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The impact of the financial and economic crisis on ten African economies and labour markets in 2008-2010

Findings from the ILO/World Bank policy inventory

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Abstract

The main contribution of this document is to analyse the financial and economic crisis impact on economies and labour markets, and a range of policy responses in 10 African countries, namely Benin, Burkina Faso, Cameroon, Egypt, Ghana, Kenya, Mali, Mozambique, Nigeria, and Tanzania. This document compares policy measures implemented in 2008-2009 in these ten economies using data from the ILO/WB inventory of policy responses to the financial and economic crisis.
It looks at fiscal policy responses using data on direct beneficiaries and costs reported in this inventory. These measures included oil and food subsidies to answer the rise in commodity prices up to May 2008. The packages also included new measures to support agriculture and exports, to build and maintain infrastructure, and to create jobs for youth, as well as, in four cases, an increase in public wages.

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Preface

Following the G20 leaders' statement at the London Summit in April 2009 inviting the ILO "working with other relevant organizations, to assess the actions taken and those required for the future [in the areas of employment and social protection policies]", a joint ILO/WB Inventory of policy responses to the 2008 financial and economic crisis was one of the initiatives adopted by the ILO. The Inventory follows the framework of policies provided by the ILO's Global Jobs Pact and contains information of policy responses in four major areas (macroeconomics and employment, social protection, international labour standards and social dialogue) for 77 countries. For all recorded measures, the Inventory database gives, whenever possible, information on costs, time frame, target population, number of beneficiaries, impact and whether the measures resulted from social dialogue.

The Inventory project has been managed in the Economic and Labour Market Analysis Department of the ILO by Catherine Saget (Senior Economist, and manager of the project) and Moazam Mahmood (Director), under the responsibility of Jose Manuel Salazar (Executive Director, Employment Sector). On the World Bank side, the project was managed by Friederike Rother (Operations Officer), David Newhouse (Labour Economist), and David Robalino (Director) of the Labour Markets Team, under the responsibility of Arup Banerji (Director, Social Protection and Labour). On the ILO Regional Office for Africa side, Charles Dan (Regional Director) and Mpenga Kabundi (Deputy Regional Director) provided support and guidance in the data collection and analysis.

This paper discusses the impact of the crisis on economies and labour markets of ten African countries from 2008-2009 based on the information of the ILO/World Bank (WB) Inventory of policy responses to the financial and economic crisis. The paper also includes ten Country Briefs, four pages summarizing the social and economic effects of the crisis, as well as the policy responses. These Country Briefs were prepared for the 2nd African Decent Work Symposium on Building a Social Protection Floor with the Global Jobs Pact, which was convened under the auspices of H.E. President Paul Biya, Republic of Cameroon, and organized in collaboration with the ILO and was held from 6-8 October 2010 in Yaoundé. The financial support of the ILO Regional Office for Africa, as well as the support of the French Government via the APERP (Appui à la Promotion de l'Emploi et la Réduction de la Pauvreté) project was highly appreciated.

The Swiss Secretariat of the Economy (SECO) provided financial support to the Inventory project to the ILO and to the WB through the Multi Donor Trust Fund. This support is gratefully acknowledged.

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Tables

1. Introduction[1]

This document examines the effect of the 2008 financial and economic crisis on African growth and labour markets by focusing on ten economies. The crisis originated in the real-estate sector of the United States in 2007 with the defaulting of mortgages, before spreading to other sectors of the economy, and to industrialized countries and their trading partners. The crisis eventually affected Africa in late 2008, where its adverse impact on growth and labour markets was added to other structural crises: poverty and inequality, rising commodity prices in 2007/08, demographic challenge, lack of infrastructure (Majid, 2011). Also these crises were far worse in low-income countries, where high level of growth in the 2000s reflected increases in commodity prices and did not translate into employment creation in industry nor – with a few exceptions- in higher GDP per capita (ILO, 2011). On the more positive side, the pre-crisis macroeconomic situation in many African countries, with lower inflation, and smaller budget deficits, was sounder than a decade earlier.

The main contribution of this document is to analyse the crisis impact on economies and labour markets, and a range of policy responses in 10 African countries, namely Benin, Burkina Faso, Cameroon, Egypt, Ghana, Kenya, Mali, Mozambique, Nigeria, and Tanzania. It does so by comparing the transmission of the crisis from industrialized economies to these countries, through reduction in the price and volume of exports, credit contraction, decrease in investment, lower tourism receipts and remittances, and effects on the state budget of increased public spending and reduced governments' revenues. It shows that countries were affected through different factors with varying intensities. Some countries suffered several shocks (Egypt, Benin and Nigeria), while others seemed more isolated from the global financial and economic turmoil (Burkina Faso, Mali). On labour market effects, there is evidence of employment losses and/or increases in unemployment rates for two countries, with women being more adversely affected in both cases. More sporadic evidence of employment shedding in the export-oriented sector or tourism is also provided for all other countries.

This document then compares policy measures implemented in 2008–2009 in these ten economies using data from the ILO/WB inventory of policy responses to the financial and economic crisis. The main results regarding policy responses to the financial crisis are the following. There was a relaxation of monetary policy in nine out of ten countries, which provided liquidity to the economy, especially the export sector.

Also, eight countries introduced additional measures to stimulate demand and protect living standards. In general, these measures included oil and food subsidies to answer the rise in commodity prices up to May 2008. Spending on food and energy measures represented on average .71 per cent of GDP per year in countries for which data were available. Therefore initiatives taken in 2008/10 include food crisis measures and the need to appease social tensions and are not related to the 2008 financial and economic crisis.

[1] Catherine Saget is the author of the cross-section analysis. Jean-François Yao prepared the 10 Country Briefs for the the 2nd African Decent Work Symposium, which served as background material for this document, and which are included in the Annex.

On average, the fiscal package amounted to 2.0 per cent of GDP. Although it is not easy to identify crisis responses from measures that had already been planned and budgeted before the crisis hit, this percentage is broadly in line with other estimations of additional spending due to the crisis (for example, IMF, Article IV reports). Additional spending was permitted by a combination of relatively low budget deficits prior to the crisis (with the exception of Burkina Faso, Ghana and Mozambique), debt relief initiatives in five countries and support from international financial institutions.

The packages included new measures to support agriculture and exports, to build and maintain infrastructure, and to create jobs for youth, as well as, in four cases, an increase in public wages. By order of decreasing importance, support to infrastructure, agriculture-related measures, youth programmes and increased public wages were the main elements of fiscal packages in terms of costs. The budget for export-support measures appears to be the smallest, to the extent that the two countries, for which data are reported, represent the full sample.

In terms of labour market impact, additional support to infrastructure and agriculture may create the enabling environment for economic development, while also providing new employment and income support opportunities in the short term.

Additional funds to youth employment programmes could provide substantial relief to unemployed youth but given their modest size (.4 per cent of GDP) are unlikely to be sufficient to create enough jobs to alter unemployment and under-employment in a significant way.

The increase in public wages in four countries could be interpreted as much as a catching-up exercise after years of stagnation, as an answer to social turmoil in urban areas following the rise in food and energy prices in 2007/08.

The effect of export measures, which are the most direct policy response to the financial crisis, is more difficult to assess, mainly because exports are capital intensive in some countries (aluminium in Mozambique) and labour intensive in others (flower cutting in Kenya). All-in-all, the rebound in exports in late 2009 is largely independent from these measures, but the fact that enterprises were in a position to benefit from the rebound, thanks to credit lines and credit guarantees, might have been.

The structure of this document is the following. Section 2 analyses the impact on exports, capital inflows and budget deficits of the crisis. Section 3 provides evidence on labour markets' impact. Section 4 looks at fiscal policy responses using data on direct beneficiaries and costs reported in the ILO/WB inventory of policy responses to the crisis.

2. Transmission of the crisis

Economic growth was much lower in 2009, the peak of the crisis at the global level, than the year before.[2] Growth rates in the sample of ten African countries fell to 3.7 per cent in 2009, from 5.7 per cent in 2008. The decrease in growth rates was about 2 to 3 percentage points in Benin, Burkina Faso, Egypt, Ghana, Nigeria and Tanzania. The decrease was smaller in Mali and Mozambique and even smaller in Cameroon and Kenya, where growth in 2008 was lower than in the rest of the group. Given the importance of agriculture in these economies, part of the decline in growth rates is also attributable to geographic factors (rain, natural disasters). The decomposition of GDP in 2008 shows the overwhelming share of household final consumption which represented between 70 and 87 per cent of GDP in our groups of countries, against between 9 and 22 per cent for general government final consumption expenditure.[3] Gross fixed capital formation is more modest at 17–25 per cent of GDP, and exports comprised between 15 and 42 per cent.

Table 1: Real GDP growth rate (in per cent) between 2008 and 2011

Country	2008	2009	2010	2011*
Benin	5.0	2.7	2.5	3.4
Burkina Faso	5.2	3.1	5.8	5.5
Cameroun	2.9	2.0	3.0	3.5
Egypt	7.2	4.7	5.1	1.0
Ghana	7.0	4.1	5.7	13.7
Kenya	1.7	2.5	5.0	5.7
Mali	5.0	4.4	4.5	6.0
Mozambique	6.8	5.4	7.0	7.5
Nigeria	6.0	3.0	8.4	6.9
Tanzania	7.5	5.5	6.5	6.4
Average	*5.4*	*3.7*	5.3	6.0
All Africa	*5.7*	*2.5*	4.5	5.2

Source: IMF World Economic Outlook database; * estimates.

Exports

As Figure 1 shows, the volume of exports of merchandise took a major tumble in 2008 in Mozambique, declining by 12.8 per cent, followed by Burkina Faso (-9.7 per cent). In 2009, exports of merchandise decreased in Tanzania (-11.9 per cent), followed by Mali (-10.9 per cent), Kenya (-9.9 per cent) and Nigeria (-6.3 per cent). These declines occurred against the background of continuous increases over 2000–07 for all countries except Cameroon and Nigeria, which came after decades of slow growth. In Egypt, the volume of exports continued to increase over the period. Of course, these changes have more impact

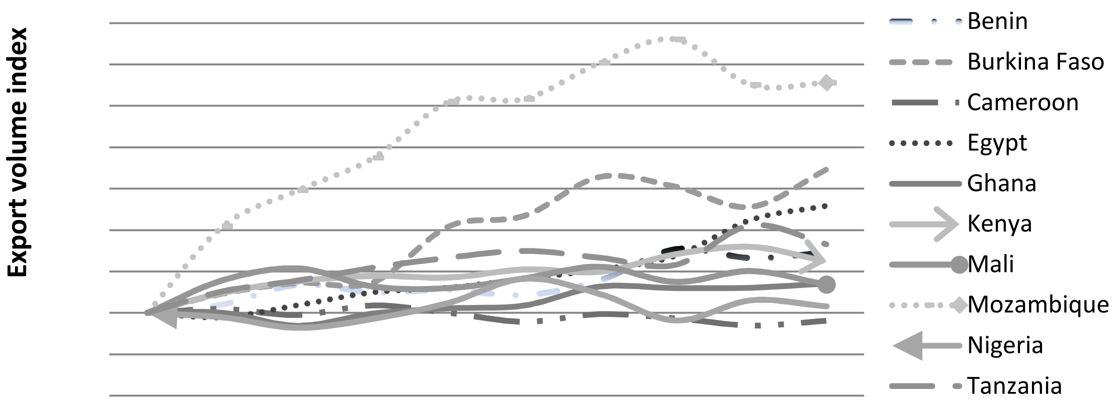
[2] Growth prior to the crisis (during the global boom years of 2002-2007) exceeded the trend level in most countries (except for Kenya which was due to the violence that occurred at the end of 2007/2008), and reflected increased in commodity prices rather than broad-based development of the economy.

[3] Source: World Development Indicators, World Bank.

in countries where exports represent a high share of GDP such as Nigeria, Mozambique and, to a lesser extent, Cameroon and Egypt (Table 2). The ratio of exports to GDP declined in a majority of countries.

Turning to the reduction in the prices of exports, fuels and mining products were hardest hit by the recession. Exports of oil (99 per cent merchandise exports in Nigeria, 53 per cent in Cameroon, 42 per cent in Egypt) reduced by 38 per cent in Cameroon, 40 per cent in Nigeria and 28 per cent in Egypt. Lower demand for mining and quarrying in 2008 and 2009 affected Benin, Cameroon, Ghana, Mali and Tanzania. Turning to exports of agriculture products, food export reduced by 10.6 per cent in Kenya, 11.1 per cent in Ghana, 30.2 per cent in Cameroon, and 11.2 per cent in Tanzania. The drop in the demand for, and in the price of, cotton affected Burkina Faso, Benin and Mali. As a result, the share of cotton in total exports in Mali, for instance, decreased from 60 per cent in 2005 to 29 per cent in 2009. On the positive side, growth in Mali was sustained by exports of mining products, and agriculture. Similarly, increase in gold production and in the price of gold supported exports in Mali, Burkina and Tanzania.

Figure 1: Exports in volume, 2000-2009



Source: UNCTADSTAT

Table 2: Ratio of exports of goods to GDP, 2009 (in %)

	2008	2009	2010	2011
Benin	17.3	15.2	14.4	NA
Burkina Faso	8.5	9.3	10.0	10.9
Cameroun	24.2	19.1	18.4	17.6
Egypt	17.8	13.5	11.3	10.7
Ghana	32.7	31.4	36.5	43.5
Kenya	16.6	15.9	16.6	17.3
Mali	22.7	21.2	19.2	17.9
Mozambique	29.4	18.5	24.0	26.2
Nigeria	40.1	36.4	38.0	38.4
Tanzania	14.7	13.7	13.0	12.2

Source: World Trade Organization (2010)

Tourism

Tourism represents 10.9 per cent of total employment in Egypt, 7.3 per cent in Kenya, and 6.3 per cent in Tanzania, while its share is 5 per cent on average in sub-Saharan Africa (Table 3). The recession in rich countries translated into a drop in tourism receipts for many countries, for example 17 per cent in the first quarter of 2009 in Egypt.

Table 3: Impact of the crisis on tourism

Country	Indicators of tourism in 2010, top 3 destinations (%)	Crisis impact
Egypt	10.9 of employment; 13.0 of GDP	Drop in international tourism receipts by 3.1% in 2009 with respect to 2008 (constant prices); Drop reached -17.1& in the first quarter of 2009 with respect to 12 months before.
Kenya	7.3 of employment 9.0 of GDP	Drop in receipts by 18.0% in 2008, increase of 7.4% in 2009.
Tanzania	6.3 of employment 8.0 of GDP	NA
Sub Saharan Africa	5 of employment 6.9 of GDP	For the whole of Africa, tourism receipts decreased by 3.8% in 2008, and by 4.0% in 2009 (constant prices)
Northern Africa	10.3 of employment 11.0 of GDP	

Source: UNWTO, World Tourism Barometer, June 2010; World Travel and Tourism Council Factsheets, 2010.

Investment, Foreign Direct Investment (FDI) and portfolio investment

Gross capital formation as a percentage of GDP declined in Egypt and Ghana between 2008 and 2009, while it increased in the other three countries for which data are available: Benin, Kenya, and Mozambique, albeit from modest levels (Table 4).

Table 4: Gross capital formation 2002-2009 (% of GDP)

Country	Mean 2002-2007	2007	2008	2009
Benin	19	21	21	25
Burkina Faso	17	NA	23	NA
Cameroon	18	18	17	NA
Egypt	18	21	22	19
Ghana	28	34	36	30
Kenya	17	19	19	21
Mali	22	22	20	NA
Mozambique	21	18	18	22
Nigeria	NA	NA	23.5	NA
Tanzania	17	22	30	NA

Source: WB World Development Indicators.

Note: Benin: Data for 2006 and 2007 are missing; Burkina Faso: data for 2007 are missing; Tanzania: Data for 2002, 2003, 2004, 2005 and 2006 are missing

Amongst countries where FDI represented an important share of gross fixed capital formation in 2002–07, such as Egypt, Nigeria, Mozambique, Benin and Ghana, three recorded declines of FDI inflows during the crisis (Table 5), these were Benin, Egypt and Nigeria. In the remaining two countries, Ghana and Mozambique, FDI inflows continued to increase at a rapid pace.

