peoples, migrants, the disabled, and those in the informal economy, all of whom are likely to be poor. Decent work goals need to be included in strategies at macro, sector-based and local levels, and decent work targets must be included in monitoring and evaluation processes. It is equally important to ensure that rights issues, especially in respect of the core labour standards and equity issues, including good governance in the labour market, are properly addressed.

Policies

111. The quantity and quality of employment is affected by a range of economic policies. It is therefore vitally important to ensure that the decent work impact of a wide range of public policies is assessed and taken into account in the formulation of development strategies. Macroeconomic, monetary and financial policies need to establish a conducive environment for the mobilization of savings and employment-generating investment. Similarly, exchange rate policies to improve competitiveness, especially of employment-intensive export sectors, are an important component of a coherent approach.⁴⁷ Policies need to promote growth that creates employment and integrates disadvantaged groups. Stronger and more focused policies regarding social and physical infrastructure can have a direct impact on the pace of job creation. Ensuring that a decent work lens is applied to the full range of economic and social policies requires a major effort to mainstream awareness of the employment dimension of poverty reducing development into the policy-making process.

112. The new framework for poverty reduction has enabled countries to increase investment in social services and achieve some promising results. However, there is still considerable scope for incorporating employment aspects in poverty reduction strategies. To be successful poverty reduction strategies need to address not only the creation of a conducive environment for enhanced growth but also the type of growth that generates demand for labour and can help ensure an equitable distribution of the benefits of growth. This calls for a major shift away from narrowly-focused growth and fragmented sectoral policy approaches, which see employment as a residual outcome, to an approach that considers employment and decent work as central to sustainable economic growth. An integrated approach is required that is based on a full commitment from, and participation by, all line ministries concerned, the social partners, civil society representatives and other stakeholders.

113. Alongside an employment-friendly macroeconomic policy framework, there is the need to devise consistent sectoral policies and programmes, since employment generation is essentially an outcome of labour demand in the various sectors and of their inter-linkages. The pattern of growth, both geographically and across different sectors of the economy, has an effect on the rate of growth in decent work. If growth is broad-based, encompassing the whole country and economy, it is likely to be faster and provide greater opportunities for the poor. Rapid growth in those regions in which the poor live and those sectors from which they earn a living will most likely create jobs and reduce poverty. In this regard, increased agricultural productivity can be a significant factor in reducing poverty and creating entrenched opportunities for decent jobs in many countries.

114. In economies that are dominated by agriculture, as is the case for most of Africa, transformation means enhancing the links between agriculture and other sectors and creating a vibrant rural non-farm sector. This is crucial to sustain growth in agriculture and amplify this growth to other parts of the economy. Increasing agricultural productivity and enhancing agricultural links to the industrial and service sectors through appropriate research, knowledge and technology, addressing market development and access issues, improving the management of production assets (water, land) and mitigating the adverse

⁴⁷ See, for a detailed analysis, ILO/ECA, *Employment-friendly macroeconomic policies for Africa* (Geneva, 2006), draft, mimeo; also ECA: *Meeting the challenge of employment in Africa: An issues paper* (Addis Ababa, 2006).

impacts of HIV/AIDS on agriculture, all need to be part of such a broad policy framework. It is important that workers' rights and sustainable development be given prominence in this context.⁴⁸

115. Unlike agriculture, manufacturing has had a low impact on employment generation in most of Africa,⁴⁹ except in a limited number of employment-intensive, export-oriented areas. Establishing incentive structures such as investment-friendly tax systems, improving efficiency of infrastructures such as stable electricity and water supply, efficient transport infrastructure and good road networks, policies to boost small and medium enterprises, development of appropriate skills and linking up with global markets through the promotion of FDI linked to exports are all critical to raising productivity and job creation in manufacturing.

116. The service sector is a fast-growing sector, especially in terms of employment generation. In Africa however, most service enterprises operate in the informal economy, with outdated technology and low productivity. Specific measures are needed to raise productivity and improve working conditions in the sector. Linkages with formal enterprises, technology and skills development, improving access to credit, enforcing property rights and extending protection and better working conditions to workers in the informal economy are important ingredients for a successful policy framework to upgrade the informal economy. Improving the productivity and market access of informal economy workers and producers is at the heart of poverty reduction efforts in Africa. Discussions at the ILO⁵⁰ and pilot programmes in the field have demonstrated that promoting decent work in the informal economy requires an integrated approach that builds on and develops the entrepreneurial basis, market and income opportunities, with access to mainstream services and programmes, respect for fundamental rights and provision of social protection.

117. Decent jobs can only be created in a context of improved productivity. The aim is to replace basic, low-paid activities with activities that command higher returns. This requires efforts aimed at: enhancing technological diffusion and innovation; harnessing information and communication technologies; optimising industrial energy systems; improving human capital formation and increasing capacity to access and develop markets. Becoming part of global value chains is essential in this context since it allows firms to identify factors, both internal to the firm or sector and outside of it, that influence its competitiveness, including the role of policy in enhancing or reducing a chain's competitiveness, particular economic problems such as the poor remuneration of certain workers or what appears to be the unequal distribution of profits among different chain actors, particularly women. Tighter management of global value chains by multinational firms requires products of higher quality and more reliable supply.

118. To increase the benefits from production of high-value agricultural products, smallholders must be linked to international markets through value chains. Access to lucrative industrial country markets is thus essential. The pace, depth and sequencing of import liberalization also matters as many African producers need time to adjust before full exposure to global competition. To help small farmers participate in higher value chains support will be needed in terms of infrastructure, market information, extension services and quality assurance and enforcement of contracts between farmers and exporters. As a matter of policy, sectoral priorities will need to highlight specific segments of the value chain where Africa has a comparative advantage. Developing key infrastructure is necessary in order to provide the main mechanism for transmitting global opportunities to local markets. Information and communication technology infrastructure, for example, has to be updated. Lessons from both Asian and African countries show that productivity enhancement and employment-creation can be achieved simultaneously

⁴⁸ The International Workers' Symposium on Decent Work in Agriculture (Geneva, Sep. 2003) urged the ILO to "ensure the integration of all four pillars of decent work in agriculture in ILO work at the global, regional and national level in key policy areas, notably in the development of rural employment strategies, as an inherent part of the Global Employment Agenda" and, to promote an Agenda for Decent Work in Agriculture (ADWA). In the Ministerial Declaration on Employment Generation and Decent Work for all of the High-Level Segment of ECOSOC, the ILO was called upon "to focus on the implementation of commitments regarding the promotion of full and productive employment and decent work for all agreed at the major United Nations conferences and summits, including those contained in the outcomes of the 2005 World Summit and the World Summit for Social Development, in order to achieve significant progress in both policy and operational programmes, and in this regard" was requested "to consider developing time-bound action plans to 2015, in collaboration with all relevant parties, for the achievement of this goal."

⁴⁹ See: ILO/ECA, *op. cit.*

⁵⁰ The 2002 International Labour Conference conclusions and resolution concerning decent work and the informal economy.

through employment-intensive infrastructure investment. In fact, infrastructure development has been identified as one of the key routes to African development by the Commission for Africa report: “Infrastructure investments also represent an enormous untapped potential for the creation of productive employment”.⁵¹

119. Domestic investment by small and medium-sized enterprises is the primary source of economic growth and employment creation in Africa. Domestic investment needs to be complemented, however, by foreign investment to benefit from transfer of technology and modern management techniques. Economic and employment policies need to harness this complementarity. Migrant remittances can be another important source for employment-intensive investment, while returning migrants can use their experience and contacts to set up new businesses. They can also facilitate the flow of information and knowledge that helps increase productivity. Migrant networks should therefore be regarded as a potential asset.

120. A major challenge for poverty reduction strategies is to re-think how employment can be mainstreamed and how important employment effects of other policies, such as liberalization and privatization, regional integration and the effects of globalization, can be addressed. Due to the cross-cutting nature of employment and decent work policies, mainstreaming efforts need to be maintained throughout the process, in national policy formulation, budget allocation, and implementation and monitoring. The capacity of African countries and ILO constituents to do this needs to be further strengthened. All in all, the critical challenge is how to integrate decent work into economic, social and institutional policy frameworks at the country level as a necessary impetus for fostering employment-friendly growth. This requires an integrated approach, and a full commitment from, and participation by, all government ministries, the social partners, civil society and other stakeholders.

Proposed target

Three-quarters of member States have mainstreamed assessment of the impact on the generation of decent work opportunities into poverty-reducing development strategies and have adopted national targets for the creation of sufficient decent jobs to absorb new labour market entrants and reduce by half the numbers of working poor.

3.2. Conducive environment for the development of African enterprises

Objective

Accelerated reform to the policy environment for enterprise development, with special emphasis on enabling the creation of more and better jobs in micro and small enterprises and cooperatives.

Context

121. Enterprises of all types and sizes are at the heart of any successful strategy to promote decent jobs. Enterprise development strategies that promote decent work and ensure economically sustainable and competitive enterprises are central to the achievement of full and productive employment.

122. There is a need to improve the business environment in Africa, with the aim of encouraging enterprise creation, discouraging informality and promoting good governance. In most countries the length of time, the cost and the complexity involved in registering a business deter many entrepreneurs or push them to operate informally, with all the corresponding handicaps. Property rights and contracts are poorly enforced, bureaucratic obstacles impede trading across borders, credit is invariably hard to find and entrepreneurs are often faced with inconsistency and unpredictability in taxation. Women often face legal obstacles to land ownership and access to formal credit. Sub-Saharan Africa suffers from low domestic and foreign investment, high capital flight and low remittance flows relative to other developing countries. Establishing a business environment that is more conducive to the creation and growth of

⁵¹ Commission for Africa: *Our Common Interest* ([London], 2005), at <http://www.commissionforafrica.org/>.

decent work in sustainable formal enterprises, especially in smaller businesses, is crucial to Africa's Decent Work Agenda.

123. In many African countries, a business with more than ten workers is already considered to be large. Home-based workers and street vendors make up the largest groups in urban areas, but many workers are employed in small workshops, often in or adjoining dwellings, making garments, processing food and engaging in other forms of small-scale manufacturing and assembly work. The categorization of the individuals involved in such businesses is an invidious task. Some work for somebody else, others on their own account, while still others employ people as well as working themselves. Many may go back and forth through these categories during their working life. Often, the business unit is the family, with perhaps three generations working together and pooling earnings. Not all workers or employers in the informal economy are poor; but many are, or live with the constant risk that some unforeseen event may push them into poverty.

124. Access to finance is a vital concern for workers in the informal economy. Often they resort to moneylenders or tontines for emergency loans, but many other financial needs are not covered. Micro-finance can facilitate the passage to the formal economy for those wishing to undertake that step. It is also a catalyst for group organization.

125. The 2004 Ouagadougou Summit Declaration and Plan of Action identify microfinance as a priority area. The 2006 Conference of African Ministers of Finance, Planning and Economic Development reiterated the need to tap the dynamics of microfinance for job creation and income security in Africa. The aim is to ensure that financial policies maximize employment outcomes and to break down obstacles to market access, alleviate the social costs of market distortions and market failure and boost investment opportunities in employment-intensive sectors. Microfinance has a particularly important role to play in the informal economy and in the promotion of youth employment, women's entrepreneurship, empowerment of vulnerable groups, and the elimination of child labour. It can also be a means for providing some support for workers who have lost jobs as a result of HIV-related discrimination and for families who have lost one or more income earners to AIDS.

126. Small enterprises have yet to realize their potential for rapid employment and productivity growth in Africa. Private sector credit provision is not widely available across Africa (with the exception of South Africa). Refinancing packages on preferential terms are geared to larger firms and lack of access to financial services is a major constraint limiting the accumulation of assets by the poor. Market organization and accompanying legal measures make the conclusion of financial contracts generally easier, including for smaller market participants.

127. Many African governments have liberalized interest rates under PRSPs. In theory, this should attract household savings; however, in practice the financial systems in Africa are ill-equipped to collect small deposits. The rise in interest rates has often further exacerbated the situation. Also, bank restructuring and the closure of institutions in the wake of financial liberalization and reform have reduced the supply of credit for investments and have forced many small enterprises to turn to informal credit suppliers. Examples of international good practice show that lending to small enterprises is feasible if financial institutions have incentives to widen their scale and outreach, lower their costs and risks and provide suitable products. A critical element is a regulatory framework that is conducive to the evolution of new ways of doing business, including interest rates sufficient to cover costs and innovations in risk management.

Policies

128. Priority should be given to initiatives focusing on the creation of an enabling business environment. For much of Africa, improving the investment climate and making markets work better is about moving beyond competition based on cheap labour or natural resource endowments. This implies the need to focus on the "basics" (basic education and health, macroeconomic stability, good governance and addressing infrastructure weaknesses) that create the opportunity for the private sector to grow and diversify and thus provide more productive and decent jobs for women and men. It is also important to recognize that country-specific challenges and solutions will vary and countries must develop their own strategies to address them.

129. In line with the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), enterprise policies should have a dual focus. They should aim at improving productivity and

having access to competitive resources, and they should ensure that conditions at work result in equity (in particular equity between women and men), poverty eradication, and social welfare. Meeting these interlinked challenges requires a mixture of policies at the international, national, sectoral and local levels to raise productivity, promote innovation and make small enterprises more competitive.

130. By improving job quality in small enterprises, increasing economic opportunities for women, promoting association building by employers and workers and upgrading employment for workers in the informal economy, the goal is to unlock the potential for creating more and better jobs in small enterprises. For small enterprises, acquiring the management skills to survive and grow is vital. Support is needed to build national and local capacity to deliver cost-effective and sustainable business development services, such as management training, access to finance, information on technologies, export and domestic market access, and inter-firm linkages. The ILO's Start and Improve Your Business (SIYB) methodology has proved to be an effective vehicle in this context. Used in more than 80 countries worldwide, of which 34 in Africa, it follows an institution-building strategy, working with existing local and national organizations to train trainers from partner organizations, who in turn train the small entrepreneurs, thus reaching large numbers of people on a sustainable basis. The ILO GET (Gender and Enterprise Together) Ahead for Women in Enterprise programme, which primarily addresses the needs of women entrepreneurs, is particularly relevant for use in Africa.

131. Due to their limited resources and the lack of effective advocacy means, small enterprises are typically absent in the policy-making process. As a consequence, they tend to face greater obstacles in accessing markets, such as for government procurement, as well as financial and non-financial services. The regulatory framework is usually hostile and the cost of operating in the formal economy is often prohibitive. It is therefore important to give small enterprises a voice in the policy process, strengthening the capabilities of their organizations and the skills of their leadership. Women play a pivotal role in the private sector in Africa, especially in the informal economy and they typically experience particular disadvantages in the policy sphere. This also points to a need for greater representation and to address the particular disadvantages commonly experienced by women with regard, for example, to access to economic and social assets, including land, property and inheritance rights, and to education and skills development opportunities.