Tighter global credit and investor risk aversion had also led to a reversal of portfolio inflows in Africa after the peak of the financial crisis in September 2008 (IMF Regional Economic Outlook, April 2009).

Both trends have limited new investment projects in a number of countries, such as, for instance, in the mining and quarrying sector in Burkina Faso.

Table 5: Yearly changes in FDI inflows in 2008-2009

Countriy	Share of FDI in gross fixed capital formation in 2007 (%) in top 5 countries	Change in FDI in 2008 (%)	Change in FDI in 2009 (%)
Egypt	42	-18.0	-29.3
Nigeria	40.1	9.8	-14.1
Mozambique	30.1	30.0	46.2
Benin	23.8	-33.3	-46.6
Ghana	16.7	40.0	38.0

Source: UNCTAD STA, Foreign Direct Investment flows, US dollars, current prices.

Table 6: Changes in remittances in 2009

Country	Remittances as a percentage of GDP in top 6 countries	Changes in remittances inflows in 2009 with respect to 2007 (%)
Senegal	9.1	0.0
Nigeria	5.0	3.4
Kenya	5.4	6.2
Mali	4.8	17.7
Egypt	4.0	- 6.6
Benin	3.6	- 13.8

Source: World Bank 2010, Migration and Remittances Factbook 2011.

For six countries in our group, remittances represent an important source of income: Senegal, Nigeria, Kenya, Mali, Egypt and Benin. In 2009, remittances inflows decreased with respect to 2007 in two countries, Benin and Egypt, by respectively 13.8 and 6.6 per cent. Remittances inflows to the other countries either remained stable or even increased.

Financing recovery packages

Many countries in our sample were in a better financial position in 2008–2009 than a few years before. Cameroon benefited from the Heavily Indebted Poor Countries Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI) in 2006, Ghana in 2004, and Benin, Mali and Mozambique earlier.[4] In Ghana, resources freed by the MDRI and HIPC in 2009 were used to strengthen youth employment programmes.

Tanzania's sound fiscal position in 2008 allowed the government to finance the fiscal package by borrowing from national and international markets. Tanzania also received increased assistance from development partners, equivalent to 0.4 per cent of GDP. In Mali, privatization of the telecommunications company, and the increase in mining revenues in 2009 provided the government with additional budgetary resources to respond to the crisis. Some countries managed to finance a substantial part of the fiscal package through bonds in the domestic market. For example, Kenya issued three bonds between early 2009 and March 2010 to finance 90.7 per cent of the fiscal package.

Table 7: General government fiscal balance, excluding grants

Country	2007	2008	2009	2010*
Benin	-2.6	-1.8	-6.4	-6.0
Burkina Faso	-12.1	-8.1	-10.5	-10.8
Cameroon	3.3	1.5	-0.9	-3.0
Egypt	-7.5	-7.8	-7.0	-8.2
Ghana	-15.3	-19.4	-14.9	-15.3
Kenya	-4.0	-5.0	-6.2	-7.5
Mali	-7	-3.9	-3.5	-2.9
Mozambique	-12.2	-11.9	-15.2	-15
Nigeria	-1.3	3.5	-10.3	-7.9
Tanzania	-7.6	-10.5	-12.4	-12.7
Average	-6.6	-6.3	-8.7	-8.9

Source: IMF, Regional Economic Outlooks: Sub-Saharan Africa, Middle East and Central Asia, Oct 2010. * Estimates .

Budget deficits increased in eight out of ten countries over the period 2008–2009, including in Benin, Burkina Faso, Cameroon, Egypt, Kenya, Mozambique, Nigeria and Tanzania (table 7). In Ghana, budget deficit decreased from 19.4 per cent of GDP in 2008 to 15.3 per cent of GDP in 2010, still the highest deficit amongst counties in the sample that year.

Trends in budget balances are the result of changes in government revenues and expenditure (Table 8). Budget balances have suffered from decreased receipts and increases in priority social spending in two oil exporting countries: Nigeria and Cameroon. In Benin,

[4] The HIPC and the MDRI provide debt relief so as to free up additional resources to help elected countries reach the MDGs. Benin and Mali beneficiated from 2003 onwards, Mozambique and Tanzania from 2001 onwards.

Ghana, Kenya, Mozambique and Tanzania, government revenues increased between 2006 and 2009, as a percentage of GDP, but much less than the increase in spending.

In addition to the lower level of economic activity, which automatically generates less revenue, many countries also decreased taxes. For example Tanzania reduced several taxes (VAT, income tax, oil tax) thereby decreasing government revenues by .43 per cent of GDP.

Table 8: Changes in government revenue, excluding grants, and in government expenditure, as a percentage of GDP, 2009 with respect to 2006

	Benin	Burkina Faso	Cameroon	Egypt	Ghana	Kenya	Mali	Mozam-bique	Nigeri a	Tanzani a	Average
Revenue	1.6	1.2	-1.7	-1.2	.8	1.7	2.2	2.8	-14	1.7	-4.9
Expenditure	5.5	.5	3.9	-3	2.7	4.4	-1	5.9	3.4	4.6	2.7

Source: IMF Regional Outlook October 2010: Sub-Saharan Africa, Tables SA10, SA11; and IMF Regional Outlook October 2010: Middle East and Central Asia, Tables 8 and 11.

As for the impact of the crisis on official development aid (ODA), Ghana recorded a one per cent decline in aid in 2009 relative to 2006.

3. Labour market indicators

Often the labour markets adjust in these countries through an increase in informal employment, and changes in labour supply patterns. Unemployment is unlikely to be a very good indicator because of the large informal sector and its role as a buffer, and the absence of a social protection system covering a substantial share of workers. However, unemployment did increase in the two countries for which there are national statistics.

Table 9: Labour market indicators

Country	Employment	Unemployment
Egypt	An estimated 237,000 job losses were recorded between the end of 2008 and the end of 2009.	The unemployment rate for women increased from 18.3 to 23.2% during the peak of the crisis, while the rate for men decreased from 5.8 to 5.2% over the same period of time.
Nigeria		The unemployment rate was 19.7% in March 2009, compared to 14.9% in the same period in 2008.
Tanzania	Losses of formal employment were reported in Tanzania especially in the mining sector with multinationals scaling down their operations, and in tourism sector (tour guiding, hotels and restaurants).	
Cameroon	In Cameroon, timber enterprises fired 20% t of employees.	
Cameroon, Burkina, Mali	Decrease of employment in the cotton and textile sector.	
Mozambique	Reduction of workforce: textile 30,000; cashew 12,000; transport 25,000.	

Source: National sources; and ILO/WB Inventory of policy responses to the crisis.

Before turning to labour market indicators, it is worth noting that labour regulations in these countries, including hiring and firing legislation are relatively flexible so that enterprises were in a position to adapt their labour demand to the new situation fairly rapidly (see Barbier and Pagès, 2011 for a discussion on labour market institutions in the French-speaking group of countries). Also regulations are poorly enforced.

Youth employment indicators

All countries in the sample face the challenge of massive increases in the population size, mainly youth. While population growth has not changed as a result of the crisis, it makes the school-to-work-transition even more difficult. In Nigeria, for example, 47 per cent of the population is below 15 years. Over the period 2001–10, the cohort of youth aged 20–24 years increased on average from 2.22 per cent a year in Mozambique to 3.32 per cent a year in Benin (Table 10).

Regarding youth indicators, the unemployment rate for women aged 15-24 deteriorated, from 43.5 per cent in March 2007 to 48.9 per cent in March 2009 in Nigeria. Over the same period, the unemployment rate for men aged 15-24 reduced from 56 to 51.9 per cent.

Table 10: Increase in population aged 20-24 years, 2001-2010 (in %)

Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
Benin	2.71	2.88	4.20	4.03	3.87	3.52	3.20	3.29	2.44	3.11	3.32
Burkina Faso	3.68	3.98	3.73	3.69	3.18	2.80	2.54	2.30	2.60	2.53	3.10
Cameroon	3.70	3.78	3.64	3.42	3.30	2.84	2.50	2.27	2.31	2.25	3.00
Egypt	4.93	4.43	4.11	4.17	4.36	-3.86	-4.91	2.36	12.93	0.34	2.89
Ghana	2.73	2.58	2.59	2.45	2.39	2.27	2.22	2.10	2.38	2.08	2.38
Kenya	3.83	3.96	3.77	3.42	3.14	2.84	2.57	2.35	2.33	1.50	2.97
Mali	2.35	3.75	3.61	4.07	3.35	3.06	2.80	2.55	1.82	2.12	2.95
Mozambique	2.06	1.89	1.92	1.94	2.09	2.23	2.42	2.53	2.53	2.57	2.22
Nigeria	3.33	3.30	2.19	1.95	2.30	2.04	1.83	1.87	1.96	1.78	2.26
Tanzania	2.81	2.70	2.66	2.65	2.65	2.70	2.75	2.73	2.66	2.53	2.68

Source: ILO Laborsta, 2010.

The available evidence in some countries showed that the school-to-work transition was becoming increasingly difficult. In Egypt, the labour force increased by 400,000 individuals between August 2008 and August 2009, instead of the estimated 700,000.[5] This gap could indicate discouragement among unemployed youth or a longer stay in the education system. Ghana's economy should create 230,000 jobs every year in order to cope

[5] The estimate is based on demographic trends. Source: ILO, 2010, Laborsta, http://laborsta.ilo.org/sti/sti_E.html

with increasing population size, mostly youth. To give an idea of the challenge, this should be compared with the 103, 928 jobs expected to be created by FDI in 2010.

Working conditions' indicators

It was reported that employees who kept their jobs in the Tanzanian tourism sector experienced a decline of 10 per cent of their monthly wage. Worsening working conditions (lower wages and higher expectations) were also reported in exports' sectors. Minimum wages were increased in Kenya and in Mozambique in 2009.

Public sector

The public sector is a major provider of formal employment in low-income and lower-middle income countries. In Ghana, Cameroon, and the five LDCs in the sample, public sector employment can represent up to half of formal employment. In addition, public wages have increased in 2008–2010 in five countries of the sample.

Ghana has implemented a Single Spine Pay Policy, which is aimed at reducing and eliminating wage discrimination in the public sector. Following this policy, over 500,000 public sector employees will have seen an increase in their wages in 2010. This measure, whose full implementation will cost US$2.2 billion (or 6 per cent of 2010 GDP) will contribute to improving the living standards of some of low-paid public workers. In Benin, the public wage bill increased by 24 per cent between 2008 and 2009.

There was also an increase in public wages in Cameroon in 2008 (after a massive decrease in the 1990s).

In Mali, an agreement was reached to increase wages for teachers over 2009–2010 for an amount equivalent to .05 per cent of GDP. These measures were taken after years of nominal stability, usually as part of renewed efforts to achieve MDGs.

In Kenya, public wages increased by between 14 and 28 per cent. The rise was applied in such a way as to increase wage differentials between low paid and high paid public workers.

In Nigeria, part of the fiscal package representing .02 per cent of GDP was used to settle a part of wage arrears to workers in public companies and the government sector.

In addition, 9,160 posts in public employment were filled in Mali to achieve MDGs; especially in education (4, 360). Cameroon experienced a reduction in public sector staff. Public enterprises were privatized in Cameroon, Mali, and Nigeria. In Nigeria lay-offs were announced due to privatization of the national telecommunications and steel companies.

4. Policies implemented as a response to the crises

Food and energy crisis

Countries	Food and energy measures	Cost (% of GDP)	
Cameroon	Increase in public wages	.61	1.4 (2008)
	Price subsidies	.49	
	Decrease in taxes of basic items	.3	
Kenya	Reduction on the imports of basic food items	1.03 (2009)	
Egypt	Subsidies to food and oil	.6 (2007)	

Source: ILO/WB Inventory of policy responses to the 2008 financial and economic crisis.

Financial crisis

Nine out of ten countries in the group eased monetary policy in 2009/2008. Egypt, the Bank of Central African States (Cameroon), the West African Economic and Monetary Union (Benin, Burkina Faso and Mali), Kenya, Mozambique, Nigeria, and Tanzania reduced interest rates in 2008/2009 at least once. Ghana did not because of inflationary pressures. In addition, some countries also decreased the mandatory reserve coefficient for banks, such as Egypt, Kenya, Mozambique and the Bank of Central African States (Cameroon).

Table 11: Fiscal package as a percentage of GDP

Countries	Time reference	% of GDP
Benin	2009	2.18
Egypt	2008	1.5
	2009	.7
	2010	.9
Kenya	2009	3.6
Mali	2009	2.16
Nigeria	2009	1.0
Tanzania	2009-2010	5.76

Source: ILO/WB Inventory of policy responses to the 2008 financial and economic the crisis

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Table 12: Composition of fiscal packages: Support to agriculture

Countries	Agriculture measures	Cost as a % of GDP
Cameroon	Subsidies to entrants Vocational training	.29
Mali	Support to food auto sufficiency	
Tanzania	Support to agriculture 2009-2010, including: Support to agriculture banks Inputs and farms Credit for small farmers.	1.62 .39 .03
Nigeria	Support to agricultural sector Support to cotton sector	.77 .27

Source: ILO/WB Inventory of policy responses to the crisis.

Table 13: Composition of fiscal packages: Support to export sector

Countries	Measures	Costs
Egypt	Scaling up export support programmes	.3
Cameroon	Support to timber and cotton	.006
Benin	Support to export sector, including agriculture items	NA
Burkina Faso	Support to exports sector and diversification	NA
Nigeria	Export stimulation scheme	.01

Source: ILO/WB Inventory of policy responses to the crisis.

Table 14: Composition of fiscal packages: Support to infrastructure

Countries	Measures	Costs (% of GDP)
Egypt	Infrastructure investments in labour-intensive sectors, most notably in water and sewage, roads and bridges, and buildings of schools and basic health care facilities	1.8 over 2008-2010
Nigeria	Infrastructure development and maintenance	.36
Ghana	Infrastructure project	5.0
Mali	Infrastructure including: Transport, health centers and irrigation systems Schools, university and training centers	1.5 1.2 .3
Kenya	Support to infrastructure	1.71
Tanzania	Infrastructure development	1.25
Mozambique	Transport infrastructure development	NA

Source: ILO/WB Inventory of policy responses to the crisis.

Turning to fiscal packages, figures from the ILO/WB Inventory are broadly in line with other estimates from the literature (for example, Zhang, Thelen and Rao, 2010). In Egypt a package representing 1.8 per cent of GDP over three years was put in place with a strong emphasis on infrastructure investments in labour-intensive sectors, most notably. In Nigeria, fiscal space was reduced by the decrease in oil revenues, while public expenditures were re-prioritized as an answer to the crisis. A modest fiscal package was implemented where infrastructure development and maintenance represented 36 per cent of total fiscal package.

In Ghana, Growth and Poverty Reduction Strategies allowed the government to launch infrastructure projects worth 5 per cent of GDP. In Mali, more than half of the fiscal package, representing 1.5 per cent of GDP, was allocated to finance infrastructure projects. The recovery package in Mali focused on the construction of schools, universities and training centres (.3 per cent of GDP), as well as transport, health centres and irrigation systems (1.2 per cent of GDP).

In Tanzania, spending on infrastructure development represented 2.5 per cent of GDP over two years. In Burkina Faso, support to infrastructure was reported to have increased, although the data on additional costs were not available. In Kenya support to infrastructure amounted to 1.71 per cent of GDP in 2009.

During the first semester of 2009, Benin initiated a recovery package mainly centred on public investments but later faced financial constraints due to the reduction of tax receipts.

Support to banks was reported in Nigeria.