132. When it comes to the legal and regulatory environment for business, fewer and simpler laws and regulations usually lead to a more dynamic and efficient private sector. But if sustainable enterprises are to be fostered, the regulatory framework should not compromise international labour standards and should be gender-sensitive. Reforms to the business environment should make it easier for informal enterprises to enter the formal economy and should provide them with incentives to do so. It is also important that policy reform be integrated into national development plans and poverty reduction strategies, and that donors work together and in close collaboration with governments so that national and regional initiatives such as the Investment Climate Facility⁵² are given the best chance of success.

133. Policies also need to support the inclusion of African enterprises in value chains at the global, national and local levels; horizontal linkages between firms through approaches such as partnerships and clustering, networks and area-based development strategies; and vertical linkages between producers, suppliers and market buyers. Such linkages can be particularly effective in overcoming many of the traditional constraints facing African enterprises, particularly enterprises owned by women, such as access to markets, services, technologies and know-how. Once such access is provided, African enterprises could create and maintain quality jobs by increasing their productivity, market presence and share.

134. Cooperatives of various types play an important role in many sectors of the African economy, especially in rural areas. The cooperative movement has, however, had to overcome the legacy of heavy state intervention, which in many countries severely damaged the credibility of cooperatives in the eyes of their members and customers. The ILO, through its COOPNET Programme (Human Resources Development for Cooperative Management and Networking), is a major contributor to the strengthening of cooperative human resource development through support to curriculum development, the improvement of training methodologies, the promotion of gender equality in cooperatives and the development of cooperative entrepreneurship. The aim is to strengthen autonomous, member-controlled, economically viable cooperatives able to contribute to the processes of economic reform, democratization, employment

⁵² www.investmentclimatefacility.org.

creation and poverty alleviation. Following the adoption of the Promotion of Cooperatives Recommendation, 2002 (No. 193), many African countries have used ILO advisory services to help revise legislation concerning cooperatives. For example, in South Africa the ILO has assisted in the development of a cooperative development strategy. Guinea-Bissau has also adopted a national policy on cooperative development based on Recommendation No. 193, with similar initiatives in Ethiopia, Zambia and Zimbabwe.

135. It is essential for African countries to diversify their economies and for those enterprises supplying global markets to facilitate their upgrading into higher value-added activities in global value chains. Foreign investment and international trade are an important source of technological and skills transfers towards domestic private enterprises, and enhance their opportunities to accumulate knowledge of global markets. Multinational enterprises can nurture African business skills by targeting local staff for key managerial positions, mentoring the managers of small enterprises, providing access to business training, helping with access to finance and encouraging local economic development (LED). Public-private partnerships between municipalities and communities, on the one hand, and inward investors, on the other, can generate employment opportunities through LED and be an important means of stimulating growth in locations with economic potential.

136. The ILO Tripartite Declaration of Principles on Multinational Enterprises and Social Policy provides a comprehensive guide to best practices and is particularly relevant to ensuring that larger companies contribute fully to national and local development, not least through their business links to smaller firms. Corporate social responsibility initiatives can draw on the approach of the ILO Declaration in providing market incentives and rewards for responsible behaviour. Such voluntary initiatives can provide opportunities and markets for “fair trade” products, as well as mechanisms for improving workplace practices in the context of the assessment of the implementation of international codes of conduct and corresponding remediation plans. The Declaration can be particularly helpful in promoting practices which ensure that high standards regarding workplace safety and environmental impact are observed by foreign investors and that the risk of “exporting” hazardous materials or methods is diminished.

137. Business development services play an important role in enterprise development. It is important to increase access to appropriate services in finance, training, marketing, quality improvement and information. The services can be delivered between businesses within value chains and clusters, by constituents and independent organizations or by mass media, which can provide a platform for information, advocacy and dialogue. Business development services to upgrade workplace practices can only be sustainable and effective if rooted in an understanding and promotion of the benefits to all enterprise stakeholders, including the workers, owners and managers as well as the ultimate customers. By focusing enterprise development initiatives on value chains with higher relative growth rates they are more likely to be cost-effective.

138. National policies for LED that focus on enhancing competitiveness and sustainable and inclusive growth are another means to promote decent work in small enterprises. Such policies encourage partnerships between the main private and public stakeholders and involve a broad multi-stakeholder approach (including those in the informal economy) in the joint design and implementation of a common development strategy. Linking national policies for LED to local policies and regulatory frameworks is particularly relevant in countries promoting decentralization. The strengthening of the capacity of sub-national government authorities’ to facilitate implementation of LED policies in partnership with the private sector is of key importance for LED. National LED policies can also play an important role in conflict-affected countries as a framework for employment-centred reconstruction and recovery programmes.

139. Enhancing access to financial services is crucial in this context. Priority needs to be given to creating an incentive-based policy environment that enables microfinance institutions to emerge, grow and reach out to the poor in greater numbers, providing a diversity of demand-driven and affordable financial services such as credit, savings, insurance, leasing, and transfers. Poverty reduction strategies should include measures to channel available financial resources to microfinance institutions.

Proposed target

Three-quarters of African countries adopt integrated strategies for sustainable enterprise development and the generation of decent work opportunities, with a special focus on assisting women entrepreneurs. Such strategies should include targets for the registration of at least half of all enterprises currently operating informally.

3.3. Decent work for young people

Objective

A substantial reduction in the levels of youth unemployment and a major improvement in the quality of jobs available to young women and men.

Context

140. In Africa, the number of labour market entrants between the ages of 15 and 24 has outpaced the economy's ability to absorb them, resulting in high youth unemployment, underemployment and discouragement. Despite declining fertility rates and the devastating effects of the HIV/AIDS epidemic, particularly in sub-Saharan Africa, Africa's population remains among the world's youngest. The youth population is expected to grow by an additional 46 million between 2005 and 2015, and the youth labour force (the sum of the employed and unemployed) by 22 million. The immediate challenge facing Africa is thus to create sufficient decent work opportunities to ensure that the numbers of young working poor is reduced at the same time as reducing youth unemployment significantly.

141. Because young people lack work experience, job searching know-how, access to the social networks that provide job information, and often do not have skills demanded in the labour market, they suffer the most. The number of unemployed young people (those available and looking for work) grew by almost 30 per cent between 1995 and 2005 and the youth unemployment rate reached 19.5 per cent in 2005. Overall, in Africa young people were three times more likely to be unemployed than adults and five of every ten unemployed were young people. Given that young people tend to be highly motivated, energetic and capable of offering new ideas and insights, foregoing this potential engine of growth is an economic and social waste and a socio-political risk.

142. Gender discrimination and cultural norms worsen the situation for young women. Young women are less likely to be employed than young men and more likely to be outside the labour force. In 2005, the youth inactivity rate for females was 50.2 per cent compared with 31 per cent for males.⁵³ Where job prospects are poor, young women are generally the first to give up their hopes and stay at home. Young women's limited access to education and training (as compared with their male peers) further limits their job prospects, particularly in the formal economy.

143. When prospects of paid employment in the formal economy are poor and social safety nets exist, such as state or family support, young people often become "discouraged workers", exiting the labour force (and are counted as inactive). The inactivity rate for young people increased in Africa from 38.3 to 40.5 per cent between 1995 and 2005. Part of this increase can be explained by increasing enrolment rates in education,⁵⁴ but at least a portion is due to increasing discouragement.⁵⁵ A discouraged young person risks feeling useless and alienated from society, making the process of reintegration into the labour force difficult.

144. Most young Africans cannot afford to be unemployed or inactive. Sheer survival forces the majority to enter the informal economy,⁵⁶ where they generally work long hours, with no security and at very low pay. The ILO estimates that in 2005 as many as 44 million young people in Africa, or 48.7 per cent of all employed young people, did not earn enough to lift themselves and their families above the \$1 a day poverty line, and 75 million worked but remained below the \$2 a day poverty line. Africa is the only

⁵³ ILO, *Global Employment Trends Model*, 2006.

⁵⁴ Increasing educational enrolment was not universal, however, with a decline being seen in tertiary education enrolment in several sub-Saharan African countries, see ILO: *Global Employment Trends for Youth* (Geneva, 2006).

⁵⁵ Very few countries provide data on discouraged workers; one is South Africa. In Sept. 2005, 3.3 million South Africans, or 11.2 per cent of the labour force, were available for work but not looking for it; over half below the age of 30. See Statistics South Africa: *Labour force survey, September 2005* (Pretoria, 2005); available at <http://www.statssa.gov.za/publications/P0210/P0210September2005.pdf>.

⁵⁶ All 12 African countries with available data showed a higher incidence of youth employment in the informal economy than of adult employment. See L. Guarcello et al.: *School to work Transition in sub-Saharan Africa: An overview*, UCW Working Paper (Understanding Children's Work Project, Florence, 2005), table 8, available at <http://www.ucw-project.org/pdf/publications/youthSSA.pdf>.

region where the number of young working poor living on \$1 a day has increased since 1995 (by almost 7.7 million).

145. Low and precarious income from agricultural activities has led to poverty rates being substantially higher in rural areas than in urban areas.⁵⁷ In turn, this has resulted in high rural-urban migration rates among the young, which raises the spectre of young people unemployment, discord and unrest.⁵⁸ With limited options, unemployed or inactive young people are more likely to engage in criminal and other high-risk and self-destructive behaviour, such as sex work and illicit drug use.

146. Many young people in Africa are coming to adulthood in conditions of civil disorder that sometimes develop into fierce conflicts which further hamper development. Young unemployed or inactive men are prime candidates for recruitment as soldiers. But young women are widely involved as well, both as perpetrators and victims of violence in conflict settings.⁵⁹ Conflicts in a number of African countries have shown that lack of access to decent jobs for young people can contribute to protracting or refuelling conflict.

Policies

147. In spite of their current unfavourable employment situation, the potential energy, resourcefulness and productivity that young people represent is an opportunity. Turning round the youth labour market depends on the vitality of the economy and thus on the strength and dynamism of the demand for labour in general, as well as on the extent to which young people are able to integrate into labour markets. One way to achieve decent work for African youth is, therefore, to create an enabling environment for employment-intensive growth while at the same time implementing policies and operational programmes to help young people overcome the specific disadvantages they face in entering and remaining in the labour market. But unless overall employment grows as a result of a well-performing economy, it will be difficult to develop programmes to integrate young people into labour markets in a sustainable manner. Governments, business and other key players have to realize this potential by forming partnerships that therefore aim to reduce the overall scale of unemployment and under-employment, while giving added focus to helping the young to acquire the necessary skills that will enable them to find gainful employment.

148. Given the size and complexity of youth unemployment in Africa, youth employment can only be effectively promoted by bringing different actors together and coordinating youth employment promotion with wider development and employment policies. The National Action Plans promoted by the Youth Employment Network (YEN)⁶⁰ provide an effective framework to articulate policies and programmes and bring together the necessary stakeholders.

149. Specific measures to stimulate youth employment may be more effective if they focus on certain sectors. Rural development offers considerable potential in this respect. Strategies could include promoting the rural non-farm sector, agricultural credit schemes for young people, improving agricultural infrastructure such as irrigation systems and rural road networks, as well as social facilities that would make rural areas attractive to young people and, on the supply side, adapting educational curricula so that they address the needs of rural young people and enhance their skills, and in general make the young aware of employment opportunities in this sector. Other sectors include tourism, construction and information and communications technology.

150. Public works and community services, when well-designed and targeted, create jobs that can benefit certain groups of young people, and many African countries are implementing them. Although they generally do not offer long-term employment, they can help young people gain a foothold in the labour

⁵⁷ The United Nations estimates that approximately 70 per cent of poor people in Africa are living in rural areas. United Nations: *World Youth Report 2005* (New York, 2005), p. 129.

⁵⁸ Sommers, op. cit. See also, United Nations Office for West Africa, op. cit.

⁵⁹ United Nations: *World Youth Report 2005*, op. cit., pp. 144-192.

⁶⁰ The YEN was created as an initiative of United Nations Secretary-General Kofi Annan under the impetus of the Millennium Declaration, which resolved to “develop and implement strategies that give young people everywhere a real chance to find decent and productive work”. Its main partner agencies are the United Nations, the ILO and the World Bank. He invited Juan Somavia, Director-General of the ILO, and James Wolfensohn, then President of the World Bank, to join him in this new inter-agency partnership. See <http://www.ilo.org/public/english/employment/strat/yen/index.htm>.

market. They can also increase the productivity of low-skilled workers if combined with other interventions and services aimed at improving the employability of participants, such as training, job search and counselling.

151. The development of entrepreneurship among young people is important, but not a panacea in and by itself. What is required is opportunity-based entrepreneurial activity that is geared towards employment generation and creating and tapping into new markets. Specific entrepreneurship programmes are more likely to be effective if they are embedded in an enabling policy and a regulatory environment that is conducive to youth entrepreneurship. Substantial resources also need to be allocated to programmes for young people that provide access to credit, training and business development services, including sustained mentorship. Cooperative and community-based enterprises are also an important means of promoting decent jobs for young people and can provide an opportunity to learn how to become an entrepreneur and collectively accumulate the financial, social and human resources necessary to create employment.

152. Reform of vocational training systems is crucial in order to address the challenge of providing young people with the skills that meet labour market requirements. Account also needs to be taken of the fact that traditional apprenticeship continues to be largest provider of skills for the mostly informal labour market. While in general providing cost-effective training, it is often limited to a few basic practical skills and can mask exploitation or child labour.

153. Policies and programmes for youth employment promotion need to span a wide range of areas. As education constitutes the foundation of youth employability, and must provide the skills profiles required in the labour market, education and training levels need to be increased. Secondary school enrolment rates in Africa are improving but remain low compared to other regions. Meanwhile, illiteracy is persistently high, affecting some 18 per cent of young men and 27 per cent of young women.⁶¹ Policy interventions should facilitate access to education for all. Labour market information, counselling and orientation services in secondary schools can also play an important role in combating common myths about labour market realities among young people (such as equating success with a job in public administration).

154. Partnerships with the private sector are essential to overcome financial and resource constraints concerning education and training and to obtain feedback on labour market needs. Health policies targeting young people (particularly young women) are essential. The causality between youth health and unemployment runs both ways, as unemployed young people are vulnerable to health risks associated with poverty and marginalization (such as HIV). Poor health also hampers good performance in education and training, and frequently damages young people's chances of finding and keeping a job.

Proposed target

The adoption by three-quarters of African countries of national policies and programmes to respond to the rapid and large rise in the numbers of young jobseekers and aimed at ensuring that sufficient decent work opportunities are available to bring a fall in the numbers of young working poor. Adopted policies and programmes should lead to a significant reduction in the current youth unemployment rate for Africa of nearly 20 per cent.

3.4. Skills development and employability

Objective

A major improvement in the availability of varied and good-quality training opportunities for women and men, especially young people and those currently living and working in poverty.

Context

155. The enhancement of employability through skills development is central to the Decent Work Agenda and is fundamental to economic growth, poverty alleviation and combating exclusion and

⁶¹ Guarcello et al., op. cit.

vulnerability.⁶² The ILO approach to improving the employability of women and men in search of better jobs is directed towards assisting constituents to develop policies and programmes for skills development that enhance the capabilities of workers, managers and policy-makers. The strategy is based on four key policy areas: training policies and systems; skills for technological change; employment services; and improving access to training and employment. The strategy is guided by the promotion and implementation of the Human Resources Development Convention, 1975 (No. 142), the Human Resources Development Recommendation, 2004 (No. 195), the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), the Employment Service Convention, 1948 (No. 88), and the Private Employment Agencies Convention, 1997 (No. 181).

156. In many African countries, productivity in informal economy enterprises remains low. Skills development for sustainable livelihoods is essential to improve productivity, incomes and access to employment opportunities. Productivity growth is founded on changes in production processes to lower unit costs and shift towards the production of goods and services that yield higher returns. Education and training improve the capacity to access and absorb information, as well as to understand and operate new and productive technologies. An educated and competent workforce is an important factor of economic growth: it facilitates the move away from traditional production models towards more sophisticated and high value-added products, commodities and services for global markets. A better educated and skilled workforce enhances competitiveness of local industry and agriculture, and attracts foreign investment. Making Africa competitive at the global level to enable it effectively to take advantage of the opportunities presented by globalization requires comprehensive reforms to training policies in many countries with the aim of equipping Africa's working women and men with improved skills and qualifications.

157. Skill upgrading is important at all levels of the economy, from the so-called "unskilled" work of labourers to the highest cadres of managerial personnel. Linking higher skills to the application of new technologies therefore lies at the heart of the potential for improving productivity of all workers and businesses, including the smallest micro-enterprises. The transfer and successful absorption of new technologies by Africa depends in large part on the availability of competent professionals, technicians and skilled workers. Reducing digital divides is critical for development since timely access to information technologies and skills can promote trade, education, employment, health and wealth. African workers increasingly need higher levels of core skills such as problem solving, abstract thinking, working in teams, and communication, which are as important for productivity and employability as technical skills.

158. Most public vocational education and training institutions in Africa lack financial resources, training equipment and materials, as well as qualified teachers and administrators. This considerably reduces their capacity to respond to economic and demographic developments, maintain the quality of occupational qualifications and courses and train a workforce with new competencies capable of enhancing economic growth. One way of overcoming these constraints is for employers' and workers' organizations to work more closely with vocational education and training institutions to improve the employability of graduates. National qualifications, skills standards and training programmes need to be developed in partnership with employers, while training programmes should be delivered both in classrooms and the workplace. Likewise, trade unions also have a practical input to make, ensuring that workers are able to develop their capacities to the full. The involvement of social partners in skills development helps to ensure that the skills required by the labour market are imparted, that acquired skills are recognized, and that mismatches between demand and supply for skills are minimized.

159. The employability of skilled graduates is affected by a limited range of national vocational qualifications, many of which are obsolete. This leads to rapid saturation of labour markets, reduces young people's access to modern trades and also limits the access of girls to employable trades. The development of broader-based national qualifications in close cooperation with industry would help to ensure a more adequate reflection of job requirements in the training provided. There is an emerging interest in the mutual recognition of national qualifications in African countries to facilitate migration of workers within the RECs, the Economic Community of West African States (ECOWAS) being one example.⁶³

⁶² ILO: "Employment strategies for Decent Work Country Programmes: Concepts, approaches and tools for implementing the Global Employment Agenda", Governing Body doc. GB.295/ESP/1/1, 295th Session, Geneva, Mar. 2006.

⁶³ R. Robert: *The Social Dimension of Regional Integration in ECOWAS* (Geneva, ILO, Policy Integration Department, 2004), Working Paper No. 49.

160. Ensuring that young women and men learn core work skills that equip them for a wide variety of potential jobs is particularly vital for the economically vulnerable and socially excluded. It is now widely recognized that education and training systems must make it easier for working people, especially the economically vulnerable and socially excluded, to take up employment opportunities and refresh their skills throughout their working lives.

161. Training in the informal economy is another key issue. Most workers in the informal economy have never received good education and structured training. Millions of them acquire skills through informal apprenticeships that are unable to provide workers with foundation theory and modern skills. Vocational training institutions often have a limited understanding of the nature of the skills required in the informal economy and therefore do not address the skills needs of those already in the informal economy and those likely to enter it.

Policies

162. Reforms are required to better link formal education and training with the world of work. Surveys of the employability of vocational training graduates should become a regular activity. The development of national vocational qualifications in close cooperation with industry would also help reflect job requirements more adequately and thus make training more relevant.

163. In many countries traditional apprenticeship continues to be largest provider of skills for the mostly informal labour market. However, the system can present several shortcomings. On the one hand, training is often limited to the practical skills of a trade. On the other, as mentioned earlier, if not properly monitored, it can mask exploitation or child labour. Governments and social partners should therefore review traditional apprenticeship practices and improve their transparency, stability and quality.⁶⁴

164. Career guidance and labour market information also play a crucial role in assisting and orienting people, especially first-time jobseekers such as the young. Skills training needs to be combined with entrepreneurship training at all levels. More effective and gender-sensitive job-search assistance and placement services are needed. These should also cater for the needs of people with disabilities. Both public and private employment services have a role to play in this context, supplementing, rather than competing with, one another. In order for this to happen it is necessary to put appropriate regulations in place.

165. Funding remains an important issue. New funding mechanisms will need to be explored, including national training funds based on payroll levies. While the primary responsibility for investment in training rests with governments, it has to be shared with enterprises, the social partners and beneficiaries, so that education and training are closely linked to economic and employment growth strategies and programmes.

166. Skills development and employability can be enhanced if stakeholders can take an active part in policy formulation. Social dialogue on skills development policies can help improve the functioning of the labour market. It can also help to decrease labour-management conflict over issues such as recognition and remuneration of skills and to direct training towards vulnerable and discriminated segments of the labour market. All of this favours investment and growth, and helps increase employment and labour market security.

Proposed target

Three-quarters of all African member States critically review and implement, with the involvement of the social partners, national policies and strategies for education and training, as well as establish mechanisms for their implementation at national, regional, local and sectoral and enterprise level. Such strategies should include annual targets for the provision of (re)training opportunities for the working poor, especially young people and women, with the aim of ensuring that half of Africa's workforce has obtained new or improved skills by 2015.

⁶⁴ ILO: *Learning and training for work in the knowledge society*, Report IV(1), International Labour Conference, 91st Session, Geneva, 2003, pp. 62-63.

3.5. Crisis response and reconstruction

Objective

Accelerated creation of decent work opportunities in countries emerging from crisis.

Context

167. Africa has on numerous occasions in the recent past experienced the devastation of conflict and natural disaster. Although everything should be done to avoid or mitigate such crises in the future, prudence demands that the ILO and its constituents be fully prepared to respond to the need for social and economic reconstruction and join the international networks engaged in moving from relief to recovery.

168. Investing in development, growth and job creation is essential to reduce conflicts and the impact of natural disasters. In the aftermath of a crisis, once survival needs are met, women and men want to rebuild their lives. Access to jobs and income will boost their prospects for socio-economic recovery and set them on the path to sustainable development. Employment is often treated as an afterthought, however, on the assumption that it will simply follow the reconstruction process. This is not the case and therefore, employment promotion must be a key component of post-crisis recovery strategies from the start. It should be part of a coordinated, coherent and integrated approach that brings together all relevant actors, with predictable financing.

169. Crisis response is also a unique entry point to jump-start longer-term development processes such as enhancing social dialogue and social protection, and extending the application of international labour standards. While in a post-crisis situation conditions for the application of international labour standards tend to be difficult, the situation lends itself to the sowing of the seeds of effective social dialogue, social protection and application of standards, thus enhancing both local governance and reducing the risk of renewed crisis in fragile post-conflict societies.

Policies

170. In times of transition, economic recovery must aim to meet immediate needs, prevent a relapse into conflict and support conflict resolution and peace building. It must also jump-start the economy and set the groundwork for longer term economic stability, growth and poverty reduction. By working with partners in the international crisis response networks, the ILO is able to build in a decent work approach to reconstruction that is effective in rebuilding both the physical and social infrastructure destroyed by conflict and natural disasters.

171. Experiences across Africa show that successful “employment-centred” approaches to crisis response and reconstruction interventions require a mixture of measures. These include: rebuilding social institutions; increasing local demand capacity through cash for work programmes and employment-intensive infrastructure investments; rehabilitating basic economic support infrastructure and services and local trade networks; reducing transaction costs and improving business efficiencies; rebuilding trust between local business communities and potential investors (including Africans living and working overseas); knowledge transfer; promotion of private sector investment and socially responsible business practices; monitoring of aid to promote local employment; early promotion of self-reliance through LED; building the capacity of labour market institutions and the skills of affected men and women and constructing effective and accountable social and economic governance. The involvement of the social partners and other stakeholders can make an invaluable contribution to successful employment-centred approaches to reconstruction interventions.

172. While in general an inclusive and community-based approach is most effective, specific policies and programmes may need to be developed for ex-combatants, the disabled, internally displaced persons and former child soldiers.

173. Labour-based infrastructure development has proven to be a cost-effective approach to restore essential infrastructure in post-crisis environments, generating jobs and kick-starting the local economy through the infusion of cash and promoting social inclusion by targeting the poorest of the poor. This

approach needs to be complemented with skills and entrepreneurship activities in the context of a LED strategy. An ILO project in Somalia on the promotion of employment and livelihoods provides a successful example of this approach, creating short-term employment opportunities with regard to the rehabilitation of infrastructures linked to social dialogue, and providing the basis for sustainable employment by reorienting ongoing infrastructure investment and maintenance programmes for greater impact and job creation. At the heart of such local reconstruction efforts is a strategy of social mobilization around the rebuilding of community infrastructure. Where successful, this leads on to the creation of a development consensus which places decent work at the heart of social and economic analysis, planning and policy implementation.

174. Conflicts and natural disasters can focus efforts and mobilize resources to reduce long term socio-economic vulnerabilities, address needs for disaster risk reduction, and tackle root causes of conflict. Measures should be underpinned by concern for the quality of development, including consideration of how the reconstruction process should be used to promote social and economic well-being, basic rights and human security. An important component of reconstruction is the encouragement of community representation, especially trade union and employers' organizations, and their involvement in rebuilding the social, as well as the physical, infrastructure. In Liberia, for instance, the ILO has supported the government in the development of an integrated employment strategy, which includes labour-based reconstruction initiatives, skills training, entrepreneurship development, the production of labour market information, action on HIV and the promotion of social dialogue and basic rights.

175. Recovery strategies must connect to local social institutions as well as government bodies. Business associations and trade unions are particularly important local partners for employment recovery, and possess valuable local knowledge. Other civil society groups such as women's organizations, cooperatives and farmers' associations should also be involved in recovery planning and implementation. For example, in Angola the ILO has formed a partnership with the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Angolan Government to promote entrepreneurship among returning refugee women through the creation of women's empowerment centres. The role of ministries of labour, both in guiding social and economic policies and promoting decent work, is key and requires special capacity building.

Proposed target

LED and employment-intensive investment approaches are incorporated into all reconstruction and recovery programmes, with a strong emphasis on building effective and accountable institutions for the world of work and for economic and social governance in general.

4. Social protection for all

4.1. Enhancing social security coverage and quality

Objective

Extended coverage and improved quality of social security schemes and programmes.

Context

176. Confronting the main challenges for social security as part of a decent work strategy for Africa requires major efforts in enhancing social security coverage and quality. Experience around the world has shown that social security is a key tool in promoting harmonious economic and social development. To this end, a long-term social security policy has to be designed and adopted within the framework of broad national tripartite dialogue. In this report, social security is envisaged as a set of rights- and rules-based transfers, dealing with a full range of social risks and needs.⁶⁵

177. Increased urbanization and other social changes are steadily leading to a breakdown in the extended family systems that for many communities provided the main form of support in times of need. Social security systems organize the sharing of the risks confronted by working people at various stages in their lives, providing transfers in cash or in kind, such as medical care. By providing support at times when people are unable to work and earn, such systems help prevent temporary periods of income loss becoming permanent poverty. They are thus key instruments for the reduction of poverty. While individual savings can also provide protection at times of ill health or unemployment, many working women and men are not able to build up sufficient personal assets to meet such contingencies. The collective provision of social security, if well designed and administered, is generally more equitable and efficient.

178. It is estimated that in sub-Saharan Africa only about 10 per cent of the economically active population is covered by statutory social security schemes, most of these being old-age pension schemes, while in some cases also providing access to health-care. However, with increasing informalization, coverage is declining. Public health services in some countries reach a higher percentage of the population but only with a very limited range of public health programmes and medical care benefits. In North Africa, coverage tends to be substantially higher, although levels of exclusion are still very high.

Policies

179. There are essentially three options for extending the coverage of social security in Africa that can be combined to form pluralistic national social security systems: Extending existing social insurance schemes, building community based or occupation based insurance schemes on a voluntary or collective bargaining basis and introducing basic tax-financed benefit systems. The latter can operate on a universal or means tested basis. The experience of recent decades has shown that classical social insurance, while remaining an important tool for consolidating the formalization of a part of the workforce, has had a limited effect when it comes to reaching out to groups in the informal economy. It is no longer possible to rely only on traditional forms of protection based on extended family and community links for the provision of a minimal income security to workers without cover. Stand-alone contributory schemes that are not part of a national pluralistic strategy are only a partial solution. A promising way to extend coverage in this area is through non-contributory, tax-financed cash transfers delivered in various forms: as universal social pensions paid to all the elderly, as cash benefits paid to families with children conditional on school attendance or participation in public health programmes, as categorical benefits aimed at persons with disabilities, orphans and other vulnerable groups, and as targeted social assistance programmes.

⁶⁵ See ILO: *Social security for all: Investing in global social and economic development: A consultation*, Issues in social protection series, Discussion paper 16, Social Security Department (Geneva, 2006).

180. National experience from Botswana, Namibia and South Africa, as well as ILO research, has demonstrated that it would in principle be possible and affordable to provide all of the poor in Africa with a minimum package of social benefits and services including access to basic health care, basic income transfers in case of need, and basic education. In some cases these benefit systems would have to be introduced gradually, in step with the growth of the economy and the expanded fiscal space. Most of the necessary resources could be raised nationally.⁶⁶ The capacity of such schemes to offer benefits that make a substantial early impact on levels of poverty could be greatly augmented by international transfers during a transitory start-up period, especially for the poorest countries.