Table 15: Additional support to youth employment

Country	Action	Costs (% of GDP) 2009
Egypt	Promoting youth employability through training and support to youth employment	.4
Burkina Faso	Micro-entrepreneurship and vocational training targeting 130, 000 youth from rural areas	.16 over 2009-2010
Kenya	Support the “Jobs for youth programme” with the target of creating between 200, 000 and 300, 000 jobs	.36
Mali	Increased support to youth employment creation in MSMEs	.94
Ghana	Resources from debt relied were allocated to youth employment	.05

Source: ILO/WB Inventory of policy responses to the crisis.

In Egypt, there was a national action plan for youth, representing .4 per cent of GDP, to promote youth employability through training and support to self-employment. There was additional support to youth employment in 2009 and 2010 through micro-entrepreneurship and vocational training in Burkina Faso: 130,000 youth from rural areas should benefit from training in 2010. In Burkina Faso, the share of total budget devoted to the Ministry of Youth and Employment has increased from .70 to 86 per cent of GDP There was additional support to vocational training and entrepreneurship programmes for youth in Nigeria, however, insufficient to address the challenge of youth employment. In Mali as well, the budget for youth employment programmes was increased with a long-term objective of creating 250,000 jobs in SMEs and micro-enterprises. In Kenya, an additional .36 per cent of GDP was allocated to the “Jobs for youth programme” in August 2009 with the target of creating between 200,000 and 300,000 jobs. This should be compared with the 50,000 additional youth reaching the age of 20–24 years in 2009, and also with the estimated 700,000 unemployed youth aged 20-24 in 2008.

Support to enterprises

Tax reduction measures were adopted to support enterprises through the crisis; a decrease in taxes in the timber sector in Cameroon. Value added tax credit was granted to

Malian enterprises for an estimated .9 per cent of GDP. In Tanzania, credit facilities represented 1.2 per cent of GDP in 2009.

Social protection

Burkina Faso also had to implement emergency support to flood affected areas in September 2009, as did Ghana in the same year. There was an increase in low old-age pensions in Egypt.

Other structural changes unrelated to the crisis

Legal changes were adopted in 2009 to protect children from the worst forms of child labour in all sectors in Ghana; fiscal reform in Burkina Faso; “formalization” of SMEs in Ghana through a special VAT rate of 3 per cent instead of the standard 12.5 per cent; and in Mali, progressive adoption of compulsory health insurance.

Conclusions and future perspectives

The intensity of the crisis varied among countries, depending on the structure of their economies and the transmission mechanisms of the crisis (Table 16). There was a decline in the volume of exports in six countries in the sample, including two where exports represented the highest share in GDP: Nigeria and Mozambique. Exports did not decrease in all countries, but their growth was halted, while the production of sub-sectors like manufacturing and textiles did decrease in all countries. Among countries for which data are available, investment decreased in Egypt and Ghana, as a percentage of GDP. The decrease in FDI inflows mostly affected Egypt, Nigeria and Benin. Finally, budget balances deteriorated in seven out of the ten countries. Benin and Egypt suffered from the decrease in remittances, while Egypt and Tanzania experienced a decrease in tourism receipts. According to the typology adopted in Table 16, the countries which suffered most from the crisis include Egypt, Benin and Nigeria. Interestingly, these are also the countries where GDP growth reduced the most between 2008 and 2009 (Table 1). Noticeably, one of these

Table 16: Main mechanisms of transmission of the crisis

Country	Export	Investment	FDI	Remittances	Tourism	Budget deficit
Benin	X		X	X		X
Burkina Faso						X
Cameroon	X					X
Egypt	X	X	X	X	X	
Ghana	X	X				
Kenya	X				X	X
Mali	X					
Mozambique	X					X
Nigeria	X		X			X
Tanzania	X				X	X

worst affected countries, namely Egypt is also one where protests, initiated early 2011, including demonstrations and labour strikes led to the fall of the government.[6]

In terms of policy responses, almost all countries implemented a package in 2008 to address the increase in food and energy prices. This package represented 1.5 per cent of GDP in 2008 in Cameroon, and also 1.5 per cent in Egypt. The policy space to address the impact of the 2008 financial crisis was, therefore, reduced in some of these countries when it hit Africa in early 2009. Egypt adopted a 0.7 per cent of GDP package in 2009 and 0.9 of GDP in 2010. In Nigeria, the fiscal stimulus represented .1 per cent of GDP in 2009. In Benin, the fiscal package implemented in the first semester of 2009 represented 2.18 per cent of GDP. In Mali, it represented 2.16 per cent of GDP. In 2009, Tanzania adopted a rescue package worth 5.76 per cent of GDP over two years.

[6] The magnitude of the different mechanisms could be examined in view of the composition of growth in these countries when new data are released. The decrease of exports seemed to have had the most negative effect on growth, although it is expected to be short term.

Table 17: Main responses to the crisis

Country	Rescue package % GDP	Agriculture	Infrastructure % GDP	Youth employment % GDP	Tax cuts for enterprises	Increase in public wages
Benin	2.18					X
Burkina Faso				.16		
Cameroon	1.4	.29				.61
Egypt	1.03*		.60*	.4		
Ghana	5		5			6.0***
Kenya	3.6		1.71	.36		
Mali	2.16		1.5	.94	.9	.05
Mozambique						
Nigeria:	1.0	.77	.036	.002		.02
Tanzania	2.88**	.8	1.25**			

*Yearly average over 2008-2010; **yearly average 2009-2010; *** planned cost of the Spine Policy, which is not related to the crisis.

Source: ILO/WB Inventory of policy responses to the crisis.

More resources were also available because of the MDRI and the HIPC initiatives, which released funds previously used for debt payment. In other cases, privatization of public enterprises had released resources. Also, incomes from gold and, from 2009 onwards, from oil, mining and quarrying, supported public expenditure in Mali, Ghana and Nigeria among others. In general, our sample of countries had a better macroeconomic situation than in the past, and was able to adopt a pragmatic approach to the crisis.

Countries have used the additional resources provided by donors' community, multilateral organizations, and privatization to first adopt new programmes to increase agricultural productivity and incomes, as well as to strengthen food security. Second, infrastructure development and maintenance received additional support, including construction of schools and health care centres. Third, all countries have implemented new programmes and policies to support youth employment and youth employability. Fourth, spending for social protection increased in some countries. Fifth, four countries have revised pay policies in the public sector, mainly increasing public wages, especially for low-wage public servants, but also regularizing precarious contracts and reducing wage discrimination. These initiatives seem to be more related to the food crisis and the need to appease social tensions than to the 2008 financial and economic crisis. In addition, some also recruited new public sector staff. In Nigeria, part of the fiscal package representing .02 per cent of GDP was used to settle parts of wage arrears to workers in public companies and government sector. To that extent, policy responses in Africa included a social dialogue dimension, and the consultation between government, business and labour which took place in the early phase of the crisis (ILO, 2009) materialized in these initiatives. Given the size of the fiscal package, however, no country in the sample adopted a tripartite national pact as a response to the crisis.

Finally, other initiatives, largely independent from the 2008 crisis, were taken in the field of fundamental principles and rights at work, and social dialogue. For example, new legal provisions and programmes against the worst forms of child labour were adopted in Ghana in 2009. In Mali, measures to facilitate retraining and employability of those made redundant following privatization of the telecommunication company, were negotiated with representatives of workers.

The above challenges, for example, lack of food security, low agriculture productivity, poor infrastructure development, demographic pressure, shortages of public sector staff, inappropriate public pay practice, privatization of public enterprises, crisis in the textile sector, predated the GFE crisis. As far as the GFE crisis is concerned, and putting aside monetary policies, support to export sector, and to a lesser extent, tourism, was the most frequently adopted measure to respond to the adverse impact on employment and living standards. From the 2009 figures, showing a rebound, it would seem that efforts to support export enterprises and, therefore, also formal employment, were worthwhile.

In the two countries for which there are employment data disaggregated by gender (Egypt and Nigeria), the situation of women deteriorated in the labour market, while that of men improved. There seems to be a kind of inverted added worker effect.

In conclusion, additional policy measures taken in 2008/2009 in ten African countries addressed three “crises”, including: i) the energy and commodity crisis, through food and oil subsidies; ii) structural issues, through support to infrastructure development, and support to agriculture; and iii) the 2008 financial and economic crisis through the combination of support to the export sector, additional funds to youth employment programmes, and – to some extent – increase in public wages. Of course, other measures were taken, such as a modest expansion of targeted social protection programmes, and steps towards long-term reforms (including tax reforms, simplification of administrative procedures for enterprises).

In terms of impact, the renewed emphasis on agriculture and rural development in general is welcome. Turning to youth employment programmes, the additional spending seems insufficient to address the challenge of numerous new entrants into the labour market. The additional spending on youth employment represented on average .4 per cent of GDP in the five countries for which data are available. These programmes could give valuable social protection for vulnerable youth by offering public works and internships, but cannot be expected to create enough jobs, given the employment intensity of growth in Africa for this age group (.75).[7]

[7] Kapsos (2005), page 19.

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Country Annexes

Le Burkina Faso face à la crise

1. Les impacts de la crise sur l'économie et le marché du travail

L'impact de la crise financière et économique internationale (2008-2009) sur l'économie du Burkina Faso est majeur même s'il a été ressenti avec retard. Les équilibres macroéconomiques sont fragilisés (creusement des déficits du compte courant et budgétaire, baisse des recettes d'exportation, baisses des flux de capitaux, contraction de l'investissement privé), tandis que les indicateurs sociaux et d'emploi sont préoccupants.

Des performances macroéconomiques fragiles

La réduction de l'investissement privé mais aussi public ont des effets négatifs sur la croissance et entame sérieusement la capacité du pays à atteindre les OMD et les objectifs de réduction de la pauvreté. La crise a entamé les acquis de la dernière décennie en termes de croissance et de réduction de la pauvreté.

Tableau 1. Evolution des agrégats macroéconomiques (projections après la crise)

	Croissance PIB réel (%)				Solde Compte Courant (%PIB)			
	2008	2009	2010 (e)	2011 (p)	2008	2009	2010 (e)	2011 (p)
Burkina Faso	5,2	3,1	4,2	5,3	-11,8	-7,9	-7,4	- 6,7
Afrique	5,7	2,5	4,5	5,2	3,8	-2,9	0.0	0,6

(e) estimations et (p) projections, *Source : BAfD/OCDE 2010 et FMI 2010.*

L'ampleur de l'impact de la crise dépend du degré de vulnérabilité économique et de résilience face aux chocs. Le Burkina Faso est parvenu à réduire les impacts de la crise grâce à l'augmentation de la production aurifère sur la base de partenariats publics-privés, à une politique agricole volontariste et à des investissements publics. Le pays est principalement exportateur de produits miniers et agricoles. Il a été affecté par la crise en raison de la baisse de la demande mondiale et des cours internationaux (notamment le coton), de la baisse des IDE et de l'aide au développement, avec un impact direct sur les recettes publiques. Néanmoins, il a maintenu une relative performance macroéconomique bien que contrastée, suite aux effets successifs des crises alimentaire, énergétique puis financière et à la baisse de la demande du coton sur le marché international.

- Après une décélération entre 2006 et 2007 - de 5,5% à 3,6%-, la croissance du PIB réel atteint 5,2% en 2008 grâce à la hausse de la production agricole et des investissements dans le secteur minier. La croissance diminue en 2009 en passant à 3,1% avec le ralentissement de l'économie mondiale, la crise ayant affecté les activités cotonnières et celles du secteur tertiaire. La reprise économique est projetée à 4,2% en 2010 et à 5,3% en 2011.

- La baisse des investissements directs étrangers et des entrées d'investissements de portefeuille est notable et le ralentissement de la demande affecte la qualité des portefeuilles de crédits des banques. La crise entraîne une baisse des taux d'investissement de 19,5% du PIB en 2007 à 18,1% en 2008 et 2009, mais ils doivent remonter à 19,5% en 2010.

- La reprise économique serait essentiellement tirée par l'industrie extractive tandis que les services, incluant le commerce, les transports et télécommunications, constitueraient le second pilier de la croissance. L'agriculture continuerait à jouer un rôle majeur dans la croissance, grâce aux mesures du Gouvernement (semences améliorées, équipement, contre-saison, restructuration de la filière coton, contrôle des prix des produits alimentaires).

- Les pressions inflationnistes (alimentaire, énergétique) ont élevé le taux d'inflation à 10,7% en 2008 mais il a baissé à 3,8% en 2009 et doit atteindre 2,3% en 2010, soit en dessous du critère de convergence de 3% (UEMOA, 2009 et FMI, 2010).

- Les termes de l’échange se sont dégradés entre 2006 et 2008 en raison de la nature des produits de leurs exportations. Entre 2008 et 2009, les termes de l’échange se sont améliorés de 12,5% (amélioration des prix du coton et des produits miniers). La baisse relative des exportations entraîne une baisse des revenus des producteurs et travailleurs des secteurs d’exportation, entraînant un ralentissement de la demande de consommation mais aussi de l’épargne intérieure.

Tableau 2. Exportations et termes de l’échange du Burkina Faso (2007-09)

	Total des exportations (% PIB)				Termes de l’échange (indice, 2006 = 100)			
	2007	2008	2009*	2010*	2007	2008	2009*	2010*
Burkina Faso	10,6	9,3	9,8	12,8	98,6	95,7	107,7	104,8

** Prévisions. Source : FMI, 2009*

- La structure des exportations s’est modifiée en raison de la crise internationale et des évolutions respectives des cours du coton et de l’or. La part du coton dans les exportations passe de 60% en 2005 à 29% en 2009. L’or devient le premier produit d’exportation avec une contribution de 41% en 2009 contre moins de 4% en 2005 (avec 12 tonnes en 2009 contre 5,5 tonnes en 2008).

- Le déficit du compte courant extérieur (y compris les transferts) atteint 8% du PIB en 2009, contre 12% en 2008 et 8,3% en 2007, alors que les prévisions étaient plus pessimistes, et ce, grâce à une production aurifère meilleure que prévue. En 2010, la position extérieure du pays s'est redressée grâce aux bons résultats à l'exportation et à l'amélioration des termes de l'échange, suite à la baisse des cours mondiaux des produits alimentaires et énergétiques. Mais cette position favorable reste fragile car les importations restent dominées par les produits énergétiques.

- Le solde global de la balance des paiements est passé d’un surplus de 5,8% du PIB en 2007 à un déficit de 1% en 2008 et doit se rapprocher de l’équilibre en 2009.

- Les chocs exogènes qui ont affecté le Burkina Faso ont exercé une forte pression sur le budget de l’État. Avec une politique budgétaire expansionniste, le déficit budgétaire global (hors dons) est estimé à 13,8% du PIB en 2009, contre 8,4% en 2008. En 2010, la situation globale des finances publiques s’améliore avec un déficit budgétaire estimé à 11,7% du PIB. Les résultats budgétaires ont été meilleurs que prévu grâce à l'augmentation des recettes, rendue possible par les gains d'efficience réalisés dans l'administration fiscale, et à la diminution des dépenses non prioritaires (FMI, 2010).

- L’endettement reste un défi majeur, représentant 113,9% de la valeur des exportations en 2009 et 20,6% en 2010.

- Les investissements privés ont été limités y compris dans le secteur minier : les nouveaux projets d’investissements dans le secteur minier ont été stoppés en 2009 (sur les six mines qui devaient démarrer leurs activités en 2009, trois sociétés minières ont reporté le démarrage de leurs opérations face aux difficultés de mobilisation de fonds).

- Le crédit à l'économie a nettement ralenti du fait que l'activité économique a manqué de dynamisme et que la conjoncture incertaine a incité les banques commerciales à une plus grande prudence.

La situation sociale et de l’emploi reste préoccupante

Les indicateurs sociaux et de pauvreté restent préoccupants : le Burkina Faso est l'un des pays les plus pauvres du monde en étant classé en 177ème position sur les 182 pays pour l’indicateur de développement humain en 2009. La crise internationale (coton, céréales notamment) et les inondations de septembre 2009, ont agi négativement sur la situation sociale et remis en cause les résultats atteints au cours de la dernière décennie.