181. This type of basic social protection package would have a major impact on the reduction of poverty and the improvement of living standards. Access to basic social services, notably health care and education, can undoubtedly make a significant contribution to increasing productivity and reducing poverty in the short and long term. Social health protection effectively addresses health-related poverty, provided benefits are adequate and affordable. In addition, cash transfers can play a major role in providing basic income security to those with no earnings capacity. A number of middle and low-income countries in Africa have introduced non-contributory old age pensions for their elderly population. Evidence from countries such as Botswana, Lesotho, Mauritius, Namibia and South Africa shows that such social pensions have a remarkable impact on the living standards of elderly persons and their families, and particularly on children.⁶⁷ Experience and simulations also show that social pensions are feasible and accessible for low-income countries, such as those in Africa.⁶⁸ Recent ILO micro-simulations show, for example, in the case of Senegal and the United Republic of Tanzania, that the combination of basic universal old age pensions and child benefits to school children and orphans under the age of 14 would reduce overall poverty by more than one third, at an affordable cost.⁶⁹

182. Old age and disability pensions can certainly have a major impact on the livelihoods of households with an elderly or disabled person, but more widely spread benefits would be needed to achieve a substantial result in terms of reduction of poverty for the entire population. Benefits for families with children can have such a result, as the examples of cash child benefits in a development context show.⁷⁰ Most of these schemes are in Latin America and have often been set up as conditional cash transfers linked, for example, to school attendance or participation in public health programmes. Again, although simulations show that in principle such programmes would also be affordable⁷¹ in most African countries, there are some concerns as to the full transferability of such programmes into countries with an insufficient education and health infrastructure. In such cases, benefits should either be made universal or targeted in an administratively feasible and cost-effective way.

183. Stepping up efforts to provide basic social protection is thus a viable way to reduce poverty and insecurity for countries in sub-Saharan Africa. The construction of durable social security systems requires a national and long-term commitment. Several African countries have already included the enhancement of social protection in their poverty reduction strategies. While national contributions are the main source of financing, many countries could progress more rapidly with the construction of social security systems with external support during an initial period.

⁶⁶ X. Scheil-Adlung et al.: *What is the impact of social health protection on access to health care, health expenditure and impoverishment? A comparative analysis of three African countries* (Geneva, ILO, ESS Paper No. 24, 2006).

⁶⁷ See, for example: A. Barrientos and P. Lloyd-Sherlock: *Non-contributory pensions and social protection*, Issues in Social Protection series, Discussion paper 12, ILO Social Protection Sector (Geneva, 2003); E. Schleberger: *Namibia's universal pension scheme: Trends and challenges* (Geneva, ILO, ESS Paper No. 6, 2002); HelpAge International: *Age and security: How social pensions can deliver effective aid to poor older people and their families* (London, 2004); Save the Children UK, HelpAge International and Institute for Development Studies: *Making cash count: lessons from cash transfer schemes in east and southern africa for supporting the most vulnerable children and households* (London, 2005), at <http://www.ids.ac.uk/ids/pvty/pdf-files/MakingCashCountfinal.pdf>.

⁶⁸ See K. Pal et al.: *Can low income countries afford basic social protection? First results of a modelling exercise*, Issues in Social Protection series, Discussion paper 13 (Geneva, ILO, 2005), and N. Kakwani and K. Subbarao: *Ageing and poverty in Africa and the role of social pensions*, UNDP International Poverty Centre Working Paper No. 8 (Brasilia, 2005).

⁶⁹ See F. Gassmann and C. Behrendt: *Cash benefits in low-income countries: Simulating the effects on poverty reduction for Senegal and Tanzania*, Issues in Social Protection series, Discussion paper 15, ILO Social Security Department (Geneva, 2006).

⁷⁰ See H. Tabatabai: *Eliminating child labour: The promise of conditional cash transfers* (ILO, Geneva 2006).

⁷¹ See Pal et al., op. cit. and N. Kakwani, F. Veras Soares and H.H. Son: "Conditional cash transfers in African countries", UNDP International Poverty Centre Working Paper No. 9 (Brasilia, 2005).

184. The ultimate objective is universal access for individuals to formal systems of social security. The notion of a universal benefit, even if initially modest, payable without distinction to all qualified members of a scheme, fits well into the concept of a rights-based scheme but may in practice have to be tempered by some form of targeting of resources if these are limited. Universal schemes would be a sound foundation for pragmatic pluralistic systems that cater to the different levels of need of different population subgroups.

185. A promising way to organize basic benefit coverage and outreach, primarily in health, is through the development of microinsurance schemes and special schemes targeting workers in the informal economy and their families. The development of microinsurance and other community based social protection schemes is ongoing, with a proliferation of new schemes in Africa. Microinsurance schemes are often initiated by civil society organizations and delivered in a variety of organizational settings, mainly to cover the costs of medical care in case of sickness and more rarely maternity or disability. An increasing number of African governments consider microinsurance an important tool in their strategy to extend social protection, and include this mechanism in their extension strategies. In several countries, such as Ghana and Senegal, microinsurance schemes are already part of the process of implementing progressively more coherent and integrated social security systems seeking to achieve universal coverage.

186. Microinsurance has shown considerable potential for reaching groups excluded from statutory social insurance, mobilizing supplementary resources (finance, human resources, etc.) which benefit the social protection sector as a whole, contributing to the participation of civil society and the empowerment of socio-occupational groups, including women. However stand-alone, self-financed microinsurance schemes have major limitations in terms of sustainability and outreach to large numbers of beneficiaries. Their impact could be increased by developing functional linkages (such as subsidizing premiums paid by low-income members, subsidizing or underwriting microinsurance schemes or providing them with technical assistance in the area of management) with extended and expanded national social insurance systems, thereby contributing to the improved equity and efficiency of the national social protection policies. The introduction of the National Health Insurance system in Ghana, which combines elements of social insurance with district-based mutual insurance schemes, is worth studying in this context.⁷²

187. The development of microinsurance has led in some countries to the design of special schemes targeting mainly informal workers. In Senegal, the National Strategy for Social Protection, a component of the PRSP, aims to increase health insurance coverage from less than 20 per cent today to 50 per cent of the population in 2015. Two main schemes have been defined, one to cover all agricultural workers and another for transport workers, both representing a beneficiary group of more than 5 million people. This promising experience could become a model for other countries in the region.

188. Social security should be built gradually, based on comprehensive longer term social security action plans that should be part of national DWCPs, starting with basic elements such as:

- access to basic health care through pluralistic national systems consisting of public tax-financed components, social and private insurance components, equity funds and community based components linked to a coherent national system;
- access to maternity protection for all employed women as a cornerstone of efforts to safeguard health, ensure employment rights and achieve gender equality;
- a system of family benefits to help fight child labour and enable children to attend school;
- a system of targeted basic cash transfer programmes for social assistance associated with public work programmes and similar labour market policies (such as cash for work programmes) to help overcome abject poverty;
- a system of basic universal pensions for old age, invalidity and survivorship that in effect support whole families;
- increased access to health care, supported, if necessary, by additional donor financing, is a priority everywhere, but particularly in countries affected by mass diseases such as malaria and

⁷² ILO: *Improving social protection for the poor: Health insurance in Ghana, The Ghana Social Trust pre-Pilot Project, Final report* (Geneva, Social Protection Sector, 2005).

HIV/AIDS. Free or affordable access to basic health services should initially be extended to children, the disabled and the elderly, with security in the event of employment-related sickness, injury and accident also provided.

189. Governments should organize access to services and set the level of service provision via legislative and regulatory channels. This does not mean that all social security schemes have to be operated by public or semi-public institutions. Governments can delegate responsibility to various institutions and organizations in the public, private, cooperative and non-profit-making sectors. What is needed, however, is a clear legal definition of the role of the different players in the provision of social security to all members of society. The definition of these roles should be complementary while achieving the highest possible level of protection and coverage. A government could develop a social security action plan that defines the scope and coverage of public provision of services through government agencies, social insurance, private insurance, employers and microinsurance schemes.

Proposed target

All African countries adopt coherent national social security strategies, including for the introduction or extension of a basic social security package that includes essential health care, child support for school age children and a minimum pension.

4.2. Tackling HIV/AIDS in the world of work

Objective

Effective policies in place at national, sectoral and enterprise level to combat HIV/AIDS through the world of work.

Context

190. While HIV now affects every country in the world, it has reached epidemic proportions across large parts of Africa. A crucial workplace issue and a major development challenge, the HIV epidemic poses a serious threat to the health and livelihoods of working women and men and has serious implications for enterprises, as well as for national and regional economies. The epidemic affects all economic sectors and encroaches on basic rights at work, thereby undermining efforts to guarantee decent and productive work for women and men.

191. Many national and international agencies are active in trying to halt and roll back the spread of the disease, and provide treatment and support to those affected. Because the virus mainly attacks adult age women and men, the workplace (formal and informal) is key to delivering comprehensive HIV services to workers and their families. Inclusion of HIV responses in DWCPs helps ensure an integrated approach drawing on the full range of ILO expertise. Furthermore, the ILO's tripartite approach makes it possible to mobilize governments, employers and workers to act together against HIV/AIDS. The social partners in Africa are already using their networks in the struggle against HIV/AIDS. Stepping up the scale and effectiveness of their activities in the coming years is vital to Africa's prospects.

Policies

192. The ILO's code of practice provides international guidelines for policy-making.⁷³ It establishes both the rights and the responsibilities of the tripartite partners, along with key principles of workplace policy. It covers the following key areas: prevention through education, gender-awareness programmes and practical support for behaviour change; protection of workers' rights, including employment protection, gender equality, entitlement to benefits and non-discrimination; care and support, including confidential voluntary counselling and testing, as well as treatment in settings where local health systems are inadequate.

⁷³ ILO: *An ILO code of practice on HIV/AIDS and the world of work* (ILO, Geneva, 2001).

193. Capacity building for the social partners is required in order to improve and increase significantly the response to the epidemic in the world of work. Priority should be given to providing guidance on implementing the code in the context of DWCPs and on incorporating HIV/AIDS measures into development frameworks, such as poverty reduction strategies, at national and regional levels.

194. The inclusion of HIV/AIDS in occupational safety and health structures, in labour legislation and administration, in gender promotion, in entrepreneurship and in vocational training programmes, as well as support for the development of innovative health and life insurance schemes, are just some examples of an integrated approach to HIV/AIDS in and beyond the workplace.

195. Policies to implement the provisions of the code of practice need to pay particular attention to anti-discrimination measures, workers' rights, gender equality, safe working conditions, social protection and elimination of child labour. The principles of social justice and equality, tripartism and core labour standards underline the rights-based approach of the ILO in the global effort to combat HIV/AIDS. Policies are needed at all levels – from regional to the individual workplace – to defend rights, promote workplace programmes and mitigate the socio-economic impact of the epidemic.

196. Microfinance instruments (such as emergency loans, savings products and microinsurance) have the potential to complement state action to reduce the vulnerabilities of broken families. A number of microfinance schemes operating in sub-Saharan Africa are offering products designed to mitigate the impact of the epidemic, either on the institution itself or on its clients, or both.⁷⁴ Among these are credit and health insurance, as well as conventional loans and savings products.

197. Specific interventions involving targeted support must be developed and extended in order to enable highly-affected communities and women, young people and orphans, older persons and people living with HIV/AIDS to enhance their ability to earn a living, for example through microfinance and skills development. Vocational training programmes for young people offer a particularly appropriate means of including components on health, life skills and HIV.

198. In addition to improvements in capacity to confront the epidemic, support and guidance are also required to help governments and enterprises cope with the attrition of staff caused by AIDS. New approaches such as fast-track training or national service programmes, adaptive strategies such as a change in retirement ages or labour laws, or the tapping of underutilized resources, including private institutions, academia and civil society, need to be worked out and tested. Employers' and workers' organizations have an important role to play in this respect and it is important that they claim their rightful place in national AIDS structures and programmes.

Proposed target

All countries in Africa have national HIV/AIDS strategies to ensure that the workplace contributes to achieving universal access to prevention, treatment, care and support.

4.3. Promoting better, safer and healthier working conditions

Objective

Greater awareness of the importance of occupational safety and health in the workplace and improved action to ensure compliance with laws concerning working conditions.

Context

199. There is growing acceptance that accidents and ill-health at work impact not only on the lives of individual workers, their families and their potential for future work, but also on the productivity and profitability of their enterprises and ultimately the welfare of the society in which they live. Similarly, abusive conditions of work, for example in the form of excessive hours of work and low pay, are damaging to both workers and enterprises and costly to the whole of society. In short, a scenario of safety and

⁷⁴ A. McDonagh: *Microfinance strategies for HIV/AIDS mitigation and prevention in sub-Saharan Africa*, ILO/SFU Working Paper No. 25 (2001).

health at work and a virtuous upward spiral of improving productivity and working conditions makes good business sense. Maintaining acceptable standards is an integral and key component of development, poverty alleviation and decent work.

200. Work-related accidents and ill health can, and indeed must, be prevented. Action is needed at international, regional, national and enterprise levels to achieve this. Yet, globally, the statistics appear to show an increasing trend in occupational accidents and diseases. One should never accept the notion that injury and disease “go with the job”. On the contrary, the protection of workers against sickness, disease and injury arising out of employment must be at the forefront of the promotion of decent work.

201. The ILO has a wide range of instruments on occupational safety and health, including Conventions, Recommendations, codes of practice, guidelines and information products, such as the *ILO Encyclopaedia of Occupational Health and Safety*. In Africa, the level of ratification of the relevant Conventions remains low compared to other regions. Reported data on accidents and diseases in Africa is often incomplete, since underreporting is common and official reporting requirements frequently do not cover all categories of workers, often excluding those in the informal economy, for example.

202. Furthermore, most countries of the region lack an adequate enforcement infrastructure to ensure compliance with the regulations in place, and few workers have access to occupational health services.⁷⁵ In addition, there is a lack of training capacity for occupational safety and health professionals.

203. Most African countries have laws and regulations concerning hours of work, holidays, minimum wages and other basic issues relating to the terms and conditions of employment. However, in many cases laws require updating and procedures for their application in practice need to be improved. Labour law reform and the modernization of labour inspection services are important issues in many countries and the ILO receives frequent requests for technical assistance. Responding to these requests and ensuring that the emerging strategies for better, safer and healthier working condition form an integral part of the overall development approach is a key challenge for the ILO and its African constituents.

204. Improved labour inspections and safe work management, whilst underpinning social protection at work, also lead to a better quality product, higher productivity, a decline in the number of accidents and an increase in the motivation of the labour force. Good governance of the labour market is therefore key to maintaining or enhancing competitiveness and meeting the challenges of globalization. There is widespread concern that labour inspection services in many countries are not able to carry out their roles and functions. They are often understaffed, under-equipped, under-trained and underpaid. Small transport and travel budgets and inadequate methods of communication and record-keeping also hinder their capacity to perform inspections and take the necessary follow-up action. The squeeze on labour inspection resources can also put severe strain on the professionalism, independence and impartiality of inspectors.