- Malgré une amélioration des indicateurs sociaux de base (espérance de vie, taux de mortalité infantile, taux d’analphabétisme, taux de scolarisation…), la pauvreté continue à être une question majeure. La proportion de la population située en dessous du seuil de pauvreté nationale se situe à

43,2% en 2009, contre 46,3% en 2004, et ne devrait pas s'améliorer sur les années suivantes, notamment en milieu rural, alors qu'on assiste parallèlement à une urbanisation de la pauvreté. L'atteinte des OMD est remise en cause (objectif de 35% de la population en dessus du seuil de pauvreté en 2015).

- La population est très jeune : 47% des habitants ont moins de 15 ans, tandis que les jeunes de 15 à 24 ans et ceux de 25 à 35 ans représentent respectivement 19,1% et 14,3% de la population. Avec un taux de croissance démographique de 3,1% par an, la croissance de la part des jeunes de 15 à 35 ans est la plus importante sur la dernière décennie (soit 3,7%).

- Le niveau d'employabilité de la population en âge de travailler (15 ans et plus) et son potentiel de productivité, est faible. Le taux d'instruction est de 25,5% avec à peine 1% de la population ayant un niveau supérieur et 17,8% qui ont un niveau primaire. Le taux d'instruction de la population en âge de travailler est de 23,2%, avec un écart encore plus important selon le sexe (17,2% des femmes en âge de travailler sont instruites contre 30,1% pour les hommes). L'offre de travail reste jeune, peu instruite et de plus en plus féminine.

- Le secteur primaire (agriculture, produits miniers) concentre près de 85% des emplois et le secteur informel concentre 96% des emplois. Le taux de sous-emploi global atteint 53% et le taux des travailleurs pauvres est proche de l'incidence de pauvreté.

- Les questions d'emploi sont restées non résolues en raison au cours des deux dernières décennies en raison de la nature de la croissance économique : peu porteuse d'emplois productifs et n'agissant pas sur le niveau de pauvreté de façon significative. Le récent ralentissement économique a notamment touché le BTP et le secteur coton et fibre-textile. Il s'est traduit par une dégradation des conditions de travail et une hausse des taux de chômage, de sous-emploi et des taux de travailleurs pauvres et vulnérables (BIT, 2009).

2. Des réponses nationales tournées vers la promotion de l'entrepreneuriat et des jeunes et le renforcement de l'employabilité de la main d'œuvre

Dans le cadre de la Loi de Finances rectificative 2009 et de la loi de Finance 2010, les autorités ont adopté un certain nombre de mesures pour soutenir la demande interne, renforcer les filets de protection sociale, répondre aux besoins humanitaires d'urgence (inondations de septembre 2009), lancer des politiques de grands travaux, appuyer les exportations et la diversification productive. En 2010, le Gouvernement a favorisé une politique budgétaire déficitaire sur fonds de réduction des recettes propres, face à l'ampleur des effets de la crise et des inondations (1 152 milliards Fcfa de dépenses contre 890,7 milliards de recettes). En parallèle, le Gouvernement a décidé de réformer de fond en comble sa politique fiscale en élargissant la base d'imposition pour pour mieux mobiliser les ressources intérieures.

Dans le cadre de la nouvelle Stratégie de Croissance Accélérée (2011-2015), les Gouvernement fait de l'emploi un objectif prioritaire, à travers notamment des appuis renforcés dans le secteur de l'agriculture et de l'agro-industrie, les infrastructures et la formation professionnelle. Dans le cadre des négociations budgétaires 2010 et du budget-programme 2011-13, le Ministère de la Jeunesse et de l'Emploi (MJE) compte désormais parmi les sept ministères prioritaires.

Sur la période de 2004 à 2009, les allocations budgétaires au profit du secteur de l'emploi et de la jeunesse se sont accrues. Elles ont atteint 14 milliards Fcfa sur ressources propres de 2007 à 2009 contre 3,94 milliards Fcfa de 2004 à 2006 (Tableau 2). Les dotations sur ressources extérieures sont restées stables, avec un cumul de 4,2 milliards Fcfa de 2007 à 2009 contre 4,42 milliards de 2004 à 2006. En 2010, 259 millions sont prévus au titre des ressources extérieures contre 7,95 milliards au titre des ressources de l'Etat.

Tableau 3. Part des dépenses pour l'emploi dans les dépenses totales de l'Etat sur ressources propres (milliards Fcfa)

	2004	2005	2006	2007	2008	2009	2010
Dotations Emploi et Jeunesse	1,07	1,23	1,64	3,91	4,71	5,42	7,95
% Budget Etat	0,32%	0,31%	0,35%	0,70%	0,77%	0,86%	0,75%

Source :MEF/Loi de Finances initiale.

Face aux impacts de la crise internationale sur l'emploi, des enveloppes exceptionnelles ont été accordées par le Ministère des Finances au MJE, pour les exercices budgétaires 2009 et 2010: 520 millions ont été accordés en 2009 afin de renforcer les fonds d'appui et 700 millions en 2010 dans le cadre du projet de lutte contre le chômage des jeunes des communes urbaines à statut particulier.

- Le renforcement des fonds d'appui en 2009 (FASI, FAPE, FAIJE, FAFPA) doit permettre d'accroître le nombre d'emplois par le financement de microprojets et le nombre de jeunes bénéficiaires de formation aux métiers. Le nombre d'emplois créés est estimé à environ 1 700 emplois par an.

- Le projet de lutte contre le chômage des jeunes, répond au problème du chômage et du sous-emploi des jeunes dans les deux grandes villes du pays - Ouagadougou et Bobo-Dioulasso. Ce projet vise la création directe d'emplois par le financement des microprojets, la formation aux métiers et l'appui à l'installation des jeunes formés, le renforcement des capacités des artisans et des entreprises avec un appui financier en vue de générer des emplois. Ce projet permettra de financer la formation de 3 735 jeunes aux métiers et la création de 6 765 microprojets, soit 6 765 emplois directs en consolidant 830 autres emplois (Revue des Dépenses Publiques du MJE, mars 2010).

Le MJE a aussi exprimé des besoins de financements en 2010 pour:

- Etendre le Programme National de Volontariat au Burkina Faso (563,8 millions Fcfa dans le cadre du Budget 2010), pour assurer le recrutement de 1000 volontaires nationaux au profit des institutions partenaires et l'ouverture de deux centres régionaux de volontariat.

- Mettre en œuvre de nouveaux projets de formation : (i) le projet de formation de 130 000 jeunes ruraux et (ii) le projet de création de 225 entreprises agricoles pour la production, la collecte et la transformation de produits agro-alimentaires afin de créer 225 emplois directs et 675 emplois indirects.

- Mettre en œuvre la Politique nationale de l'emploi et de la jeunesse, à travers un financement supplémentaire de 3 milliards Fcfa par an, soit la moitié de l'enveloppe CMDT accordée annuellement (Revue des Dépenses Publiques du MJE, 2010).

3. Perspectives et challenges

Le Gouvernement a adopté une série de mesures pour faire face aux effets sociaux de la crise sur la base d'une politique budgétaire expansionniste. Mais le principal défi du pays est d'assurer les conditions d'une croissance durable porteuse d'emplois productifs et décents. La forte dépendance de l'économie au coton et à l'or rend l'économie fortement vulnérable aux chocs extérieurs, aux aléas climatiques et aux variations des termes de l'échange et le challenge majeur reste la diversification productive de l'économie.

La nouvelle Stratégie de Croissance Accélérée et de Développement Durable (2010-15) du Burkina Faso met l'accent sur la modernisation agricole, le développement de pôles régionaux et le développement des ressources humaines. Elle privilégie la diversification de la production pour réduire la dépendance vis-à-vis du coton et l'amélioration de la compétitivité, à travers des investissements plus élevés dans les infrastructures, la promotion des investissements du secteur privé et une meilleure gestion des finances publiques.

A moyen terme, les effets sur l'emploi ne seront pas estompés. Le sous-emploi et la proportion des travailleurs vulnérables et pauvres risquent d'augmenter si des mesures appropriées ne sont pas envisagées. Les politiques actives de l'emploi ont un rôle essentiel à jouer en temps de crise. Des dispositifs doivent notamment être mis en place en faveur des groupes vulnérables et des nouveaux entrants sur le marché du travail, mais aussi en faveur des salariés licenciés et des travailleurs indépendants du secteur informel. Ces dispositifs doivent privilégier l'amélioration des opportunités d'emploi et d'auto-emploi et le renforcement de l'employabilité des actifs vulnérables. Ces politiques actives devront accompagner la politique économique du pays qui doit désormais s'attaquer aux problèmes structurels (existant avant même la crise mondiale), notamment aux contraintes financières et à celles posées par les accords commerciaux internationaux.

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Le Bénin face à la crise

1. Les impacts de la crise sur l'économie et le marché du travail

L'impact de la crise financière et économique internationale sur l'économie du Bénin est important, même s'il a été ressenti avec retard comme pour l'ensemble des pays d'Afrique subsaharienne. Les effets de la crise se sont propagés par le ralentissement de la demande mondiale, la baisse des investissements directs étrangers et des envois de fonds des travailleurs émigrés, ainsi que l'accentuation des problèmes de financement des PME due à la rareté des crédits internationaux. Les équilibres macroéconomiques sont fragilisés, tandis que les indicateurs sociaux et d'emploi sont préoccupants.

Des indicateurs macroéconomiques en baisse

Etant dépendant des échanges commerciaux avec le Nigéria et de l'exportation de produits agricoles, le Bénin a été affecté par la crise en raison de la baisse de la demande sous-régionale et mondiale, de la baisse des recettes douanières et d'une aggravation des déficits commerciaux et budgétaires. L'ampleur de l'impact de la crise est à la mesure du degré de vulnérabilité économique du pays (dépendance par rapport au coton, au commerce transfrontalier et aux services).

Tableau 1. Evolution des agrégats macroéconomiques (projections après la crise)

	Croissance PIB réel (%)				Solde Compte Courant (%PIB)			
	2008	2009	2010 (e)	2011 (p)	2008	2009	2010 (e)	2011 (p)
Bénin	5,0	2,7	3,2	3,8	-8,3	-10,0	-9,5	- 9,6
Afrique	5,7	2,5	4,5	5,2	3,8	-2,9	0.0	0,6

(e) estimations et (p) projections, *Source : BAfD/OCDE 2010 et FMI 2010.*

- La crise a réduit de moitié la croissance du PIB réel, qui est passé de 5% en 2008 à 2,7% en 2009. En 2010, la croissance est estimée à 3,2%. Le Bénin parvient à maintenir son niveau de croissance économique autour de 3%, grâce à la hausse de la production agricole, des services et du BTP (programme d'infrastructures publiques notamment). La baisse de la croissance économique s'explique par le contexte de récession internationale, par la baisse de la production du coton et du commerce avec les pays voisins.

- Le taux d'inflation a décliné pour atteindre 2,2% en 2009 alors qu'il était à 7,9% en 2008, suite à la baisse des prix alimentaires et pétroliers (soit en dessous de la norme communautaire de 3%).

- Les secteurs primaire et tertiaire sont la première source de croissance, en contribuant à 40% et 45% du PIB respectivement. La croissance du secteur primaire est fortement dépendante du coton, celle du secteur tertiaire est déterminée par les relations avec le Nigeria, par les activités du Port Autonome de Cotonou et par l'essor des services. Le secteur secondaire représente la portion congrue de l'économie béninoise (avec un secteur manufacturier contribuant à 8% du PIB). Le secteur manufacturier et les services ont été les plus touchés par la crise.

- La baisse des investissements directs étrangers et des entrées d'investissements de portefeuille est constatée. Le ralentissement de la demande affecte la qualité des portefeuilles de crédits des banques, induisant un ralentissement des crédits à l'économie, que les PME subissent le plus en raison de la forte pression exercée par les grandes entreprises sur le marché bancaire local. La crise internationale entraîne une baisse des taux d'investissement de 21,4% du PIB en 2007 à 20,7% en 2008 mais ils remontent dès 2009, à 24,5% en 2009 et 24,8% en 2010.

- La crise s'est traduite par une contraction du volume des réexportations vers le Nigeria, alors que le commerce transfrontalier est une source importante de revenus et de création d'emplois. Ce qui s'est traduit par une baisse des recettes de l'Etat.

- Le déficit budgétaire se creuse en raison de la baisse de l'activité commerciale alors que les dépenses d'investissement financées sur ressources intérieures ont doublé, et que la masse salariale de la fonction publique a augmenté de 24% en 2009 par rapport à 2008. La politique budgétaire expansionniste s'est traduite par des dépenses publiques atteignant 26% du PIB en 2009 et 2010. Le déficit budgétaire global (hors dons) a plus que doublé en passant à 7,3% du PIB, et a été financé par des concours budgétaires supplémentaires de la communauté internationale et l'emprunt intérieur.

- Les termes de l'échange se sont dégradés entre 2006 et 2008 en raison de la nature des produits de leurs exportations (Tableau 2). Entre 2008 et 2009, les termes de l'échange se sont faiblement améliorés de +0,9%. La baisse relative des exportations entraîne une baisse des revenus des producteurs et travailleurs des secteurs d'exportation, qui est accentuée par la diminution des envois de fonds des travailleurs émigrés (notamment envers les producteurs ruraux), entraînant un ralentissement de la demande de consommation mais aussi de l'épargne intérieure.

Tableau 2. Exportations et termes de l'échange - Bénin (2007-09)

	Total des exportations (% PIB)				Termes de l'échange (indice, 2006 = 100)			
	2007	2008	2009*	2010*	2007	2008	2009*	2010*
Bénin	16,2	15,3	13,6	13,7	68,0	76,1	76,7	80,3

** Prévisions. Source : FMI, 2009*

- Le déficit du compte courant passe à -8,3% PIB en 2008 contre -7,6% en 2007 puis à -10% en 2009 et -9,5% en 2010, car les exportations de coton ont sensiblement diminué et les transferts de fonds des travailleurs établis à l'étranger ont reculé.

Une situation sociale et d'emploi qui s'aggrave

La crise internationale agit négativement sur la situation sociale et remet en cause les résultats atteints au cours de la dernière décennie. Le Bénin est classé 161ème sur 182 pays pour l'IDH en 2009.

- La proportion de la population située en dessous du seuil de pauvreté se situe à 37,4%. En 2009, l'incidence de la pauvreté augmente d'un point de pourcentage.

- Le niveau de développement social est faible au regard des indicateurs sociaux de base (espérance de vie, taux de mortalité infantile, taux d'alphabétisation). L'atteinte des OMD en 2015 est compromise, suite aux impacts de la crise conjugués aux contreperformances internes (faible diversification des sources de la croissance et faibles investissements dans le capital humain).

- Le niveau d'employabilité de la population en âge de travailler (15 ans et plus) et son potentiel de productivité, est faible au regard du taux d'analphabétisme (58%). La population active est jeune : plus de 60% des actifs sont âgés de moins de 35 ans et les enfants de 10 à 14 ans représentent 8,7% des actifs. Par ailleurs, 63,4% des femmes âgées de moins de 35 ans sont actives. Le niveau d'instruction des actifs occupés est globalement faible : le nombre moyen d'années d'études réussies est de 6,4 ans pour l'ensemble des actifs occupés.

- Le ralentissement de la croissance économique se traduit directement par une dégradation de la situation de l'emploi, notamment en ce qui concerne le taux de chômage, le taux des travailleurs vulnérables et pauvres. L'emploi a été particulièrement affecté par la baisse de la croissance agricole et des services. L'agriculture concentre 47% des emplois et le secteur tertiaire regroupe 40% des emplois. L'emploi informel non agricole représente 93% de l'emploi non agricole et le taux de salarisation avoisine 5% des actifs occupés.

2. Les réponses nationales face à la crise

Au cours du premier semestre 2009, les autorités nationales ont cherché à mettre en place un important plan de relance budgétaire, à travers notamment les investissements publics, mais elles ont dû ensuite resserrer leurs politiques en raison de contraintes financières, dans un contexte de diminution des recettes douanières (baisse des échanges commerciaux avec le Nigeria). Le coût des mesures d'accompagnement prises par le Gouvernement pour contrer les effets de la crise, s'établit à 68 milliards de Fcfa.

Les recettes totales de l'Etat ont baissé d'environ 48 milliards de FCFA en 2009 et 86 milliards de FCFA en 2010. Du fait des effets de la crise financière sur l'économie nigériane, le commerce de réexportation a connu une contraction et a réduit les recettes douanières. En outre, les recettes des impôts ont diminué face à la contraction de l'activité économique intérieure, en particulier dans les services.

Des mesures d'urgence ont été adoptées par le Gouvernement avec l'appui des partenaires au développement afin de :

- donner libre cours aux stabilisateurs budgétaires automatiques pour faire face aux baisses des recettes fiscales en maintenant la politique fiscale en cours, le niveau des dépenses publiques et en opérant des augmentations discrétionnaires pour les dépenses sociales ;

- augmenter les engagements du FMI et des autres partenaires pour financer le déficit budgétaire et rechercher des dons et prêts concessionnels pour financer les dépenses publiques ;

- renforcer le suivi de l'économie et la coordination de la politique économique ;

- encourager la BCEAO à poursuivre le renforcement de la liquidité des banques commerciales, en faisant preuve d'une souplesse accrue et en révisant à la baisse les taux directeurs et les coefficients de réserves obligataires appliqués aux banques. Ainsi, le taux de pension est passé de 4,75% à 4,25% et le coefficient de réserves obligataires de 15% à 9%.

Des **mesures structurelles** pour renforcer le cadre macroéconomique ont été proposées, par la Commission nationale chargée de proposer des mesures de politique économique. Ces mesures visent à relancer l'offre de la production intérieure ainsi que la demande intérieure et à soutenir les finances publiques, à travers :

- la relance de l'activité agricole autour des filières porteuses et des activités de commerce (réaménagement du dispositif fiscal et douanier et dégel des importants stocks de marchandises),

- des appuis financiers auprès des entreprises du secteur privé et des garanties auprès des banques, via l'accélération du paiement des créances des entreprises privées sur l'Etat et la mise en place du guichet unique pour les opérations portuaires et douanières.

3. Perspectives et challenges

Entre 2011 et 2015, la croissance du PIB réel devrait avoisiner 5,6% en moyenne par an (projections du FMI, 2010), avec la reprise de l'économie mondiale et régionale. Au-delà des mesures d'urgence prises par le Gouvernement, des mesures à moyen terme doivent être adoptées pour réduire la vulnérabilité économique et financière du pays. La Commission nationale de suivi de la crise met en avant la nécessité d'améliorer la compétitivité de l'économie béninoise, notamment la compétitivité du port de Cotonou et de l'ensemble du corridor du transit du Bénin (réforme au sein du secteur portuaire, efficacité du service douanier, lutte contre la corruption…), l'amélioration de la productivité des facteurs (énergie, télécommunications…), l'organisation du secteur agricole et la promotion de zones franches industrielles.

La Stratégie de Croissance pour la Pauvreté (SCRP) du Bénin est centrée sur la diversification économique, le développement de filières porteuses et des infrastructures. Ces stratégies mettent aussi l'accent sur le développement social, face à des contraintes sociodémographiques qui n'ont pas été sensiblement atténuées au cours de la dernière décennie.

La revue annuelle de la SCRP 2007-2009 souligne que des défis majeurs subsistent et méritent davantage d'efforts pour atteindre l'ensemble des objectifs visés. Il s'agit, entre autres, de : l'amélioration du climat des affaires, la diversification de l'économie, l'amélioration de l'entretien routier et l'aménagement des pistes rurales, la fourniture de l'énergie, l'efficacité interne du système éducatif, l'amélioration de la gouvernance dans le secteur sanitaire, l'amélioration de la qualité des dépenses publiques en particulier dans les secteurs prioritaires.

A moyen terme, les effets sur l'emploi ne seront pas estompés. Le sous-emploi et la proportion des travailleurs vulnérables et pauvres risquent d'augmenter si des mesures appropriées ne sont pas envisagées. Les politiques actives de l'emploi ont un rôle essentiel à jouer en temps de crise. Des dispositifs doivent notamment être mis en place en faveur des groupes vulnérables et des nouveaux entrants sur le marché du travail, mais aussi en faveur des salariés licenciés et des travailleurs indépendants du secteur informel. Ces dispositifs doivent privilégier l'amélioration des opportunités d'emploi et d'auto-emploi et le renforcement de l'employabilité des actifs vulnérables. La mise en place de ces mesures d'accompagnement nécessite que des accords internationaux soient trouvés pour lever les contraintes financières et commerciales qui pèsent sur le pays.

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Réponse du Cameroun face à la crise

La croissance de l'économie camerounaise s'est établie à 2 pour cent en 2009, soit près de 1 point de moins que la moyenne des trois années précédentes. La crise financière a été principalement ressentie au niveau des secteurs d'exportations (chute des prix des produits tels que le bois, le pétrole, caoutchouc etc.) à partir de la fin 2008, entrainant des pertes d'emplois massives dans ces secteurs. La reprise économique reste fragile malgré le maintien des dépenses budgétaires prioritaires, et le soutien accordé aux secteurs sinistrés en 2009. Le lancement de grands projets d'investissements en 2010 pourraient aider à résorber le déficit énergétique et infrastructurel du pays tout en contribuant à la création d'emplois aussi bien dans le secteur public que dans le secteur privé. Toutefois, ces progrès ne peuvent suffire à réduire la part de l'emploi informel dans l'emploi total dans un contexte de forte pression démographique (les jeunes entrants sur le marché du travail ont augmenté de 2,2 pour cent entre 2007 et 2008). Une croissance située entre 2,6 et 3,5 pour-cent selon les estimations, est prévue pour l'exercice 2010.

1. Aperçu de l'économie et du marché de l'emploi

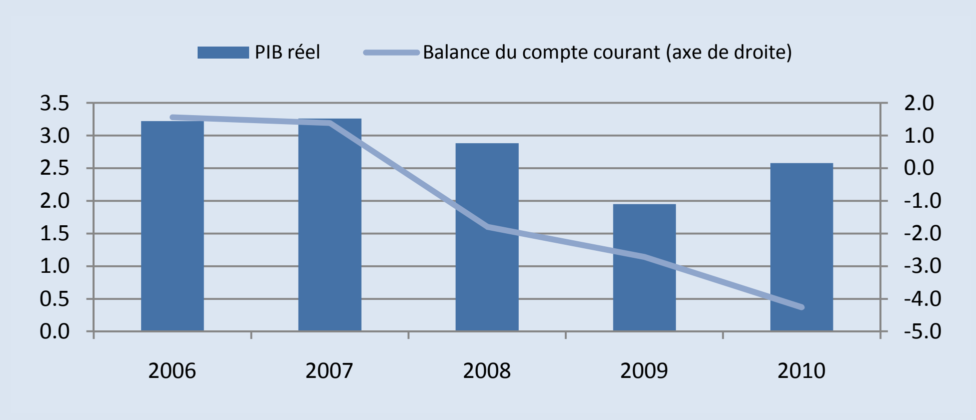
Le Cameroun a vu son Produit Intérieur Brut s'établir à 3,3 pour cent de croissance moyenne sur les cinq années qui ont précédé la crise (avec 3,3 pour cent de croissance du PIB enregistré en 2007). Cette modeste performance est largement en deçà des prévisions de croissance escomptées par le Gouvernement, et également en deçà de la moyenne des pays au Sud du Sahara (plus de 5 pour cent de croissance avant la crise). Par ailleurs, la population croît presqu'aussi vite que le rythme de production (le rythme d'accroissement de la population dépasse les 2 pour cent par an). Cependant avec l'élection de Cameroun au point d'achèvement de l'initiative des Pays Pauvres Très Endettés (PPTE) en avril 2006, des progrès pourraient être perceptibles avec l'accroissement du niveau des investissements publics et la poursuite des réformes structurelles, notamment dans les secteurs d'utilité publique.[8] A cela s'ajoute la bonne performance des secteurs pétrolier et agricole qui ont contribué à l'amélioration du solde de la balance courante avec des excédents de l'ordre de F CFA 101 milliards (1,6 pour cent du PIB) et F CFA 137 milliards (1,4 pour cent du PIB) respectivement en 2006 et 2007, alors que la balance courante demeurait structurellement déficitaire depuis 1995[9].

Les stratégies de réponses à la crise au Cameroun sont en partie antérieures à la crise et visaient principalement les effets de la crise de 1992 qui a profondément affecté les structures économiques et sociales du pays. Les nouveaux efforts du Gouvernement pour maintenir cette fragile stabilité de l'économie ont malencontreusement être ébranlés par la crise financière internationale survenue dans le dernier trimestre 2008. Cette situation a été marquée par un ralentissement de l'économie camerounaise déjà essoufflée, matérialisée par une baisse du taux de croissance du PIB à 2,9 pour cent en 2008. Cette baisse aurait pu être plus grave, n'eut été les bonnes performances des secteurs pétrolier et agricole qui ont contribué respectivement à 50 pour cent et 25 pour cent des revenus d'exportation en 2008, profitant ainsi de l'envolée des cours mondiaux des matières premières enregistrée pendant les mois précédant la crise. Il s'en est suivi un déficit de la balance courante (-2,3 pour cent du PIB en 2008) bien que le solde budgétaire global ait été excédentaire (2 pour cent du PIB en 2008).

[8] Grâce à cette initiative, la dette publique est passée de FCFA 3652 milliards en 2005 à 882 milliards en 2008.

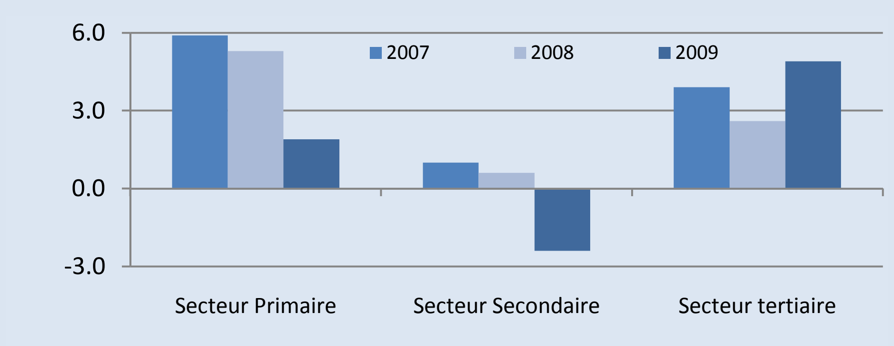
[9] Après les excédents enregistrés en 1995 consécutif à la dévaluation du Franc CFA, la balance courante s'est détériorée emmenée par un déficit du solde commercial de F CFA 324,5 milliards en moyenne, sur la période 1996-2000. La balance commerciale reste déficitaire dans une moindre mesure et affiche un solde moyen de F CFA 130 milliards jusqu'en 2005.

Figure 1. Evolution du PIB réel (en pour cent) et de la Balance courante (pourcentage du PIB)



Source: BAD et du FMI (2010). *estimations

Figure 2. Taux de croissance des secteurs d'activités entre 2007 et 2009



Source: Perspectives économiques en Afrique, OCDE/BAD.

Le Cameroun n'a pas été épargné par les effets de la crise financière tout au long de l'année 2009, où le taux de croissance de son PIB s'est chiffré à seulement 2 pour cent. Cette performance est à mettre au détriment de la baisse de la demande mondiale qui a induit une chute des cours des matières premières au cours de l'année, affectant ainsi le secteur des exportations camerounais où l'on a enregistré plus de 34 pour cent de baisse des revenus.

Le secteur primaire qui représente plus de 20 pour cent du PIB a vu sa croissance s'altérer, s'établissant à seulement 1,9 pour cent en 2009 contre 5,3 pour cent en 2008. La production de caoutchouc en plus de sa baisse (18,6 pour cent au 1er trimestre 2009) a vu ses cours chutés de 42,5 pour cent. Le secteur du bois on a enregistré une baisse de -31 pour cent au niveau des recettes d'exportations pour la même année. Idem pour la banane où l'explosion des intrants à entrainer une baisse de 25,4 pour cent de la production. Le secteur secondaire qui contribue pour sa part à 25,9 pour cent du PIB, enregistrait de son côté une croissance négative de -2,4 pour cent en 2009. Deux sous-secteurs expliquent cette mauvaise performance : l'industrie pétrolière, qui accumulait une baisse de sa production de l'ordre de 13,1 pour cent en 2009 par rapport à 2008, et les mauvaises performances de ALUCAM, qui étaient dues au déficit énergétique qui a affecté l'alimentation des usines d'aluminium. Seul le secteur tertiaire, avec sa participation de 46,2 pour cent à la formation du PIB, a poursuivi son expansion enregistrant 4,9 pour cent de croissance en 2009 contre 2,6 pour cent en 2008 contribuant ainsi à 2,2 points à la croissance réelle.

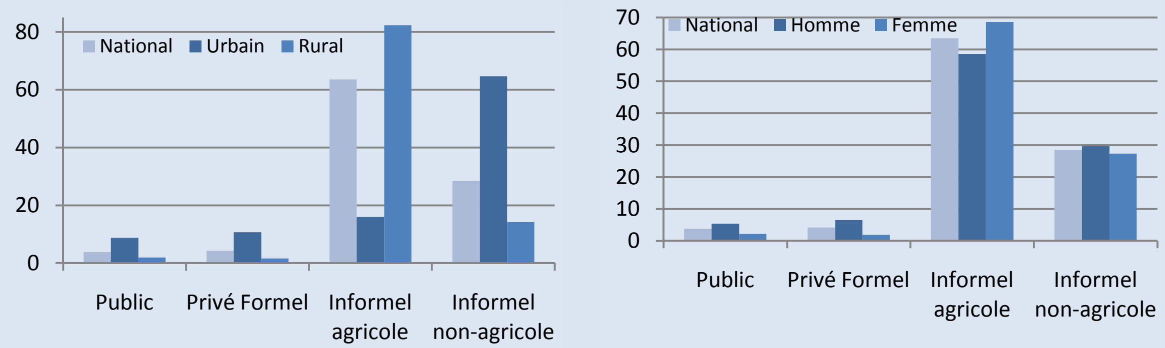
Cette tendance est principalement due au secteur des télécommunications qui a vu d'importants travaux s'effectués (connexion à la fibre optique) et le nombre des ses abonnés s'accroître de 37,1 pour cent en 2009.

Le taux d'inflation contre toute attente a eu une tendance baissière s'établissant 3,2 pour cent en 2009 contre 5,3 en 2008 grâce aux actions engagées par le Gouvernement en maintenant ses subventions pour l'approvisionnement des marchés en produits de première nécessité et en matériaux de construction. La balance courante quant elle accroissait son déficit à 3,7 pour cent du PIB, en raison de la répercussion des effets de la crise sur le commerce extérieur et de la structure déficitaire de la balance des services et des revenus. Cette situation a eu un effet d'entraînement si bien que le solde budgétaire global a également enregistré un déficit de l'ordre de 1,8 pour cent du PIB en 2009. La croissance prévue pour 2010 se situerait entre 2,6 pour-cent selon le FMI et 3,5 pour-cent selon la Banque Centrale.

L'effet de la crise financière sur le marché de l'emploi : des emplois touchés dans le secteur primaire, crainte d'un accroissement de l'informalité

Le Cameroun à l'instar des autres pays d'Afrique Sub-saharienne présente une économie structurellement dominée par le secteur primaire qui emploie près de 56 pour cent de sa population active. Avec une population de plus en plus jeune et une économie au ralenti qui n'offre pas assez de débouchés, le problème de l'insertion professionnelle constitue la préoccupation permanente du Gouvernement. Selon les estimations officielles, près de 3.000.000 de jeunes étaient en situation d'emploi précaire avec près d'un million de jeunes en situation de chômage et deux autres millions en situation de sous-emploi[10] avant la crise. La troisième enquête camerounaise menée auprès des ménages a en outre révélé que le taux de chômage des jeunes bien qu'inférieur à 10 pour cent au plan national (10 à 29 ans) était néanmoins très important dans les zones urbaines telles que Douala (20 pour cent) et Yaoundé (21 pour cent).