Policies

205. The ILO Global Strategy on Occupational Safety and Health (2003) and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), together with the accompanying Recommendation, guide the work of member States on safety and health at work in tackling the enormous humanitarian and economic cost of work-related accidents and diseases. Both the Strategy and Convention are based on the principle of promoting a preventative culture and a management systems approach at all levels, including the need for tripartite national commitment and national action established through national programmes. The ratification and implementation of this Convention was overwhelmingly supported by African member States during its adoption. They noted that its promotional and non-prescriptive approach was of vital significance in the region for the improvement of occupational safety and health and the working environment.

206. Occupational safety and health management systems within enterprises must be able to prevent or control all types of hazard at work, from accidents and diseases to specific issues such as asbestos or storage of chemicals. They should take HIV/AIDS into account and address the needs of young workers, as well as gender concerns. ILO Conventions, Recommendations and codes of practice provide an

⁷⁵ R. Loewenson: *Situation analysis and issues in occupational health and safety in the SADC region*, paper prepared for the SADC Employment and Labour Sector meeting, Mauritius, Apr. 1998.

agreed international foundation for laws, regulations and safe work practices. Equally, there must be a framework for the enforcement of national laws and regulations, as well as knowledge and promotional tools to support, coordinate and monitor progress and thereby bring about lasting improvements in safety and health at work.

207. Most African countries have basic laws regarding hours of work and minimum pay. Although many informal employers may follow legal requirements, the effective application of labour laws is largely limited to the formal economy. Improving working conditions requires a combined strategy for modernization of laws, their effective application across all workplaces, including small informal operators, and the improvement of productivity to ensure that unit costs of production are competitive. Reinvigorating African labour inspection services is key to this type of three-pronged drive for better, safer and healthier working conditions.

208. Dialogue and the exchange of experience with constituents using the common framework of ILO standards has proved an invaluable means of assisting member States to review and modernize labour inspection policies, legal frameworks, structures, organization, management and human resources development. Such approaches increasingly emphasize remediation to bring workplace performance up to legal minima before consideration of sanctions for non-compliance. For labour inspection, this process has been systematized through tripartite ILO labour inspection audits. This tool can help ministries of labour in developing clear, coherent, concise and comprehensive policies and strategies for labour inspections to address existing and new challenges in the world of work.

209. The ILO is well placed to assist such national efforts through its support and technical advisory services and the dissemination of information on good practices. The ILO's close collaboration with international networks of labour inspectorates and related networks needs to be maintained and expanded. Systematic continuous training of inspectors, aimed at increasing inspectors' technical competences and negotiating skills, is an essential foundation for an effective and efficient inspection system. There is a clear need to prioritize labour inspection within national budgets to enable the recruitment and training of labour inspectors, improved research and data collection, the provision of office and transport equipment and the extension of cooperation with the social partners. Close cooperation between labour inspectorates, trade unions and employers' organizations can be an important and cost-effective means of strengthening compliance.

Proposed targets

Three-quarters of all African member States develop programmes for the improvement of working conditions, with specific national targets for reducing non-compliance with laws concerning hours of work and minimum pay, the reduction of occupational accidents, diseases and days lost to illness and accidents per worker, and a progressive increase in the number of labour inspectors in relation to workers.

5. Improving governance in the world of work and the labour market

210. Employers, workers and governments are constantly reviewing the many and varied institutions that underlie work organization and the way in which rules for collaborative productive activities are determined and applied. The term “governance” describes the public and private institutions, structures of authority and means of collaboration that coordinate or control activity at work and in the labour market. They embrace informal but often powerful social norms, as well as private contracts, laws and regulations, collective agreements and international standards. They are likely to have an important influence on productivity performance – and by extension economic development, poverty reduction and social cohesion – and thus political stability.

211. The ILO, through its international labour standards, provides a global normative framework for labour market governance and employment and social policies. Many countries in Africa have been guided by these standards when developing their national laws. However, with most of the continent’s women and men and their employers working in the informal economy, the application of labour law in practice is at best patchy. Informal customs, which often entrench the arbitrary exercise of power in work relations while holding back investment and innovation, need to give way to systems in which rights and duties are non-discriminatory, clear, fair and promote development. Sound governance mechanisms, based on international labour standards, effective tripartism and social dialogue, can foster opportunities to earn a decent income and develop enterprises that are respectful of human rights and provide a basis for competing in an increasingly complex and global open market system.

212. Moving from a situation of widespread informality to formal labour market governance mechanisms is thus a vital stage in the development process, holding the key to prospects for decent work. Improving the governance of the world of work and of African labour markets is a central issue of development and one on which the ILO is uniquely well qualified to assist.

5.1. Improved application of international labour standards especially fundamental principles and rights at work

Objectives

Better implementation of ratified Conventions and greater effective respect for fundamental principles and rights at work.

Context

213. Fundamental principles and rights at work constitute a minimum and universally accepted body of international labour law that is consistent with employment generation and decent work and facilitates investment to this end. They also provide a foundation for sound systems of labour relations and the effective application of other international labour standards. They reduce the risk of doing business by creating a level global playing field where the rules of the game are transparent, predictable and well enforced, thus facilitating fair competition.

214. The ILO’s objective of universal ratification of the eight fundamental Conventions is within reach in Africa. However, effective implementation is hampered by many problems, in some cases relating not to an unwillingness on the part of governments to fulfil their obligations, but rather to a lack of capacity. Labour legislation is often not enforced and collective agreements either not applied or not fully observed in the informal economy, which constitutes an overwhelming proportion of economic activity. Natural disasters and environmental, political and economic contexts have also had a damaging effect on governance mechanisms. Nevertheless, African governments, employers’ organizations and trade unions are strongly committed to respect for international labour standards and are leading the way in responding to the huge challenges involved in improving governance of the world of work.

215. Where the tools of the ILO’s supervisory system have identified problems with the implementation of Conventions and national constituents have prioritized points for action, support measures,

including monitoring of progress achieved, can be integrated into DWCPs. The large body of ratifications in Africa makes this tool particularly relevant. However, the challenge of utilizing normative tools calls for greater resources in terms of adequate and qualified national personnel, at the various ministries, but also within employers' and workers' organizations.

Policies

216. At the policy level the strategy should be to incorporate the application of ratified Conventions into national development policies through DWCPs and UNDAF processes. In addition, there is a need to maximize information, advocacy and organizational skills, so that labour standards issues are not confined to one ministry but rather mainstreamed into the workplans of most government agencies and the social partners. That kind of interaction and the transmission of good practices will lead to a coherent and realistic set of measures for decent work with widespread support among national actors. At this level, implementation of labour standards will be directly served in Africa by resources enabling access to ILO standards databases such as APPLIS, ILOLEX and NATLEX.

217. High priority should be given to two areas in particular. One is employment policy and the group of Conventions and Recommendations describing policies for full, productive and freely chosen employment (Conventions Nos. 122, 142, 159, 181; and Recommendations Nos. 169, 189, 195). Another is freedom of association, given the number of countries with cases recently before the ILO's Committee on Freedom of Association

218. In this respect, the progressive extension of the application of international labour standards to effectively cover employment relationships in the informal economy is a major issue in nearly all African countries. National legislation often excludes workers most likely to form part of the informal economy, such as agricultural workers, the self-employed, domestic workers and many others, the most vulnerable of whom are often women. In remedying these exclusions, guidance can be gained from several sources. As the Committee of Experts noted in this context in its 2006 General Survey on labour inspection, the Labour Administration Convention, 1978 (No. 150), calls for the extension of labour administration functions through cooperation with employers and workers and public and private institutions in developing countries. The Employment Relationship Recommendation, 2006 (No. 198), the eight Conventions concerning fundamental rights at work – which apply to all women and men – and the instruments relating to employment policy, provide further guidance.

219. Efforts to achieve full respect for fundamental principles and rights at work can be greatly facilitated when they come within a context of pro-poor growth policies and private sector development and investment. Creation of employment opportunities and decent work creates an environment conducive to ensuring effective application of fundamental principles and rights at work. Institutional changes and policies capable of boosting growth need to be adopted, and should focus on the terms on which the poor access markets, helping them to take advantage of the available opportunities and delivering public goods such as social protection and environmental sustainability, which can also determine the sustainability of growth.

220. The logic of a rights-based approach implies that the transmission of knowledge and capacity on labour standards should also embrace the judicial and legislative branches of government. Familiarity with international labour standards and their incidence on national provisions can lead to realization of ways in which the fundamental principles and rights can affect even workers in the informal economy, and can stimulate creative methods of extending and applying those rights. The training of judges currently under way in a number of African countries, with the support of the Turin Centre, should therefore continue.

221. Parliaments in turn have a role to play in considering new standards adopted by the International Labour Conference, approving ratification of Conventions, enacting labour legislation and debating policies for the implementation of labour standards. The ILO could, within its work at the country level, programme in information and advocacy for members of parliament on labour standards as part of a development strategy in general, but more especially on the issues identified by the ILO and national supervisory processes as they arise under ratified Conventions, and on action which the legislature might take to put forward solutions.

Proposed targets

Ratification of the eight core Conventions by all member States and incorporation into national labour legislation and labour practice of the principles and rights enshrined in these Conventions. A better understanding of and respect for international labour standards on the part of national executives, judiciaries and parliamentarians.

5.2. Africa's children must go to school not work**Objective**

Effective elimination of child labour, with urgent priority given to its worst forms.

Context

222. Africa's commitment to the elimination of child labour is demonstrated by the high ratification rate of the core child labour Conventions. However, there are many under-age children in Africa who are still engaged in work, including the worst forms of child labour. According to *The end of child labour: Within reach*, the 2006 Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work,⁷⁶ although the proportion of children in Africa who work is declining, their number is still on the rise, unlike in any other developing region. Between 2000 and 2004, the incidence of economic activity among 5-14 year olds in sub-Saharan Africa fell from 28.8 to 26.4 per cent, while the number of economically active children in this age range edged up from 48 to 49.3 million. Sub-Saharan Africa is the region with the highest incidence of child labour in the world. Child labour therefore remains a serious challenge to decent work in the region.

223. Child workers are often exploited with little or no pay, long hours of work and no social protection. They are trafficked and forced into armed conflict. They suffer from exposure to activities that pose immediate and long-term dangers to their health and development. Child labour prevents or disrupts children's education, denying them opportunities for acquiring knowledge and developing their potential to compete in the labour market. Moreover, the consequences of child labour go well beyond the infringement of the child's fundamental human rights. Child labour perpetuates a vicious cycle in which poverty is transmitted from one generation to the next. It constitutes a serious impediment to the implementation of strategies for poverty reduction, employment creation and education and training programmes.

224. Underlying the high incidence of child labour in Africa are formidable challenges such as armed conflict, the persistence of widespread and chronic poverty, the large proportion of out-of-school children and the effects of HIV/AIDS. These factors are compounded by rapid population growth and the burden it places on the provision of quality education for all girls and boys, skills development for young people and the generation of decent jobs for a rapidly growing labour force.

225. Children who work, especially those in the worst forms of child labour, are not only exposed to physical and moral dangers, but are also missing out on education, which prejudices their chances of escaping the poverty trap as they grow up. Child labour is a key component of both the informal and formal economies in the region. It constitutes a serious impediment to the implementation of strategies for employment creation and poverty reduction, as well as education and training programmes and the development prospects of the countries of the region.

226. Understanding the above relationships and tackling them in a vigorous and coordinated manner constitutes a critical element of the Decent Work Agenda. This calls for integrated, cross-sectoral approaches in which child labour issues are properly addressed in national development, education and poverty reduction strategies and programmes.⁷⁷ Indeed, as with other decent work deficits, the scale of

⁷⁶ ILO: *The end of child labour: Within reach*, Report I(B), International Labour Conference, 95th Session, Geneva, 2006.

⁷⁷ As noted in the Global Report, decent work can be achieved only if there is equality of opportunity for all individuals from childhood to old age, hence it is vital to ensure that disadvantage and discrimination faced at one stage are not perpetuated at later stages, and that girls and boys are empowered from an early age to make smooth transitions to the next stages of their lives, and ultimately into the labour market, *ibid.*, para. 273.

the child labour problem and the nature of the underlying causes calls for large-scale multi-sectoral approaches involving extended partnerships. These are best pursued by ensuring that child labour concerns are mainstreamed in the national development agenda.

Policies

227. In November 2006, the ILO Governing Body endorsed a global action plan proposed in the Global Report.⁷⁸ The centrepiece of the action plan is the commitment by the ILO and its member States to the elimination of the worst forms of child labour by 2016. To this end, all member States are called upon to design and put in place appropriate time-bound measures by the end of 2008. The global action plan also calls for a special focus on Africa, in view of the slow progress in combating child labour in the region.

228. The design and implementation of time-bound national action plans against child labour as an integral part of broader development programmes are key to addressing this complex problem. A number of African countries such as Ghana, Kenya, Mali and the United Republic of Tanzania have been using the Time-Bound Programme approach⁷⁹ to develop and implement national action plans. The approach involves a range of policy and other measures to target the root causes of child labour and provide direct assistance in preventing the engagement of children in the worst forms of child labour and providing for the withdrawal, rehabilitation and social integration of those already engaged in such activities.⁸⁰ There are also programmes providing for the protection of working children above the legal minimum age from exploitation and work hazards.

229. Child labour policies are also designed to bring law and practice in line with ILO Conventions Nos. 138 and 182. The ILO's reporting and supervisory processes help to identify and prioritize specific national problems that need to be addressed as well as the institutional capacities needed for effective implementation of child labour standards. Policies also need to recognize that close linkages exist between child labour, low levels of income and education, and youth unemployment and underemployment.

230. With regard to Africa, the Global Report highlights in particular the need to:

- enhance the knowledge base on child labour through greater involvement of African research institutes and networks, notably the research units of the social partners;
- make technical assistance available to member States for the development of national child labour policy where it does not exist;
- mainstream child labour concerns within broader policy frameworks such as the MDGs, PRSPs, UNDAF, youth employment national action plans, sectoral policies, etc.;
- emphasize the links between child labour and universal education as an important goal in itself and a crucial pillar of a strategy to eliminate child labour; and
- strengthen capacity for action on various levels by governments, social partners and other major stakeholders.

231. Free and compulsory quality education up to the minimum age for entering employment or work is the most important tool for eliminating child labour. Education programmes and policies in Africa need to take child labour concerns into account. The recently established Global Task Force on Child Labour and Education For All plans to take forward work on the linkage between child labour and educa-

⁷⁸ *ibid.* and ILO: Governing Body doc. GB.297/16(Rev.), 297th Session, Geneva, Nov. 2006.

⁷⁹ See "Time-Bound Programme Manual for Action Planning (TBP MAP)" at <http://www.ilo.org/public/english/standards/ipec/themes/timebound/map.htm>

⁸⁰ Prevention strategies include efforts aimed at strengthening legislation and enforcement, improving educational opportunities and carrying out other enhancements to make the education system accessible and attractive to all boys and girls, raising household income and increasing awareness of the consequences of the worst forms of child labour. Rehabilitation includes, principally, the provision of health and counselling services as well as gender-sensitive educational and skills training opportunities for children withdrawn from child labour. Protection from exploitation and hazardous work involves legislation and enforcement of labour standards and improvements in working conditions.

tion. The Task Force includes as key partners, the ILO, which serves as the secretariat, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the World Bank, Education International and the Global March against Child Labour.