Figure 3. Répartition des actifs occupés par secteur en fonction du lieu de résidence et du sexe (en pourcentage).



Source : DSCE (2009)

L'économie informelle offrait par conséquent le plus d'opportunités en termes d'emplois. En 2009, l'emploi informel représentait 8 pour cent de l'emploi total, un recul par rapport à 2005 où cette part atteignait 9,6 pour cent. Par ailleurs, l'emploi formel dans le secteur privé représente que 4,2% de l'emploi

[10] http://www.journalducameroun.com/article.php?aid=642, http://www.journalducameroun.com/article.php?aid=813

total en 2009, alors que ce chiffre est de 3.8% pour le secteur public. La répartition en termes de sexe vient appuyer le constat d'inégalité entre les hommes et les femmes, qui trouvent plus d'emploi dans l'informel (95,9 pour cent d'entre elles occupent un emploi informel en 2009). En ce qui concerne le taux de chômage, il a continué de s'aggraver atteignant 11,9 pour cent en 2009 contre 8,2 pour cent en 2007. Le sous-emploi était extrêmement répandu avant la crise : il avoisinerait 75,8 pour cent de l'emploi total, plus marqué en milieu rural (78,8 pour cent) qu'en ville (57,4 pour cent) en 2007.

Cette tendance est principalement la résultante de la diminution des effectifs de la Fonction Publique et des entreprises du secteur public et parapublic suite aux privatisations initiées par le Gouvernement camerounais (PAS etc.), ainsi que les difficultés du secteur privé à maintenir un niveau d'activités suffisant pour conserver les emplois. Par exemple comme effet de la crise, les acteurs du secteur forestier ont été contraints de licencier plus de 20 pour cent de leur personnel (3500 ouvriers), à mettre près 15 pour cent (environ 1000 cadres et ouvriers) en chômage technique et à réduire le temps de travail dans 3 entreprises suite à l'annulation d'importantes commandes et à la baisse des cours en 2009. Ce chiffre atteindrait les 10 000 emplois perdus (secteur formel et informel compris) si aucune action n'était entreprise pour sauver la filière. De même la filière coton qui contribue à l'entretien de 430 000 emplois : 350 000 dans la culture de coton, environ 4 650 dans la transformation et près de 75 000 dans la confection, a été menacée par les effets de la crise entraîné par la chute de cours et l'enchérissement des intrants durant l'année 2009.

La crise a donc plus touché les jeunes qui continuent de se contenter pour la plupart d'emplois informels, en général précaires en termes de rémunération, de sécurité et de couverture sociale.

2. La relance des projets structurants, la promotion de l'emploi et l'allégement fiscal pour revigorer l'économie camerounaise

Des mesures maintenues qui ont atténué l'impact de la crise des prix sur les camerounais…

Il convient de noter que le Cameroun a adopté, à l'instar de tous les autres pays d'Afrique au Sud du Sahara, une première série d'initiatives suite à la crise issue de la hausse des prix alimentaires et du pétrole. A cet effet, une ordonnance présidentielle englobant diverses mesures a été prise au premier trimestre 2008 dont l'objectif visait l'amélioration du quotidien des citoyens camerounais.

Le gouvernement a décidé, suite aux négociations engagées dans le cadre de la commission nationale consultative du travail, aux revendications et aux mouvements des syndicats face aux baisses sans précédent des salaires des fonctionnaires de 40 pour cent à 70 pour cent en fonction des catégories opérées entre 1993 et 1994, de revaloriser le SMIG, d'augmenter les salaires et les indemnités de non logement des employés du secteur public respectivement de 15 pour cent et 20 pour cent pour une enveloppe de F CFA 65 milliards (0,61 pour cent du PIB de 2008). Les enseignants du supérieur pour leur part ont pu obtenir au bout de 10 ans de négociations, la création d'un compte d'affectation spécial pour la modernisation de la recherche et des universités d'état dont la première tranche de 1 milliard (0,01 pour cent du PIB de 2009) a été débloqué au deuxième trimestre 2009.

Ensuite, le Gouvernement a gelé les droits de douane et les taxes à l'importation de certains produits de base et de première nécessité tels que le poisson, le blé, le riz et la farine de froment entraînant un manque à gagner au niveau des recettes de l'ordre de F CFA 32 milliards (soit 0,30 pour cent du PIB de 2008). L'Etat a poursuivi son action en subventionnant les prix à la pompe et la tranche sociale des tarifs d'électricité pour un montant global de F CFA 52 milliards (soit 0,49 pour cent du PIB en 2008) et réduit le tarif extérieur commun applicable au ciment (de 20 pour cent à 5 pour cent) permettant ainsi de stimuler la demande intérieure.

Tableau 1. Récapitulatif des mesures prises en vue de juguler le choc de la hausse des prix alimentaires et du pétrole en mai 2008

Mesures	Montants (FCFA Milliards)	pour cent du PIB
Augmentation des salaires	65	0.61
Suppression des taxes sur les produits de base	32	0.30
Subvention des prix (pétrole, électricité)	52	0.49
Total	*149*	*1.40*

Source : DSCE (2009)

Soutien aux secteurs productifs sinistrés par la crise financière et économique et mise en œuvre de grands projets structurants afin de rétablir à la croissance…

La crise financière a obligé le Cameroun, en l'absence de filets de protection sociale, à intenter diverses actions pour sauvegarder l'appareil productif lourdement touché par l'effondrement des cours et la baisse de la demande. Des mesures immédiates ont été prises par le Gouvernement, sur recommandation d'un groupe d'experts gouvernementaux et du secteur privé (GICAM) vis-à-vis de l'ensemble des secteurs sinistrés du fait de la crise (l'industrie forestière et pétrolière, le secteur du coton, du caoutchouc et de l'aluminium).

Le gouvernement a allégé la fiscalité du secteur forestier (le plus touché en termes de coûts financiers et sociaux) qui contribue à environ 6 pour cent à la formation du PIB et génère environ 13 000 emplois formels et 150 000 emplois informels[11]. Les mesures suivantes ont été adoptées : suppression de la caution bancaire exigée aux entreprises, réduction de moitié de la redevance forestière annuelle ainsi que la taxe d'entrée usine sur 2ème et 3ème transformation, mettant ainsi fin aux distorsions fiscales affectant négativement le secteur. Des actions ont également été menées pour préserver les emplois restant et redynamiser le secteur forestier lourdement touché par les retombées de la crise (l'annulation de près de 30 pour cent des commandes en essence et la fermeture de 94 unités de transformation). Au niveau de filière coton, l'État a octroyé F CFA un milliard à la Société de développement du coton pour lui permettre de financer le fonds revolving engrais (subventions accordées aux planteurs) au début de l'année 2009 et a aussi procédé à l'apurement des crédits de TVA.

Le gouvernement a renforcé son soutien au secteur primaire à travers un vaste plan de relance agricole doté d'un budget de plus de F CFA 30 milliards (0,28 pour cent du PIB de 2009) financé en partie par l'initiative pour l'allègement de la dette multilatérale. Ce plan devrait apporter, d'une part un soutien aux exploitations familiales qui représentent 95 pour cent du total des exploitations agricoles à hauteur de F CFA 14,5 milliards. Ensuite, d'ici à 2011 le Cameroun devrait former près de 15000 jeunes aux techniques agricoles et pastorales en réhabilitant les centres de formation professionnelle (F CFA 7,5 milliards) et enfin appuyer la maîtrise d'ouvrage des infrastructures rurales[12] (F CFA 10 milliards).

L'État a en outre intensifié sa politique de promotion des secteurs des mines et de l'énergie afin de soutenir la production industrielle. L'extension du Cadre d'appui et de promotion de l'artisanat minier (CAPAM) lancé en 2003 a permis des investissements dans une zone regroupant 20 Gicamines (mines artisanales) en 2009, permettant ainsi de sécuriser près 1000 emplois directs et d'éviter l'utilisation de la main d'œuvre infantile en facilitant la scolarisation de 1025 enfants. D'autre part, le début des exploitations

[11] http://www.cbfp.org/docs/rapports_act/PFBCatelier_exploitatonindustrielle/atelier_exploindus_FORAF_crise.pdf

[12] Le Programme de Développement rural intégré entrevoit l'amélioration de la sécurité alimentaire, la réduction de la pauvreté et l'amélioration des conditions de vie des populations rurales (construction de classes, de magasins de stockages des produits agricoles, rénovation des pistes rurales etc.)

des mines de fer et de cobalt, devrait accroître l'embellie de ce secteur tributaire jusqu'à présent du pétrole, avec à court terme (période 2010 – 2011) la création de près de 3300 emplois directs pour un investissement d'environ US$ 3,9 milliards. A long terme, le nombre d'emplois créés qui pourrait être mis à l'actif du secteur minier à la suite de l'exécution des différents projets devrait avoisiner le nombre de 10 000 emplois directs.

Tableau 2. Projets miniers initiés ou en voie d'initiation au Cameroun

Sociétés promotrices du projet	Type de Gisement	l'investissement (US $ millions)	Nombre d'emplois directs créés
GEOVIC	Nickel-Cobalt	400	300
CAM IRON SA	Fer	3500	3000
Hydromine Global mineral	Bauxite	5000	2500
C & K Mining company	Diamant	1000	4000
	Total	9900	9800

Source : Initiative pour la Transparence de l'Industrie Extractive (ITIE) Cameroun

Le gouvernement, dans son intention d'améliorer substantiellement l'accès aux infrastructures de base (routes, énergie, transports et communication, eau et assainissement, etc.), a entrepris d'importants investissements dans le cadre de sa stratégie pour la croissance et l'emploi[13] (DSCE). Un Plan d'Action National Énergie pour la Réduction de la Pauvreté (PANERP) d'un coût global de réalisation se chiffrant à près de 5 853 Milliards de francs CFA sur les dix prochaines années devrait permettre d'améliorer les ouvrages de production et de transport d'électricité par grands réseaux tout en créant des milliers d'emplois.

Tableau 3. Liste des projets prioritaires du gouvernement

Projets	Investissement global (en F CFA milliard)	Financement Public (en F CFA milliard)
Barrage hydroélectrique *de Lom Pangar*	140	100
Port en eaux profonde de *Kribi*	300	180
Deuxième pont sur le *Wouri*	85	85
Barrage hydroélectrique de *Memve'ele*	145	145
Autoroute Yaoundé Douala	600	300
Autres*	3270	1635

Source : MINEPAT * englobe la centrale thermique à Gaz de Kribi, la construction d'usines de production d'engrais chimiques, le développement du réseau fibres optiques, la construction de nouvelles alumineries, le développement d'hyper-extension agropastorales, la construction de 1000 KM de chemins de fer.

De plus, des travaux de construction, d'aménagement ou de réhabilitation au niveau des autres infrastructures s'effectueront et faciliteront l'association des petites et moyennes entreprises à l'essor économique[14]. Comme exemple de l'impact de ces projets, le projet du port de « Kribi » devrait permettre la création d'environ 20 000 emplois, ou encore l'enveloppe de F CFA 400 milliards réservée aux PME/PMI camerounaises dans le cadre du projet d'extension de l'usine ALUCAM.

[13] Le document stratégique pour la croissance et l'emploi vise quatre objectifs sur la période 2010-2020:croissance moyenne annuelle de 5,5 pour cent, création de dizaine de milliers (baisse du sous-emploi de 75,8 pour cent à 50 pour cent), réduction du taux de pauvreté monétaire de 39,9 pour cent à 28,7 pour cent) et réaliser les OMD.

[14] L'État a garanti au secteur privé environ 30 pour cent de l'ensemble des marchés liés à ces projets.

Promotion de la formation et de l'emploi des jeunes pour soutenir le développement

Les projets structurants relevés précédemment devraient contribuer à l'amélioration de l'économie du Cameroun à travers la création de la richesse et de l'emploi. Le Gouvernement a continué ses efforts de promotion de l'emploi en étendant sa politique de recrutement au sein de la fonction publique principalement dans les secteurs de la santé et de l'éducation en 2009. L'État a recruté 6 525 nouveaux enseignants afin de couvrir le déficit d'enseignants lié au vieillissement des ressources humaines et contribuer ainsi, à l'atteinte des OMD. En plus du renouvellement des effectifs, l'État a procédé à la régularisation de près de 10 252 agents temporaires (dont 3000 pour la santé) de l'administration publique camerounaise en 2009 à la suite du dialogue social initié avec les syndicats. Ce nombre pourrait s'accroitre en 2010 à la suite de requêtes faites par les personnes déclarées non éligibles au processus de contractualisation évaluées à environ 8000 travailleurs. Pour cette opération, l'État aurait procédé à une provision budgétaire de F CFA 8 milliards (0,08 pour cent du PIB) de francs sur le budget de 2009.

Des efforts ont aussi été consentis dans l'amélioration de la transparence et de l'intermédiation sur le marché de l'emploi. A cet effet, l'État a autorisé l'agrément de 43 entreprises de placement privé et créé 6 offices régionaux. Cette initiative ambitionne de donner la possibilité à près de 10 698 travailleurs d'intégrer le marché de l'emploi. Pour promouvoir la formation professionnelle et l'auto-emploi des jeunes, le Gouvernement du Cameroun a lancé la construction de trois centres de formation et a octroyé des bourses d'apprentissage à quelques 529 jeunes camerounais. Il faut relever également les mesures fiscales visant à accorder deux ans d'exonérations à l'endroit des jeunes PME/PMI et la mise en place au premier trimestre 2010 d'un guichet unique de création d'entreprises. Ces incitations avaient pour objet de soutenir et promouvoir les PME/PMI dans leurs initiatives et ainsi soutenir la création de nouveaux emplois. Aussi, un programme de financement de microprojets à travers différents mécanismes que sont le Fonds National de l'Emploi (FNE) et le Projet intégré d'appui aux acteurs du Secteur Informel (PIAASI) a permis d'appuyer 8 032 jeunes porteurs de projets avec respectivement 6 979 bénéficiaires pour le compte du FNE et 1 353 pour le PIAASI.

3. Les challenges

Le Cameroun, avec le lancement des grands chantiers, a l'intention de stimuler son économie en mettant un accent particulier sur les investissements structurants gage de création d'emploi. Ces incitations couplées aux réformes visant à assurer une stabilité macroéconomique devraient porter leurs fruits à compter de l'année 2010 où la croissance assez modeste pourrait se situer autour de 2,6 pour cent, du reste insuffisant pour résorber le chômage, augmenter la productivité et le niveau de vie de la population, vu le rythme de la croissance démographique.

En grande partie fondés uniquement sur les importations et le financement extérieur, ces potentiels investissements risqueraient de n'avoir qu'un effet réduit et contribueraient à aggraver l'endettement du pays qui est prévu atteindre le seuil de 8,5 pour cent du PIB soit 3 points de pourcentage comparé à 2007.

Les efforts supplémentaires devront être effectués en vue de diversifier les sources de financements internes (par exemple l'émission de bons du trésor) et améliorer l'exécution budgétaire.

Sur le plan social, de maigres progrès ont été constatés avec la réduction de la pauvreté monétaire de 0,3 point de pourcentage en 7 ans, passant de 40,2 pour cent en 2001 à 39,9 pour cent en 2008. Seules les augmentations opérées au niveau des dépenses sociales, avec par exemple les dépenses d'éducation et de santé qui ont respectivement augmenté de 24,19 pour cent et 29,10 pour cent entre 2008 et 2009, permettent de soutenir l'intérêt de Gouvernement dans ses efforts de réduction de la pauvreté et dans son ambition d'atteindre les OMD. La question de l'efficience dans l'utilisation de ces ressources reste tout de même de mise et les efforts entrepris dans ce sens devront être poursuivis.

Tableau 4. Evolution des dépenses d'éducation et de santé en fonction du budget et du PIB (2008 – 2010)

	pour cent du budget		pour cent du PIB	
	Education	Santé	Education	Santé
2008	28.05	5.97	3.79	1.01
2009	27.93	7.71	4.60	1.27
2010	28.29	8.01	4.70	1.33

Tableau 5. Variation des dépenses (en pourcentage)

Variation	2008-2009	2009-2010
Education	24.19	5.35
Santé	29.10	8.02

Source : Calculs de l'auteur basés sur le DSCE et Loi de Finances (MINEPAT).

Le Gouvernement pourrait continuer sa réforme des entreprises publiques (CAMAIR, CAMTEL et SONARA) et du cadre institutionnel de promotion des investissements privés et des exportations. Mais le Gouvernement pourrait aussi garantir, d'une part le volet social de ces restructurations publiques en initiant des plans sociaux pour les personnes qui devraient perdre leur emploi. Et d'autre part, le Gouvernement devrait œuvrer à l'application l'article 40 de la loi n°92/007[15] et trouver des solutions appropriées aux problèmes des nombreux travailleurs licenciés du fait de la crise. En facilitant des formations qualifiantes et le financement de projets, le Gouvernement permettrait d'éviter à ces travailleurs déflatés, d'aller grever le nombre déjà pléthorique des travailleurs évoluant dans l'économie informelle.

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[15] Cette loi proscrit le licenciement des travailleurs pour raisons économiques.

Egypt's response to the crisis

The global economic and financial crisis reduced the growth rate of the Egyptian economy from 7.2 per cent in 2008 to 4.2 per cent in 2009. An estimated 237, 000 jobs losses were recorded between the end of 2008 and the end of 2009, with a peak in job losses occurring in the first quarter of 2009. The labour market situation of youth and women deteriorated significantly. The crisis affected the Egyptian economy through the decrease in the demand for exports of goods and services, and the decrease in FDI and in remittances. Between October 2008 and May 2010, Egypt introduced three stimulus packages worth 3.1 per cent of GDP to revive its economy and create employment opportunities, especially for youth. Unemployment rates in February 2010 have declined for both men and women compared to one year earlier, albeit at a low pace. Growth of GDP is expected to reach 5.0 per cent in 2010.

1. Economic and labour market overview

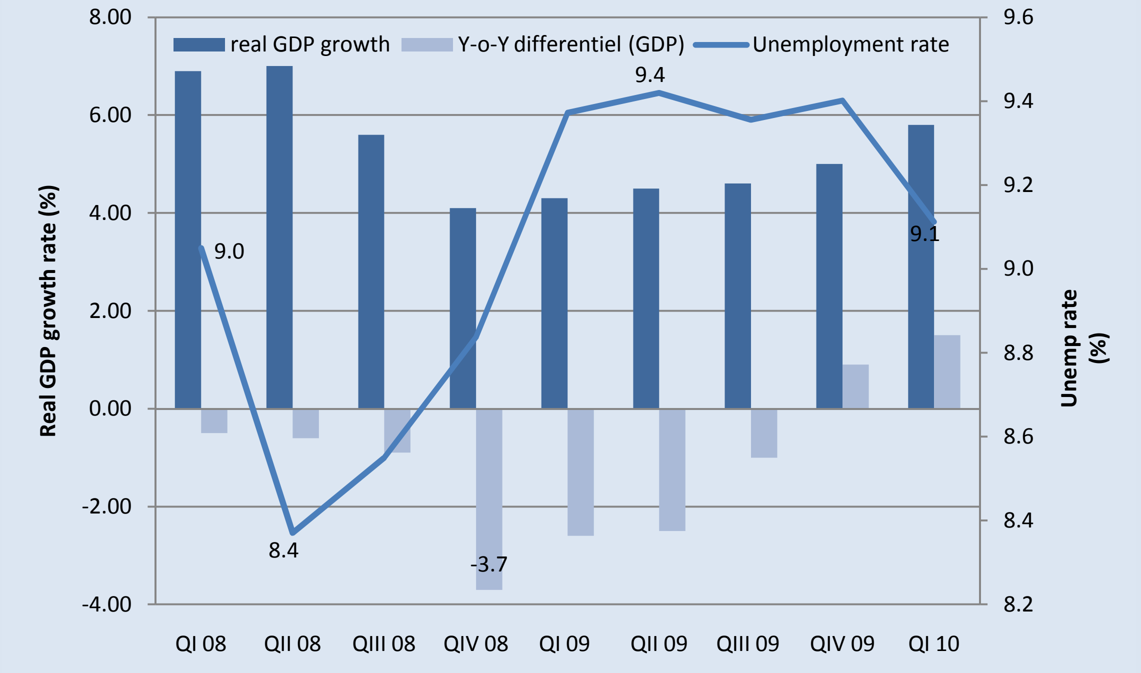
Egypt's economy grew at an average rate of 7 per cent per annum over the past three years preceding the crisis in 2009. The crisis severely affected the economy, with growth declining 3.7 percentage points in the fourth quarter of 2008 (compared to a year earlier). Dwindling foreign demand entailed a slowdown in exports of goods and services which increased the trade balance deficit by 25 per cent in the second half of 2008 compared with a year earlier. Waning of current account receipts[16] coupled with receding foreign investment flows of US$13.2 billion in 2007-08 down to US$8.1 billion in 2008-09 also resulted in a balance of payments deficit for the first time in five years. In addition, remittances were down 4.9 per cent in the same period.

The Egyptian economy was more resilient to the spillovers of the crisis than might have been expected. The fourth quarter of 2009 witnessed a 0.9 percentage point increase in GDP growth (compared with a year earlier). The trend was accentuated in the first quarter of 2010 with the GDP growth rate standing at 5.8 per cent, in part due to government action to stimulate demand, create jobs and address social security in the public sector. According to the IMF, GDP growth will be 5.0 per cent in 2010.

Job losses: Since the start of the financial crisis, Egypt lost 237,000 jobs from 2008 to 2009 (third quarter, year on year), with quarterly recorded job losses peaking at 137,000 in the first quarter of 2009. The decrease in employment was unevenly distributed across sectors with the hotel and restaurants sector (accounting for 12.6 per cent of the labour force, 2.8 million workers) suffering the most. The lay-offs in the hotels and restaurants sector was prompted by an industry slump as a result of a decline in the number of tourists (down 2.3 per cent in 2009. Crisis measures put forward by the Government of Egypt targeted employment recovery by targeting infrastructure projects and promoting small and medium enterprises through subsidized loans and private sector incentives. These measures helped to create 162,000 jobs in the third quarter of 2009, and 900,000 jobs in the first quarter of 2010.

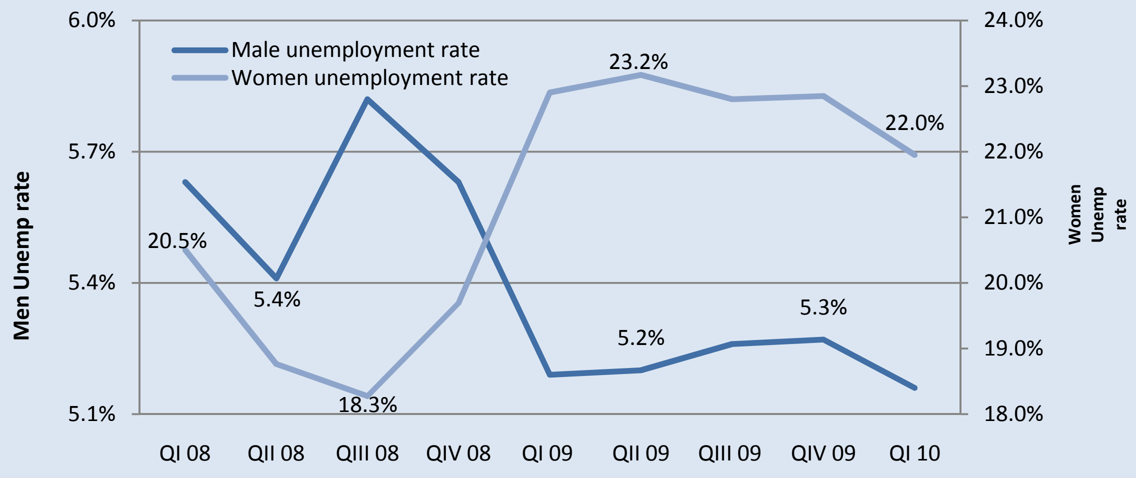
[16] For example the drop of Suez Canal receipts by 10.5 per cent in term of contribution to real GDP growth from October 2008 to March 2009 and the decline in customs revenues by 1 per cent for the fiscal year 2008-09 compared to the previous fiscal year.

Figure 1: Quarterly GDP growth rate, Y-o-Y differential of GDP growth and Quarterly unemployment rate



Source: MOF, CAPMAS.

Figure 2. Women and Men quarterly unemployment Rate



Source: MOF, CAPMAS

Unemployment rate: Prior to the financial crisis, the unemployment rate fell 2.5 percentage points to 8.7 per cent from 2005 to 2008, partly attributable to the success of structural and institutional reforms[17] implemented by Egyptian authorities. Since the onset of the crisis, the unemployment rate increased by 0.8 percentage points to 9.4 per cent in the third quarter of 2009 (compared to a year earlier). The unemployment rate remained constant at around 9.4 per cent throughout 2009 before falling 0.3 percentage points in the first

[17] Tariff reductions, trade facilitation measures, customs administration enhancement implemented in 2004 and new personal and corporate tax code passed in July 2005.

quarter of 2010, as stimulus measures implemented during the crisis took effect. The unemployment rate of women peaked at 23.2 per cent in the second quarter of 2009, a 4.4 percentage point increase (compared to a year earlier). In contrast the male unemployment rate declined throughout 2009 and reached 5.2 per cent in the first quarter of 2010.

Labour force participation: The Egyptian labour market faces the challenge of integrating 700,000 new entrants into the labour force every year, mainly youth. However the labour force increased by only 400,000 between July 2008 and July 2009, indicating discouragement amongst unemployed people. A decrease in the youth labour could also indicate longer stay in the education system. This decrease in the labour force took place within the context of low labour force participation rates of women. The labour force participation rate of women increased 1.0 percentage point to 23.5 per cent in 2009 compared to a year earlier, following a drop of 1.5 percentage points between 2007 and 2008. The participation rate of young women remains lower (about 13 per cent in 2010) compared to other countries in the MENA regions (regional average of 21.5 per cent in 2008). Egypt has one of the lowest female participation rates in the world (ranking 120 of 128 countries).[18] When they are found in employment, young women tend to face adverse working conditions: 38.5 per cent of young women worked long working hours and 19 per cent suffered from "harsh treatment at work" according to the Egypt Human Development Report 2010.

Poverty: The share of the poor as a percentage of total population increased during the crisis from 19.6 per cent in 2004-005 to 21.6 per cent in 2008-009.[19] The incidence of poverty in the rural areas went up from 26.8 per cent to 28.9 per cent over the same period, and from 1.7 per cent to 2.6 per cent in the urban areas.

2. Measures taken to tide over the crisis

The drop in the growth of Egypt's economy was cushioned by prompt fiscal and monetary policy. Fiscal measures included increases in consumption spending and stimulus packages targeting the construction, communications and trade sectors. The Government also managed to stay within its budget deficit target for 2009-10, with a budget deficit of 8.4 per cent of GDP for the financial year ending 2010, a slight increase from 6.9 per cent of GDP over the financial year ending 2009.

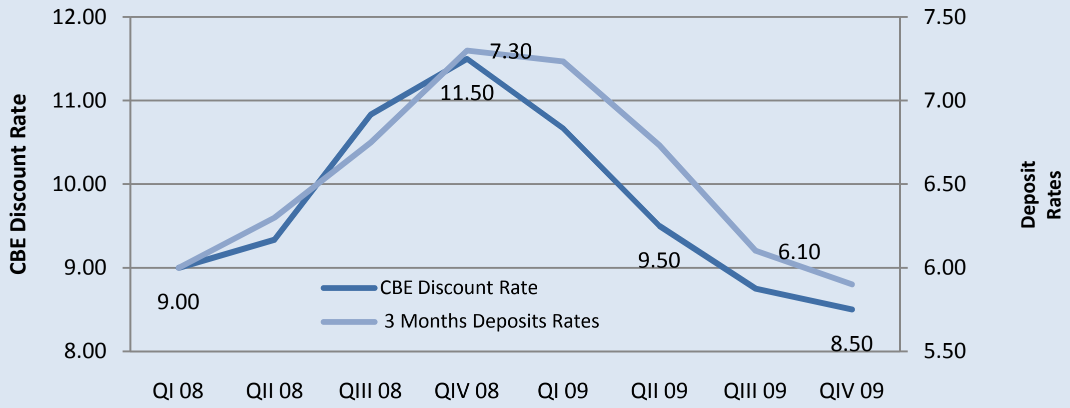
Monetary policies entailed decreasing interest rates; and revamping lending through the state-owned banking system. Before the crisis, Egypt, like other developing and emerging economies, was faced with inflationary pressures with the energy and food price spikes of 2008; it addressed this by increasing the deposit and lending rates (by 2.75 per cent from May 2008 to January 2009). Once the crisis hit the economy, Egypt reversed its policy stance, reducing the deposit and lending rate (by 3.75 percentage points in February 2009). Largely achieving its aim, the inflation rate dropped significantly by 13.4 percentage points in May 2009 from a peak of 23.6 per cent in August 2008.

Meanwhile, the state-owned banking system received a liquidity injection of LE 10 billion in an attempt to revive domestic lending and stimulate domestic consumption. This injection helped small and medium enterprises to revive and expand, thereby generating more employment opportunities. In May 2009, the Social Development Fund Board cut the interest rates on loans for SMEs by 2 percentage points, further helping the revival of this sector and creating more jobs.

[18] "In North Africa, labour force participation rate of young women had shown a decline of 2.3 percentage point (from 25.2 in 1998 to 22.9 in 2008) and some employers openly give preference to male jobseekers, but there are also some employers who might prefer female workers but the jobs offered are low-skilled and low-paid and therefore not attractive to the few women holding out for employment' (ILO: *Global Employment Trends for Youth, August 2010* (Geneva, 2010))..

[19] Human Development Reports for Egypt, 2008 and 2010.

Figure 3. Quarterly average of Central Bank of Egypt discount rates and 3-month deposit rates



Source: MOF and CAPMAS (2010)

Stimulus measures in response to the price spike: Egypt was deeply embroiled in the food and energy price hike of 2008 preceding the global economic crisis. The Government announced two fiscal packages specifically designed to tackle the adverse effects of high food prices, notably through social support and demand stimulation. The first package of LE 6.3 billion, announced in mid-2007, aimed at cushioning the effects of food and oil hikes with a large proportion of it diverted towards energy subsidies (67 per cent of the total stimulus package). The second package, announced in May 2008, allocated LE 14 billion for social support and tax reform measures. As part of the social support measure, a base wage scheme was put in place that benefited close to 6 million low-paid employees in the public sector, a monthly increase in pension payments complemented this. The 17 per cent increase in tax revenues (at the end of 2008) helped fund these packages.

Stimulus measures related to the crisis: Following the packages to combat the price spike in 2008, the Government of Egypt unveiled three additional stimulus packages in response to the crisis. Collectively worth LE 34.2 billion, the packages aimed to support demand and job creation with an emphasis on infrastructure spending. The first package of LE 15 billion (1.5 per cent of GDP of 2008) unveiled in October 2008, was targeted towards infrastructure investments, most notably in water and sewage (LE 7.2 billion), roads and bridges (LE 2.4 billion), and the building of new schools and basic health-care facilities (LE 550 million). Many of these sectors are labour-intensive, and the intention was not only to boost infrastructure, but also job creation and retention. This in turn helped to increase private consumption, which had been declining since the third quarter of 2008.