232. DWCPs in Africa should include appropriate policies, backed up with adequate resources from internal sources and from the international community. Such policies could include, for example, facilitating the removal of children from the labour market through technological and other innovations enabling them to be replaced by young people; addressing issues that contribute to school drop-out, including improvements in the relevance of basic and secondary education to the local economy, which would also help to raise the expected private returns generated by education, and hence the demand for education; and providing children, including those removed from child labour, with education and skills training so that they can better compete on the labour market. This requires programmes in basic literacy, non-formal education, skills formation and apprenticeship.

233. Eliminating the worst forms of child labour requires strong political support and concerted action by national and local governments, civil society and the international community. It is essential for key government agencies, the social partners and other civil society organizations to be able to mobilize resources and to formulate and implement interventions in an integrated manner, building on and adding value to existing programmes. The considerable policy and practical work already carried out by a number of African countries needs to be shared within the region.

Proposed target

All African States prepare by 2008 national action plans with time-bound measures for the elimination of the worst forms of child labour by 2016. Such action plans should form an integral part of national development strategies in order to ensure close coordination between education programmes, measures to combat HIV/AIDS and its economic and social impacts, and the implementation of labour laws on the minimum age for employment. They should be supported by the DWCPs.

5.3. Ending forced labour

Objective

Progressive eradication of all forms of forced labour.

Context

234. The ILO's 2005 Global Report, *A Global Alliance against Forced Labour*, drew attention to problems of forced labour and trafficking in Africa. An estimated 660,000 people are in forced labour in sub-Saharan Africa, some 130,000 of them as a result of trafficking. However, in a region where many workers have low incomes, it is often difficult to determine the point at which a generalized breach of labour contracts degenerates into actual forced labour. In some African countries forced labour has occurred in a context of severe political violence, with the collapse of government giving rise to conditions in which forced labour abuses go unchecked. Some countries have to deal with a legacy of slavery, with continued reports of discrimination and forced labour against the descendants of slaves. Forced labour can also be imposed by local authorities, including traditional chiefs.

235. The four-year action plan on forced labour, adopted by the ILO Governing Body in November 2005, calls for a global alliance against forced labour, backed by adequate resources and led by the ILO, with the aim of eliminating all forms of forced labour globally by 2015. Within this approach, it is envisaged that Governments could adopt basic goals and targets for the eradication of forced labour and implementation mechanisms for action on many fronts. While systematic knowledge about forced labour in Africa is still limited, initial surveys and awareness-raising seminars have identified a range of problems, including debt slavery, forced domestic labour, commercial sexual exploitation, forced overtime under

threat of dismissal, compulsory labour for public servants, abuse of prison labour and trafficking in persons. Moreover, there are growing concerns that African women and men recruited for work overseas through inadequate and unregulated systems can be subject to forced labour in the host country.

236. With the legacy of the slave trade, forced labour and slavery-like conditions remain emotive issues throughout Africa. The year 2007 commemorates the 200th anniversary of the abolition of the transatlantic slave trade, through which an estimated 12 million African victims were sold into slavery. This anniversary should be an opportunity for Africa to take serious action against all forms of forced labour and to promote a firm commitment by member States to eradicating all forms of forced labour, as an essential part of the continental Decent Work Agenda.

Policies

237. In recent years a number of countries have strengthened their legislation against forced labour or trafficking. The challenge is now to build the capacity of ILO constituents and other stakeholders to implement the legislation. In most African countries, both labour administration and law enforcement institutions have severe resource limitations, which contribute to poor enforcement of legislation to combat forced labour.

238. African countries need to adopt a regional approach to managing the challenge of trafficking of persons. The experience that has been gained to date will be useful in this regard. The ILO, in collaboration with other international agencies, sponsored the adoption by an inter-ministerial ECOWAS/ECCAS (Economic Community of Central African States) meeting in July 2006 of a multi-lateral cooperation agreement to combat trafficking in persons, especially women and children, in West and Central Africa. This experience points to the feasibility of evolving cooperation across borders and within and beyond the continent.

239. Knowledge and information on the nature and extent of forced labour need to be generated. Survey methods on forced labour can be devised, and research could identify the socio-cultural factors behind forced labour. Building on the experience of IPEC initiatives against child trafficking, advocacy programmes could identify the means by which traditional leadership and religious structures can be harnessed against forced labour and trafficking. The IPEC experience suggests that the following steps need to be taken: to consolidate the knowledge base on forced labour and trafficking; to assist ILO constituents and other key stakeholders to mainstream forced labour and trafficking concerns into PRSPs and legal and social policy frameworks; to begin taking concrete action; and to develop a strategy to combat forced labour and trafficking through integrated pilot schemes, incorporating both prevention of trafficking and the rehabilitation of victims. Better knowledge of the nature and extent of the problem has facilitated the drafting of new legislation against trafficking and enhanced the capacity of labour, law enforcement and consular officials to prevent and combat trafficking. At the local level, it has provided a catalyst for community-based action to raise awareness of the risks of migration, monitor recruitment practices and provide skills training opportunities and self-employment to vulnerable groups and returned victims of trafficking.

240. Operational projects may address the trafficking cycle in both origin and destination countries (and sender and destination regions within the African countries), linking anti-trafficking activities to poverty reduction strategies and deriving lessons for law and policy advice from community-based interventions. Experience so far suggests that success is more likely if national action plans are accompanied by awareness-raising campaigns, including community radio broadcasts and field-based programmes in pilot regions with a significant population of slave descent. A key feature has been the involvement of traditional chiefs. This experience provides a good basis for policy formulation drawing on these experiences.

Proposed target

All African States adopt national action plans to eradicate all forms of forced labour by 2015 as part of DWCPs and their development plan.

5.4. *Non-discrimination and equality at work*

Objective

Effective policies to overcome discrimination in employment and the labour market, including the progressive eradication of inequality between men and women in the world of work.

Context

241. Discrimination in employment and occupation takes many forms and occurs in all kinds of work settings. However, all discrimination shares a common feature. It entails treating people differently because of certain characteristics, such as race, colour or sex, resulting in the impairment of equality of opportunity and treatment. In other words, discrimination results in and reinforces inequalities. The freedom of human beings to develop their capabilities and to choose and pursue their professional and personal aspirations is restricted, without regard for ability. Skills and competencies cannot be developed, rewards to work are denied and a sense of humiliation, frustration and powerlessness takes over.

242. Society at large is also profoundly affected. The waste of human talent and resources has a detrimental effect on productivity, competitiveness and the economy; socio-economic inequalities are widened, social cohesion and solidarity are eroded and political stability comes under threat. The elimination of discrimination at work underpins the concept of decent work for all women and men, which is founded on the notion of equal opportunities for all those who work or seek work and a living, whether as labourers, employers or self-employed, in the formal or the informal economy. The elimination of discrimination is an indispensable part of African strategies for poverty reduction and sustainable economic development.

243. One of the targets of the MDGs is an increased share of women in wage employment in the non-agricultural sector as an indicator of gender equality and women's empowerment. Gender inequality is pervasive and invariably impacts most severely on women who are poor. Women earn less and are more likely to be confined to low-paid and low-skilled jobs, and to be trapped in the informal economy. Women turn to informal economy employment, partly because with the lack of state or market supports or policies for childcare, leave provisions and working time, there are few alternatives; informal economy jobs allow women to combine the need for employment with the unpaid family responsibilities allotted to them, but come at the cost of lower income, poor working conditions and little or no social protection. Women's disadvantages in employment also stem from discrimination. For example, as indicated earlier, several African countries still have legislation on equal remuneration that does not refer to "work of equal value", but only to "similar" or "identical" work. In some cases provisions on equal remuneration only refer to the basic wage, therefore allowing for discrimination as regards the flexible part of the remuneration.

244. Gender is a crucial factor differentiating working hours among workers. Although women are increasingly engaged in the paid workforce, their availability for paid work is significantly constrained by the time they are obliged to devote to domestic responsibilities, not only childcare, but also other tasks. For example, in the African context, basic tasks such as collecting clean water and cooking fuel can be very time-consuming, whilst time for caring is becoming ever more significant. These temporal constraints manifest themselves in a dramatic imbalance between the sexes in paid working hours: average weekly hours of paid work for employed men exceed those of employed women in almost every country.⁸¹ Shorter hours are also prevalent among women in informal self-employment. As a result, not only are women unable to take full advantage of available economic opportunities, but women's "time poverty" can act as a constraint on the development process in a broader sense.⁸²

245. In addition, a complex set of interrelated factors, including the division of labour by sex and age, which allots household and social reproductive tasks to women, the availability or not of household water, the labour resources of the household, the availability, adequacy and affordability of childcare services and the proximity of schools and health facilities, affect the extent to which girls and women have access to education, health services, training and skills opportunities, and employment. The HIV

⁸¹ S. Lee, D. McCann and J. Messenger: *Working Time Around the World* (Routledge and ILO, 2007), forthcoming.

⁸² M. Blackden and Q. Wodon (eds) 2006: *Gender, time use, and poverty in sub-Saharan Africa*, World Bank Working Paper No. 73 (Washington, DC, World Bank, 2006).

epidemic has further increased the burden of women in the care economy, where national expenditure on health has declined, with primary responsibility for looking after AIDS patients and taking care of orphans falling to families, and specifically to women and girls.

246. Despite wide ratification in Africa of both Conventions Nos. 100 and 111, inequalities between men and women persist. This shows that problems of discrimination on the grounds of gender continue to exist. In addition to gender, the level and scope of employment opportunities and available income are affected by race, colour, religion, political opinion, national extraction and social origin, as defined in ILO instruments, as well as other factors such as age, trade union activism and HIV status.

247. A growing concern is discrimination against people with disabilities. There are around 70 million people with disabilities in Africa, most of whom have no opportunity to work. Women with disabilities face even greater obstacles, including violence. There is evidence that women with disabilities are subject to increased risk of physical and sexual abuse. Furthermore, the greater their disability, the higher the risk. A study carried out in 2004 showed that 87.4 per cent of girls with disabilities had been sexually abused in Zimbabwe and among them, 52.4 per cent tested HIV positive. The situation was similar in Botswana and Namibia.⁸³

248. Discrimination and hostility towards migrant workers constitutes a source of tension, undermining social cohesion in countries across the region. Discriminatory treatment of foreign workers is one factor impeding implementation of labour circulation protocols in the RECs, since it undermines the equality of treatment necessary for efficient labour markets and hence successful integration.

249. Discrimination based on race and ethnicity also remains significant. Indigenous people such as hunter-gatherers and pastoralist communities are particularly vulnerable to discrimination and often constitute a considerable part of the population in Africa. Child labour and bonded labour are often more prevalent and persistent among the indigenous than other groups (e.g. the “Pygmy” in Cameroon).

Policies

250. The starting point for any policy to tackle discrimination is the right to equality of opportunity and treatment in respect of employment and occupation. These need not only to be embedded in national legislation but must also become part of the labour culture. The key to the success of promoting equality in the labour market is therefore the active involvement of the social partners. Discrimination should be addressed by strengthening the capacity of employers’ and workers’ organizations, particularly when it comes to monitoring recruitment, remuneration and promotion practices.

251. While all forms of discrimination are abhorrent and the most vulnerable groups in society often suffer from multiple forms of discrimination, combating gender inequality is a high priority in most African countries, not least because it would release the often-suppressed capabilities of Africa’s women. The returns yielded by promoting gender equality and equity in Africa are manifold and require a comprehensive approach aimed at changing development thinking, attitudes and practices, so as to address the underlying causes or the obstacles to achieving gender equality. This involves creating the same opportunities for men and women to assert and enjoy their basic human rights at all levels. The broader benefits of gender equality, including the positive impact it can have on poverty reduction and HIV prevention, must also be made clear.

252. Workplaces and the labour market are central to overcoming gender and other forms of discrimination. Policy interventions should make use of good practices in mainstreaming gender and building capacity. For example, experience and knowledge can be drawn from the implementation of the ILO’s Gender, Poverty and Employment Programme, which seeks to increase awareness of the linkages between poverty and the elimination of gender-based discrimination at work. By building a knowledge base, promoting dialogue and consensus-building among the social partners and other stakeholders, and imparting training, this type of approach can play an effective role in terms of integrating gender analysis into national poverty reduction strategies.

253. In efforts to promote gender equality and equity in Africa, cognizance must be taken of the dual legal systems operating within the region. As a consequence of colonial rule in Africa, national law

⁸³ J. Mudereredzi: *Coping behaviours of families of pre-school children with disabilities: A cultural perspective from Zimbabwe* (Save the Children Norway, Dec. 2004).

embraces both conventional and customary laws and practices. These laws need to be reviewed and scrutinized to make sure that they promote participation of women in the labour market.

254. Taking into account that in Africa, women are responsible for the production of 80 per cent of food, it is also important to ensure that strategies to increase agricultural production, such as improving access to credit, agricultural inputs and tools, extension services and assistance in marketing, are gender-sensitive.

255. Policies to promote gender equality and equity must not only aim at legal equality of opportunity and treatment in access to employment, but also promote legal literacy to inform and train women on their rights at work. Other issues that need to be taken into account include occupational sex segregation, childcare and other services for women workers with family responsibilities.

256. Enhancing the demand for female labour is another strategy that could be promoted in Africa. Policy actions should be taken to advocate the promotion of equal opportunity policies for employment in the public sector and to ensure gender balance in the hiring of workers in direct wage employment creation schemes. The AU decision to have complete parity among its staff is a noteworthy example in this context. Employers' organizations can also play an important role by promoting and supporting female entrepreneurship, while workers' organizations can help promote equal opportunity policies in the workplace. The Women's Entrepreneurship Development and Gender Equality (WEDGE) programme held a workshop in Lusaka, Zambia with 14 African Employers' organizations in May 2006, at which each developed plans of action for promoting women's entrepreneurship. WEDGE has also developed guidance to assist employers' organizations in advancing women's entrepreneurship.

Proposed targets

All African States will have anti-discrimination legislation in place and will have adopted policies to promote equality of opportunity and treatment in respect of employment and occupation. An increase by 10 per cent in the labour market participation rate of women and a 25 per cent reduction in wage differentials.

5.5. Freedom of association and collective bargaining

Objective

Greater freedom of association and wider coverage of organization and collective bargaining.

Context

257. Sound industrial relations are a basic building block of economic and social progress. To be effective they must be based on an understanding of and respect for the principles and rights of freedom of association and collective bargaining, as well as a willingness by the partners to engage in positive dialogue. The main objective for dialogue and negotiations is for employers' and workers' organizations to establish effective measures to encourage dispute settlement and adaptation to structural changes in the economy.

258. Efforts are required to ensure that appropriate legislation on freedom to join a trade union, on collective bargaining and on industrial relations applies to all employers and workers, subject to the exceptions specified in Conventions Nos. 87 and 98. Solutions must also be sought to the legal and practical problems of collective bargaining in the public sector. In addition, administrative rules and regulations must not be restrictive or impede the practical application of legislation.

259. Often, the absence of sufficient legislative guarantees for judicial and administrative monitoring hinders the exercise of freedom of association. Violations of trade union rights still abound in Africa. In its 2006 annual survey of violations of trade union rights, the International Confederation of Free Trade Unions (ICFTU) reveals an intensification in the violent repression of workers' rights in Africa.⁸⁴ Among

⁸⁴ ICFTU: *Annual survey of violations of trade union rights*, 2006, available at <http://www.icftu.org/survey2006.asp?language=EN>.

the most striking manifestations of repression was the failure of most governments to respect the rights of their own employees, the right to organize, to strike or bargain collectively. The excessive restrictions on the right to strike, both in the public and private sectors, pushed workers outside the law when taking collective action to defend their interests.

260. Where collective bargaining is fully developed, it has three important roles. First, where the provisions of a collective agreement are considered binding, collective bargaining is essential to determining working conditions in conjunction with labour legislation, and becomes the main mechanism by which minimum wages, wage increases and working conditions are established. Second, bargaining entails the democratization of the decision-making process, as decisions are made by agreement between all the parties, rather than unilaterally by the employer or the public authorities. Finally, collective bargaining provides an effective mechanism for settling disputes between workers and employers (as well as between them and the government) and for regulating labour relations. Collective bargaining thus contributes to the stability and industrial peace that helps attract investment and can address social problems more generally, for instance by integrating provisions on HIV/AIDS in collective agreements.

Policies

261. In recent years, Africa has seen a weakening of collective bargaining as a mechanism for regulating labour conditions at all levels. To counteract this regrettable trend and realize the potential of collective bargaining, governments should, where necessary, create and strengthen the framework and environment in which collective bargaining can develop. This can be done by laying down procedures for the recognition of unions and the obligation for parties to bargain in good faith, creating administrative mechanisms that support bargaining, prohibiting certain practices that hinder bargaining and setting out measures aimed at giving the parties access to the information they need to bargain effectively.

262. To effectively apply the principles of freedom of association and collective bargaining, a number of measures will need to be taken. In many countries in the region, in spite of almost universal ratification of Conventions Nos. 87 and 98, national legislation still needs to be brought into line with the Conventions, following the guidance provided by the ILO's supervisory bodies. Legislation should cover all workers and provide measures to further the promotion and application of the principles to workers outside the formal economy, including rural and domestic workers.

263. It is also necessary to improve the administrative and judicial provisions that guarantee effective and speedy complaints and appeals procedures to protect the rights of freedom of association and collective bargaining.

264. In addition to legislative and administrative measures, governments, employers' and workers' organization should undertake information and awareness-raising campaigns to ensure that all workers and employers are aware of their respective rights.

Proposed target

All countries in the region adopt legislation to guarantee the rights to freedom of association and collective bargaining through effective and speedy administrative and judicial appeals and procedures.

5.6. Promoting effective tripartism and social dialogue, including strengthening the capacity of ILO constituents to promote decent work

Objectives

Strengthened tripartite institutions and more effective social dialogue at national and regional levels capable of ensuring that the Decent Work Agenda for African development is fully articulated and included in national development strategies for the achievement of the MDGs.

Context

265. Constructive social dialogue is based on respect for democratic principles, workers' rights, and the independence of employers' and workers' organizations. The legal framework is thus founded on the principles of freedom of association and the right to collective bargaining and reinforced by ratification and effective implementation of the Labour Administration Convention, 1978 (No. 150), the Labour Relations (Public Service) Convention, 1978 (No. 151), the Workers' Representatives Convention, 1971 (No. 135), the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), and the Collective Bargaining Convention, 1981 (No. 154). Although almost all countries in Africa have ratified the fundamental Conventions, full implementation has not yet been achieved. In some countries, large groups of workers, in particular public service employees and agricultural workers, are denied the right to meet and organize (in many cases by law). This exclusion of such a large proportion of workers has contributed to narrowing down the coverage of social dialogue.

266. Social dialogue can play an important role in achieving consensus on a socially inclusive development strategy that aims at increasing decent jobs and upgrading the informal economy. Designing and implementing employment-friendly poverty reduction strategies should involve strong tripartite social partnership. Social dialogue can help secure the commitment of the social partners to certain policies and institutional reforms, and to moderate wage increases linked to income tax reductions targeted at low- and middle-income earners.

267. As a result of human and technical capacity constraints and the absence of strong tripartite institutions, ILO constituents in many countries in Africa have not been able to participate in the formulation, implementation and evaluation of national development frameworks and PRSPs. In some cases they have been left out altogether, or in instances where the opportunity has arisen for them to contribute, they have not been able to do so to the full extent. At the same time they have enthusiastically embraced DWCPs. This has helped to focus their attention on manageable and achievable priorities. Strengthening the capacity of ILO constituents is critical to ensure that decent work becomes an integral part of national and regional agendas. This will enable them to influence policy and to put decent work at the centre of national development.

268. Labour administrations and other labour market institutions that could play a key role in promoting decent work, particularly in terms of ensuring respect for fundamental rights and improving working conditions such as employment services and labour inspection services, are generally weak. In many cases, their role is partially taken over by private employment agencies and private inspection schemes for those who can afford to pay fees.

269. Social dialogue promotes decent work for men and women and can ensure the elimination of gender-based inequities. Efforts therefore need to be made to improve the participation and representation of women in the social dialogue process. It is also important to include issues such as sex discrimination, equal pay, work and family responsibilities including childcare, working-time arrangements and sexual harassment on the social dialogue agenda.

270. Employers' and workers' organizations in the region are facing huge challenges as a result of globalization, on the one hand, and an expanding informal economy, on the other. They need to be prepared to deal with the consequences of developments such as privatization, liberalization, enterprise restructuring and global supply chain management if they are to maintain their relevance in a rapidly changing environment. One of the challenges for membership-based employers' and workers' organizations is the appearance of charity-funded civil society organizations that also address labour issues. While such organizations may provide valuable services, they cannot represent workers' and employers' views independently, particularly with regard to structures and accountability. This new political environment heightens the importance of reversing the decline in the membership of workers' and employers' organizations, and achieving greater unity.

271. The strengthening of dispute settlement systems is another area that is critical to ensure harmonious industrial relations and workplace justice. With the introduction of alternative dispute resolution systems in some countries, dispute settlement has become less formal and more removed from the control of government, particularly in anglophone States. While perhaps more easily accessible, constituents are not necessarily prepared to effectively use the new systems.

272. Until now social dialogue in most countries in Africa has focused mainly on workplace concerns rather than trying to influence national economic and development policies. In some West African countries however, tripartite national agreements have led to the creation of new social dialogue institutions that should be able to play a more active role in this respect. Suitable mechanisms for consultation and dialogue are also in the process of being created within the framework of some RECs (e.g. CAEMC, CEPGL, SADC and UEMOA), in order to give voice to social concerns in their integration agendas. Efforts are further under way to include the social partners in national HIV/AIDS bodies, including the country-level mechanisms of the Global Fund to Fight AIDS, Tuberculosis and Malaria, and to strengthen their capacity to participate.

Policies

273. The promotion of social dialogue in Africa calls for policy measures geared to setting up new tripartite or bipartite social dialogue institutions where they do not exist and reinforcing existing ones. This in turn calls for strategies to improve the effectiveness and substantive outcomes of labour market institutions, such as mechanisms for social dialogue, labour administration and labour inspection services. Three closely linked policy areas are crucial for promoting social dialogue and good social and economic governance in Africa: effective participation through social dialogue, an equitable legal framework and stronger labour administration.

274. Tripartism and social dialogue should be promoted not only in the traditional context of industrial relations, but also by setting up socio-economic councils or similar mechanisms that can discuss and advise on broader social issues and promote inter-ministerial cooperation on issues that go beyond the competence of labour ministries. The focus should be on promoting democratic governance in the labour market and strengthening the capacity of employers' and workers' organizations, as well as of ministries of labour, to use social dialogue to shape sound labour and social policies to underpin economic progress.

275. To secure effective participation of the social partners in socio-economic policy-making, it is important to have well-functioning social dialogue mechanisms at all levels (national, sectoral and local) and well-informed representative social partners. It is also essential that labour administrations function well so as to assert more firmly their important role as facilitators of social dialogue and promoters of decent and productive employment. One of their major tasks is to guarantee good socio-economic governance. This can only be achieved in the context of an appropriate legal framework (laws and collective agreements) and effective enforcement mechanisms (labour inspection, labour courts and alternative dispute resolution mechanisms).

276. Operationalizing the Decent Work Agenda in Africa entails placing decent work at the centre of national economic and social policies, as well as of international policies, including poverty reduction strategies, to define a clear new direction. The challenge is how to achieve decent work in reality, and particularly at the national level; how to effectively advocate, operationalize and prioritize the components of the Decent Work Agenda in specific national circumstances. The ILO's continued provision of policy advice and capacity building to government authorities and workers' and employers' organizations is key to the Agenda's success.

277. Employers' and workers' organizations must be fully supported to adopt strategic planning methods to enable them to make their activities more coherent and bring consistency to their contributions to national policy formulation. Their involvement in the development of DWCPs and the resulting lessons learned should be exploited for this purpose. The involvement of employers' and workers' organizations in the formulation of national development frameworks will not only help them gain confidence and experience, but more importantly, it will ensure that national policies will increasingly address decent work deficits. Similarly, if the Decent Work Agenda is to become part of national development agendas, ministries of labour will need to play a more active role in identifying decent work deficits. This requires the strengthening of labour administration institutions such as employment services, labour inspectorates and the agencies responsible for gathering labour market information.

Proposed targets

Tripartite social dialogue institutions are established and operating in all African States and RECs. New or existing mechanisms for tripartite social dialogue are fully utilized by governments in the preparation and implementation of national development strategies.

5.7. Integrated approaches to upgrading the informal economy

Objective

Progressive formalization of enterprises and protection of workers in the informal economy.

Context

278. Poverty reduction through growth and employment requires a specific focus on the informal economy. Informal employment accounts for some 70 per cent of non-agricultural employment in sub-Saharan Africa. If South Africa is excluded, this figure rises to 78 per cent. In North Africa 48 per cent of non-agricultural employment is informal.

279. Women are particularly prominent in the informal economy, in large part because gender discrimination prevents them from finding formal jobs. In sub-Saharan Africa 84 per cent of female non-agricultural workers are informally employed, compared with 63 per cent for their male counterparts.⁸⁵

280. The informal economy consists of many different economic activities, including home-based work, street vendors, entrepreneurs who employ other workers, self-employed and casual workers whose work is seasonal or who work in outsourced industries covering both self-employment in informal enterprises and wage employment in informal jobs. In Africa, more than in any other region, self-employment comprises a greater share of informal employment (outside of agriculture) than wage employment.

281. Most informal workers, both self-employed and wage earners, are deprived of secure work, workers' benefits, social protection and representation or voice. As a result of these and other factors, there is a significant, but not complete, overlap between working informally and being poor.

282. While some enterprises in the informal economy offer reasonable livelihoods and incomes, too many people engaged in informal activities are faced with insecure incomes, often bordering on the poverty level, and work under extremely poor working conditions with very little capital and rudimentary technology. Furthermore, they tend to have little or no access to formal mechanisms, such as insurance, pensions and social assistance, for coping with risks. This is particularly important for workers affected by HIV/AIDS who have an even greater need for a regular and reliable source of income to maintain a healthy diet and pay for their health care.

283. The low level of social protection coverage in African countries is a weakness of long standing, especially in countries where a large portion of the population works in subsistence agriculture. However, the difficulties of coping with the problem have considerably increased over the past few years on account of the rapid growth of the urban workforce active in the informal economy.

284. Informal economy workers are not covered by social protection for a variety of reasons. One problem is that many cannot afford to contribute a relatively high percentage of their often low and irregular incomes to financing social protection benefits, and are unwilling to do so when these benefits do not meet their priority needs. Their most immediate priority is health care. They feel less need for pensions, as for many of them old age appears very remote and the idea of retirement perhaps unreal. Unfamiliarity with social protection schemes and distrust of public institutions add to their reluctance to contribute.

285. In view of the increasing informalization of the economy, governments and civil society organizations in Africa have taken specific initiatives to provide workers in the informal economy with more affordable access to medical benefits and health-care services. In a few middle-income countries, these initiatives have led to a significant increase in social protection coverage. However, in low-income countries, despite some progress realized through microinsurance and other community-based schemes, actual coverage remains low. Progress is seriously inhibited by financial, institutional and organizational limitations. Knowledge about effective and equitable approaches to extending health-care coverage in these countries is still limited. This is even more apparent in the case of social protection measures aimed at providing income security.

⁸⁵ ECA: *Economic Report on Africa 2005: Meeting the Challenges of Unemployment and Poverty in Africa* (Addis Ababa).

Policies

286. Upgrading the informal economy calls for an integrated approach to employment as highlighted at the Ouagadougou Summit. Such an integrated approach needs to address in a comprehensive fashion:

- enterprise upgrading;
- skills development;
- the extension of social protection; and
- the encouragement of organizing.

287. The *enterprise upgrading* policies required include promoting a greater awareness of the benefits and protection that come with formalization but are otherwise broadly the same as those set out in the previous section on job creation through enterprise development. They include: the creation of an enabling policy and regulatory environment that reduces, both at national and local levels, the barriers to formalization while protecting workers' rights; a particular focus on women entrepreneurs; fostering linkages between enterprises in value chains and clusters so as to improve market access and presence; and business development services. In this context, policies that encourage informal enterprises to join together in production conglomerates or cooperatives are particularly important.

288. Small-scale productive initiatives in the informal economy and within sectors and sub-sectors can play a key role in the local development process. Initiatives by LED forums to improve the performance of informal economy operators, through activities such as training in business development services, new opportunities created through public-private partnerships, capacity building, provision of urban services, linkage with larger enterprises, networking and provision of financial services are particularly effective. Local and regional strategies, with a particular focus on non-farm rural employment, need to be developed. The ILO's WEDGE programme, in partnership with the African Development Bank, has developed a research methodology to investigate the particular barriers facing Growth Oriented Women Entrepreneurs (GOWEs) and make recommendations for reform. Thus far it has been applied in Cameroon, Ethiopia, Kenya, the United Republic of Tanzania and Uganda.

289. In addition to enterprise upgrading policies, attention needs to be given to *improving the skills of informal economy workers*. The vast majority of those working in informal employment, including people with disabilities, have a low level of education and have received little or no training. Most of them have acquired their skills through self-learning, on-the-job training or apprenticeship training in small, informal workshops. Skills development for informal economy workers can support technological change, brings improvements in occupational safety and health and facilitates diversification into more productive activities. Skills development of informal economy workers may also be combined with legal literacy and awareness-raising on rights.

290. There are a number of possible approaches to *extending social security* coverage to informal economy workers as already discussed in section 5.1. One approach is to extend statutory social insurance coverage. At present, social insurance schemes, if they exist at all, cover only limited sections of the labour force in the formal economy. Extension efforts – bringing in smaller enterprises or including new categories of workers such as the self-employed – have so far not reached many workers, with the exception of a few countries, notably Tunisia. Small enterprises may present additional problems given their sometimes rudimentary accounts and arrangements for paying workers, and difficulty in complying fully with laws and regulations. Self-employed workers are usually unwilling, and frequently unable, to pay the combined worker and employer contribution. Special schemes for the self-employed tend to have more success when the government is willing to subsidize part of the premium. Despite the relatively slow progress, efforts to improve governance and coverage of statutory social insurance should be pursued. Experience worldwide, including in Africa, shows that the extension of coverage to certain categories of informal workers is feasible and that efficient and reliable statutory social security schemes constitute an incentive for formalization.

291. During the last two decades, microinsurance and non-contributory, tax-financed social assistance schemes have gained importance worldwide. At the same time, they have experienced a considerable transformation, indicating an increasing willingness to go beyond their traditional role, to emphasize stronger, multiple and positive linkages with labour market policies and to aim at fostering social inclusion and human development. Experience in Africa with microinsurance schemes and, to a lesser extent, tax-financed social assistance schemes, are limited but promising, and are gaining considerable interest

from governments and international agencies (see also section 5.1). While in most developed countries social assistance plays the role of the residual social protection instrument, in countries with a majority of people outside the formal economy, non-contributory, tax-financed social transfers have to play a prominent role in providing income security, and may also play an important role as the “entry point” for access to the formal labour market and the more developed forms of social security associated with it.

292. It is also important to develop strategies and approaches that integrate the two dimensions of prevention and protection, including occupational risk prevention, improvement of working conditions, income security and access to health care adapted to the special needs of groups, especially women, in the informal economy. Approaches that link and combine social protection measures with employment creation, organizing workers and employers and promoting rights at work are also possible. In particular, the capacity of workers and employers to organize is a key element in the move away from informality. Experience shows that social protection is a strong incentive for organization-building and the promotion of social dialogue.

293. *Organizing those working in the informal economy* is one of the greatest challenges confronting policy-makers. Through collective and cooperative action, informal enterprises and their workers can improve their access to technology, skills, resources, market, credit and saving services, as well as to various forms of social protection. Furthermore, when informal economy self-help groups are linked with mainstream advocacy organizations, particularly workers’ organizations, they can participate more effectively in policy formulation processes at the national and local levels. The experience of the ILO’s SYNDICOOP programme in East Africa has demonstrated that trade unions and cooperatives have much to offer each other and are natural partners to provide needed services and support strategies to informal economy workers.⁸⁶ Established employers’ organizations and trade unions have important roles in encouraging the organizing of informal operators of all types.

294. Overcoming gender inequalities and imbalances in accessing support and resources for enterprise development among women in the informal economy is a priority. This can be done by encouraging and facilitating the formation of women entrepreneurs’ associations and greater participation of women in existing mainstream business organizations such as employers’ organizations, and also by developing specific training tools for women entrepreneurs and service providers.

295. Finally, there is scope for reaching out to some of the most vulnerable and often forgotten participants in the labour market: the indigenous and tribal peoples that are struggling with decent work deficits in both rural and urban areas, and mostly in the informal economy. Cases documenting the involvement of these peoples in the informal economy seem to suggest a wide spectrum of vulnerabilities, including discrimination in their access to employment, hazardous working conditions, inappropriate contracting arrangements and discrimination towards their traditional forms of occupations and livelihoods, such as shifting cultivation, pastoralism, hunting and gathering, and forest dwelling. Culturally-sensitive economic and social protection measures are necessary to protect them.

Proposed target

Three-quarters of all African States adopt strategies to upgrade the informal economy and extend protection to informal economy workers. Such strategies should integrate, among other things, policies for the increased registration of informal businesses, skills development, improved and safer working conditions, the extension of social protection coverage and the encouragement of free associations of informal economy operators.

⁸⁶ S. Smith: *Let’s organize! A SYNDICOOP handbook for trade unions and cooperatives about organizing workers in the informal economy* (Geneva, ILO, International Co-operative Alliance (ICA), International Confederation of Free Trade Unions (ICFTU), 2006).

5.8. Governance of labour migration

Objective

A rights-based approach to governance of international migration within and from Africa.

Context

296. The lack of decent work opportunities and widening disparities between job creation, employment rates and increases in numbers of jobseekers joining labour markets are heightening migration pressures in many African countries. Armed conflicts, situations of mass violations of human rights and natural disasters also continue to trigger out-migration in certain situations.

297. It is estimated that more than 20 million Africans live outside their countries of birth or citizenship, most in other African countries, but also in large numbers in Europe. Men continue to represent the larger portion of African migrants, but the proportion of women migrating continues to grow. With the increased flow of migrant workers to Europe over the last few years, in addition to being source countries, North African countries also became transition countries for migrant workers from sub-Saharan Africa. With the controls put in place by the EU, these countries are now de facto becoming countries of destination for many migrants from sub-Saharan countries.

298. In view of the absence of coherent policies to harness the development potential of migration, combined with concerns over increased irregular migration, including from Africa to Europe, two ministerial-level European/African conferences held in 2006 (in Rabat and Tripoli) adopted declarations and plans of action focusing on linkages between migration and development. These instruments contained calls to address the lack of employment through better-targeted development policies; support regional economic cooperation and integration as an effective means of ensuring economic growth; improve the protection of migrant rights and dignity; reduce the costs of remittance transfers; develop knowledge and know-how; establish partnerships between African and European institutions; and expand access to regular migration, among other elements.

299. While low- or semi-skilled non-professional occupations predominate, there are also significant numbers of skilled workers and professionals among migrant Africans. In the face of enormous deficits in human capital, low investments in basic education and rising mortality rates among the working-age population due to HIV/AIDS, such human resource losses due to migration represent a severe obstacle to economic and social development.⁸⁷ In particular, health care has been devastated in many African countries by the mass departure of skilled medical personnel. As the World Health Organization (WHO) points out, Africa represents 25 per cent of the global disease burden, but now has only 3 per cent of the world's health workforce.⁸⁸

300. Migration in and from Africa is increasingly perceived as a key challenge to development, social welfare and integration across the region. Migrant workers and professionals contribute essential skills, labour and initiative to host societies and economies. Migrant remittances represent a major source of foreign exchange for a number of African countries. They are generally spent on housing, nutrition, health care and education, expenditures presumed to contribute to enhancing the human capital of beneficiary families and communities. Returning migrants bring new skills, knowledge, capital and experience back home.

301. Several regional integration processes in Africa, namely in Central Africa (CAEMC), East Africa (the East African Community), Southern Africa (SADC) and West Africa (ECOWAS), have explicitly recognized that establishing or enhancing mechanisms of labour mobility is now key to advancing economic integration by assuring that labour and skills are available when and where needed within these

⁸⁷ For a discussion of the range of issues associated with loss of human resources through emigration, see ILO: *Towards a fair deal for migrant workers in the globalized economy*, Report VI, International Labour Conference, 92nd Session, Geneva, 2004.

⁸⁸ WHO: *World Health Statistics 2006* (Geneva).

economic spaces. These processes have explicitly recognized that freer mobility of labour among participating countries has become imperative to accompany the liberalization of capital, trade and services flows in order to assure economic growth and development in the global economy.

302. Since 2002, the ILO has convened tripartite consultations on labour migration in most of Africa.⁸⁹ These consultations have generated a convergence of views on labour migration issues and challenges, and formulated specific and sometimes detailed recommendations or “road maps” for tripartite cooperation and action on the effective regulation and administration of labour migration, with emphasis on ensuring the protection of migrant workers and enhancing the contributions of labour migration to development and integration.

303. The AU Strategic Framework for a Migration Policy for Africa was adopted at the Seventh Ordinary Session of the Assembly of African Union Heads of State and Government (Banjul, 2006) as a basic guideline to assist member States and RECs in developing national and regional migration policies. The ILO and its constituents contributed significantly to the elaboration of this comprehensive approach to regulating migration, which includes emphasis on labour migration. The Joint Africa-EU Declaration on Migration and Development was recently adopted in Tripoli at the end of the EU-Africa Ministerial Conference on Migration and Development.

Policies

304. A clear policy and action agenda is emerging regarding what African countries could do to effectively regulate labour migration. Its main features reflect the resolution and conclusions on a fair deal for migrant workers in a global economy adopted by the 92nd Session of the International Labour Conference in June 2004. The implementation of the principles, guidelines and good practice models comprising the non-binding ILO Multilateral Framework on Labour Migration offers a comprehensive approach to establishing national and regional policies, structures, mechanisms and practices to effectively govern labour migration in Africa. This multilateral framework is recognized as a key tool for formulating and reviewing effective migration policy by country and regionally. Governments in the region, social partner organizations, and concerned regional bodies should support dissemination of this framework and, where possible, incorporate the guidelines into their own migration policy and practice.

305. Improved knowledge and the production of statistics on migrant workers, and the application of this knowledge to policy formulation, implementation and evaluation are essential. Consolidating a rights-based legal foundation for migration policy and practice in national legislation and regional instruments is another priority. In Africa, 26 countries have ratified or signed one or more of the three core international instruments: the Migration for Employment Convention (Revised), 1949, the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), and the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. However, as labour migration affects all African countries, the adoption of these instruments by all African countries would ensure the foundation for a consistent regional approach assuring both protection of the migrants themselves and cooperation among the States concerned. The adoption and effective implementation of these standards across Africa will require concerted promotional efforts, based on strategic alliances among stakeholders, particularly social partner organizations and civil society allies.

306. Increasing the involvement of social partner stakeholders in migration policy and its implementation is imperative. Existing social dialogue mechanisms on migration must be strengthened in the dozen or so countries where they have been established and similar mechanisms should be developed in other African countries where migration is a substantial concern. The setting up of a regional consulta-

⁸⁹ ILO Tripartite Forum on Labour Migration in Southern Africa, Pretoria, Nov. 2002; ILO Tripartite Seminar on Labour Migration for Central Africa, Douala, Cameroon, Mar. 2003; Labour Migration for Integration and Development: Launch and Stakeholder Meeting, Arusha, Dec. 2004; Tripartite seminar in the Maghreb region on labour migration, Algiers, Apr. 2005; ILO Ministerial Symposium and Tripartite Subregional Capacity Building Seminar, Dakar, July 2005; Africa-Europe Dialogue on Labour Migration for Integration and Development, Brussels, Apr. 2006; Inter-regional Tripartite Seminar on Migration Flows between sub-Saharan Africa, Maghreb and Europe, Rabat, Apr. 2006.

tive mechanism or working party would be timely and useful to accompany governments and regional bodies in advancing policies and formulating clear recommendations.

307. Further efforts are required to complete or update, and effectively implement legal labour mobility regimes in regional integration initiatives by harmonizing relevant aspects of labour codes, migration regulations, social security provisions and other legislation. It is also necessary to establish links and coherence among these distinct initiatives given growing migration between African regions.

308. International migration is a feature of contemporary development. However, the treatment accorded to migrants often leads to discrimination and social exclusion. Avoiding this requires establishing explicit legislation, policy and administrative measures.

309. To ensure that migration benefits development, efforts are necessary to minimize or compensate for brain drain, enhance skills and knowledge acquisition opportunities for migrants, facilitate enterprise creation by migrants, obtain safe and inexpensive channels for remittances, promote productive and employment-producing investments of remittances, and mobilize diasporas abroad for home country development. Since much migration in and from Africa reflects decent work deficits, wider efforts must be targeted at employment creation, job-intensive capital investment, and fair trade rules in the international system that support agricultural and industrial production in the region.

Proposed target

Three-quarters of all African States have policies to ensure that migrant workers have regular, authorized status and are fully protected by the labour legislation of the host country by 2015.

5.9. Labour market information and statistics

Objective

Improved availability and quality of labour market information so as to enable the ILO, its constituents and development partners to evaluate progress on the African Decent Work Agenda and the achievement of the MDGs.

Context

310. Labour markets in Africa have changed profoundly, due mainly to the forces of trade liberalization, privatization, deregulation and globalization of the economies in the region. Technological developments, new systems of production and organization of work, and lately “brain drain” have also magnified this situation. The need for adequate information to support labour market policies and programmes has always existed, but in many countries the necessary information is unavailable, unreliable, outdated, misunderstood or otherwise inadequate. In most countries, what is required is an institutionalized and sustainable data collection and dissemination system. Moreover, available data sources suffer from lack of uniformity in concepts, coverage, scope and timing, since there is little coordination among the various government units that produce information, with often limited knowledge of what exists among other agencies or potential users.

311. The overall objective of strengthening national capacity to produce and analyse reliable labour statistics and labour market information is to contribute to the goal of employment creation and poverty reduction monitoring in Africa. This was defined as a priority by the AU Extraordinary Summit on Employment and Poverty Alleviation in Africa. The use of labour market information will enhance understanding of the operations of the market and therefore the capacity to address distortions and design growth and poverty reduction strategies. It is important to generate good and reliable labour statistics and labour market information so that countries can use the information for monitoring and reporting purposes as well as for the design of poverty reduction strategies and the inclusion of employment as a key indicator for the African Peer Review Mechanism.

Policies

312. Technical assistance and advisory services directed at capacity building are needed in the following areas: ensuring the regular collection and dissemination of basic labour statistics; improving the quality of labour market statistics and their analysis; strengthening the management of labour market information and poverty monitoring systems; and the dissemination of key national labour statistics and methodological information. Since labour market information requires networking, the ILO's tripartite partners will need to play an important role in sensitizing their membership to the importance of labour market information.

313. Africa faces huge challenges in addressing the need for sustained data collection, analysis and dissemination. However, in February 2006 the Forum on African Statistical Development adopted the Reference Regional Strategic Framework for Statistical Capacity Building in Africa, through which resources will be mobilized, personnel trained and data collection functions integrated as part of national development efforts. In this context the ILO has initiated work on an African Labour Market Indicators Library Network (ALMIL). The project will allow all partners, on a sustainable basis, to compile, maintain and analyse labour market indicators and methodological information in an efficient and cost-effective manner by sharing information resources and gaining access to information stored in the global Labour Market Indicators Library Network (LMIL) and the Key Indicators of the Labour Market (KILM) database, which captures 20 key indicators covering employment, poverty, education and labour costs.

Proposed targets

By 2015 all member States are able to generate basic annual data on the size and composition of the workforce. At least half of all African member States have mechanisms in place by 2010 to produce labour market information and statistics for the monitoring of progress on the core dimensions of the Decent Work Agenda.