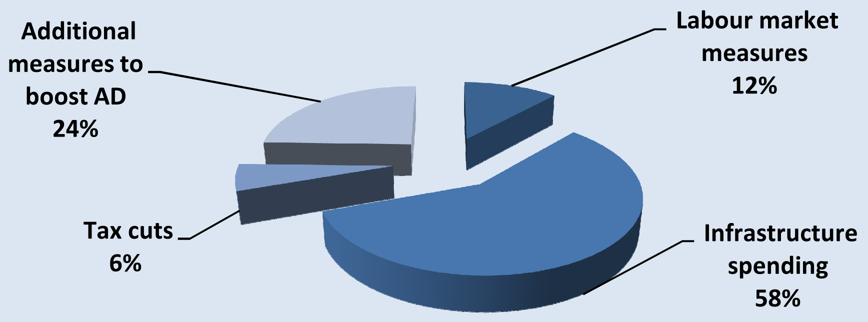
In June 2009, the second package was launched representing LE 8 billion (0.7 per cent of GDP in 2009) for investment, export promotion and internal market development. It aimed to support trade and the manufacturing sector by enhancing financial support and training schemes for workers, especially youth. Thus, the Industrial Training Center received LE 575 million to help around 1 million insured workers from 11,500 companies to improve their skills. The Government allocated LE 6.6 billion (a 50 per cent increase) for export support programmes. A national action plan for youth employment worth LE 4 billion (0.4 per cent of GDP) was launched with the aim of increasing youth employability, providing vocational training for youth and promoting a culture of entrepreneurship by supporting self-employment.

As the tourism sector was badly affected by the crisis, there were efforts to revive this sector through public-private partnerships. Some of the infrastructure spending was diverted towards building more hotels, with the aim of creating 1.2 million new employment opportunities for young people, potentially generating up to US$10.5 billion through tourism.

A third stimulus package worth LE 11.2 billion (0.9 per cent of GDP in 2009) was announced in January 2010, particularly focused upon supporting infrastructure projects.

The pension system received further support from the Government during the crisis. A new pension law was approved by the Parliament and intended to cover about 3.7 million low pension earners, whose benefits were increased between 10 per cent and 300 per cent (a cost of LE 650 million). This scheme was extended to temporary and non-regular workers, 25 per cent of the contribution was paid by the Government. As part of social support measures, social expenditures – which included subsidies, health care, education, social protection and other social spending – were increased from 13.7 per cent of GDP in 2009 to 15.5 per cent of DP in 2010.

Figure 4. Total of Egypt's stimulus packages breakdown (LE 34.2 billion)



Source: MOF, author's calculation

3. The way forward

Egypt introduced several reforms in securing long-term fiscal sustainability. Government action, through monetary and fiscal policy, helped curtail negative effects on the economy of the price spike of 2008 and then to help overcome the unprecedented global market turmoil that took hold in the third quarter of 2008. Despite substantial government efforts, the impact of the price rise shock and the global crisis was felt particularly strongly by Egypt's poorest households, and youth.

Remaining challenges for Egypt's authorities include bringing the public debt ratio to below 60 per cent of GDP with an overall budget deficit of some 3 to 3.5 per cent of GDP by the end of the financial year 2015. Egypt could also undertake reforms that continue to improve the business and investment climate, including measures to improve productivity. On the labour market and social side, the integration of young men and women into the labour market, the reduction in inequalities and social protection of poor households need continued and concerted efforts.

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Ghana's response to the crisis

The growth of the Ghanaian economy reached 4.1 per cent in 2009 against 7.3 per cent in 2008. The global economic and financial crisis transmitted to Ghana through the decrease in the demand for exports, increased public deficits, and macroeconomic instability. On the positive side, the solid growth of agriculture over 2008 and 2009, as well as increasing inflows of FDI help cushioning the impact of the crisis. Growth in 2010 is expected to reach pre-crisis level at 6.4 per cent. The government has managed to safeguard social expenditures during 2009 and 2010, and also to increase wages for some of the low paid public workers, but is reducing the level of non-priority expenditures.

1. Economic and labour market overview

Ghana has enjoyed a period of good economic performance, with a GDP growth rate averaging 6 per cent over the past six years. In 2008, GDP stood at 7.3 per cent or the higher rate over two-decade. The recent performance of Ghana is attributable principally to the relative macroeconomic stability and reform, substantial inflows of external financing and debt relief[20] and rising prices for primary commodities(such as cocoa, gold). For instance, the debt relief amounted at GH¢ 264.74 million (or 2.3 per cent of 2006 GDP) has allowed Ghana to embark on infrastructure investments (mostly road and energy sector) as well as targeted social spending. On the other hand, the performance of mining and quarrying which stood at 13.3 per cent and 13.9 per cent of GDP respectively in 2006 and 2007.The international gold prices helped reduce to a declining level of inflation over the past years from 32.9 per cent in 2001 to 10.7 per cent in 2007.

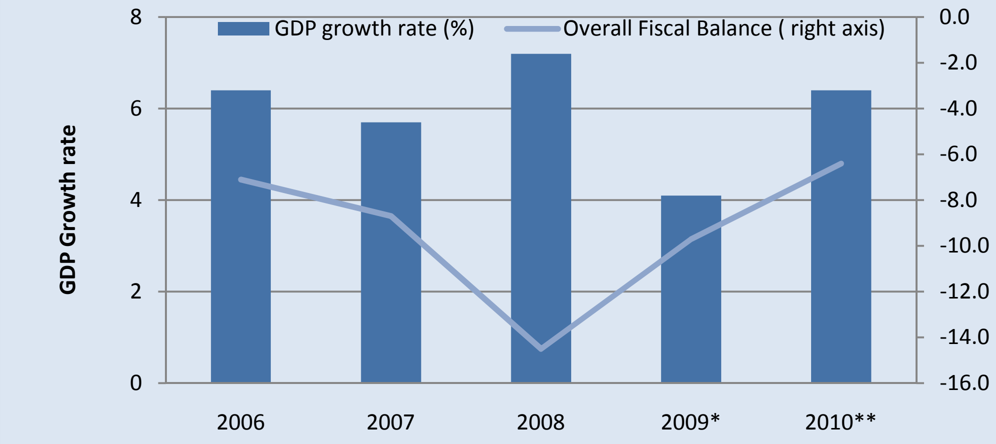
But Ghana, like other Sub-Saharan countries has, mainly suffered from the hike of oil and food prices in 2007 before the surge of the financial crisis in late of 2008. The first effects could be seen in the inflation rate which peaked at 18.1 per cent by the end of 2008 (7.4 percentage points increase compared to 2007). The fiscal expansionary pressure grew while the Government of Ghana aimed to cushion the effects of the global price shocks on the population through energy subsidies and an increase in wages (more than 30 per cent). Thus, strong public spending growth, combined with rapid credit expansion and rising oil import costs contributed to a widening of the external current account deficit from 9.9 per cent of GDP in 2006 to 19.3 per cent of GDP in 2008, seriously threatened these achievements of last years. The worsened macroeconomic situation has also reflected the surge of the overall fiscal deficit at 14.5 in 2008 from 7.5 in 2006.

In 2009, the growth rate declined at 4.1 per cent as result of financial crisis. The global turmoil has maintained inflationary pressures on Ghana's economy with the inflation rate peaking at 20.7 per cent in mid-2009. The economic situation was exacerbated by high volatility and the depreciation of domestic currency and the net decline of grant receipts by about 1 per cent of GDP in 2009 compared to 2006[21]. Government has made macroeconomic adjustments and efforts to identify new external financing from development partners. Hence, Ghana has implemented a tight fiscal stance through low-priority public spending cuts and strengthening revenue mobilization.

[20] Heavily Indebted Poor Countries Initiative (HIPC) and Multilateral Debt Relief Initiative (MDRI) allowed Ghana to divert resources normally allocated for debt payment to economic and social development expenditures.

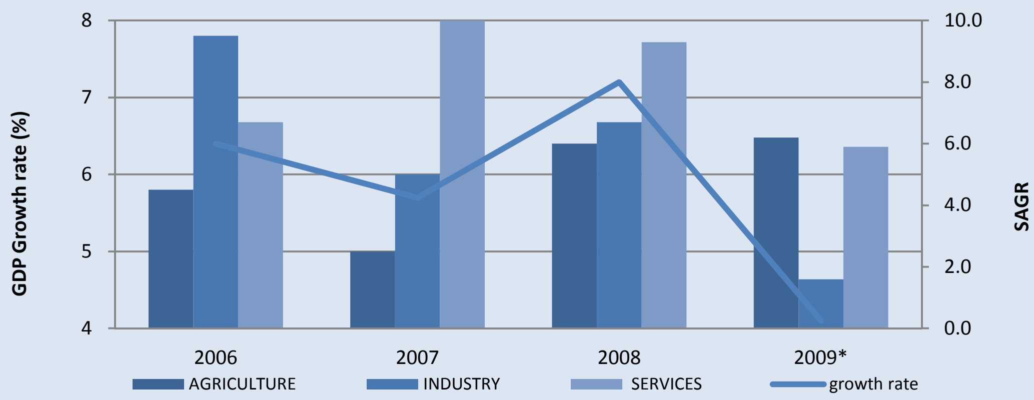
[21] Ghanaian cedi depreciated by 36 per cent against US dollar by end 2008 before recording further 16 percentage points of depreciation by mid 2009 (IMF, June 2009).

Figure 1. Real GDP growth rates (percentage) and Overall fiscal balance in percentage of GDP, 2006 – 10.



Source: Ghana Statistical Service (GSS). *revised **estimates

Figure 2. GDP and sector of activities growth rates from 2006 to 2009



Source: GSS SAGR: Sector of activities growth rates at 1993 prices in percentage. *revised

Government's efforts to recover from the crisis were partly supported by a relatively stable performance in the agricultural sector which accounted for over a third of GDP. Agricultural sector growth stood at 6.1 per cent in 2009 (a slight increase compared to 2008) led by crops and livestock (23.2 per cent of GDP). Services sector has recently become a major source of growth of the Ghanaian economy according to the last two year’s performance, but recorded 3.4 percentage points of decrease in 2009 compared to 2008. On the other hand, industry sector recorded a sharp decline of 5.1 percentage points compared to 2008, largely due to the poor performance of manufacturing (-1.3 per cent in 2009 against 4.5 per cent of growth in 2008) and construction (-1.7 per cent in 2009 against 8.3 per cent of growth in 2008). The Services sector, accounting for 31.8 per cent of GDP in 2008, have recently become a major source of growth in the Ghanaian economy with a share of GDP which stood at 32.3 per cent in 2009. In 2009, Services sector grew by 5.9 per cent compared with 9.2 per cent in 2008, driven largely by finance and insurance sub-sectors (8.7 percentage points of growth between 2008 and 2009, highest growth rate) and followed by transport and communication (7.7 percentage points of growth between 2008 and 2009).

Demographic pressure, successive crises and lack of skills have contributed a growing informal sector in the labour market

The agricultural sector has consistently been the predominant sector of Ghanaian economy with 56 per cent of employed persons (GLSS 2006) down from 60 per cent in 1990. Ghana also recorded a decline of formal employment in public sector due to the retrenchment and privatization measures carried out under successive structural reforms (SAP, privatization etc). Both, unabated rural exodus and retrenchment of public sector workers continued to put pressure on the already high urban unemployment[22]. This situation entailed an increase of informal employment which stood at 80.4 per cent in 2006.

The informal economy (mostly composed by small scale entrepreneurs) in urban areas has shown its importance in fostering and creating employment with 25.9 per cent, 21.7 per cent and 11.4 per cent of share of informal employment recorded respectively for services/sales workers, craft and related trades workers and elementary occupations in 2006. The Gender inequalities have remained predominant in wage employment and contribution in employment. Thus, the proportion of males in wage employment was higher (25 per cent of them were wage employed) compared to 8.2 per cent of female, while female occupied 43.4 per cent of non-agricultural activities (mostly in services/sales works) against 24.9 per cent for male in 2006.

The substantial decline of unemployment rate to 5.8 per cent in 2006 from 10.4 per cent in 2000 and the high level of informal economy do not really reflect the vulnerability and the perilous employment. Nearly 6 out of every 10 employees (57.3 per cent) do not have any formal contract of employment in Ghana (GLLS 2006). Hence, the already critical situation of decent employment in Ghana could be worsened by the slowdown of Ghanaian economy. Ghana is supposedly generating employment for 230, 000 (two thousand) people each year, mostly for the youth (15-24). This young labour force is going to increase the already big number of employment in informal economy where the skills required for operating could be acquired outside the formal system of education. From this state, informal economy could only increase during the crisis as showed the last figure of employment in the informal sector that reached 91 per cent[23].

Figure 3. Share of employment by sector in percentage of total employment

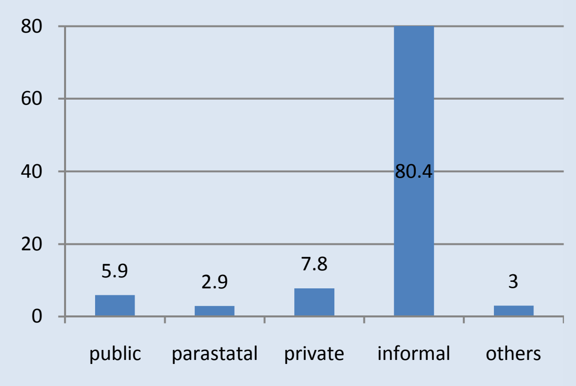
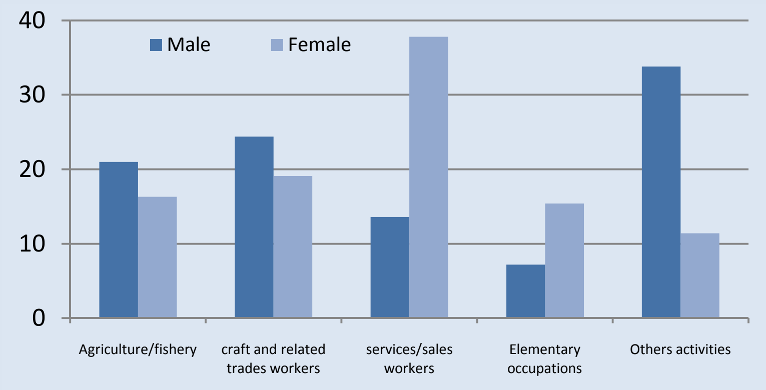


Figure 4. Urban male and female share of employment by occupation (in percentage)



Source: Ghana Living Standard Survey from GLSS 2006

[22] World bank, *Background and Ghana's Current Growth Context (2007).*

[23] Economic Report on Africa 2010 pp 193-197.

2. Consolidating economic recovery through FDI, Youth Employment and Poverty Reduction Strategies

As mentioned above, Bank of Ghana (BoG) imposed a tight monetary policy in response to rising inflation. The benchmark lending rate increased by 6 percentage points between October 2007 and February 2009. This stance allowed the banking sector to register strong growth with an increase of private sector credit of 56 per cent in the year even though it remained beyond the reach of SMEs.

Nonetheless, the private sector played an early role in the recovery partly due to other measures taken by the Government of Ghana. Firstly, the Ghanaian "Growth and Poverty Reduction Strategies" allowed the government to launch private sector development and employment creation through private-public investment in infrastructure and services. Infrastructure projects in energy, roads and rail sector launched amounted to GH¢ 1.08 Billion (5 per cent of 2009 GDP) due to Eurobond floated by the government. On the tax side, Government adopted tax reduction measures aimed at helping SMEs in reducing the cost of doing business. A special VAT flat-rate of 3 per cent was introduced for SMEs to run alongside the standard 12.5 per cent.

Important role of FDI in the recovery

In the years preceding the crisis, as well as during the crisis, the government has liberalized the policy regime for FDI and actively promoted investment. FDI inflows have tripled from 2006 to 2008 to US$ 1.2 billion in 2008, while the increase for the whole of Africa was 40 per cent (UNCTAD Word Investments Reports). Inflows increased also in 2009 by 38 per cent in the context of a global decrease in FDI inflows to developing countries reaching 25 per cent. In 2009, 257 new projects were recorded with an estimated value of GH¢ 868 million (3.9 per cent of 2009 GDP), of which 88.92 per cent (GH¢ 771.8 million) through FDI. Main part of these projects was implemented in Services (83 projects), General Trading (56 projects) and Manufacturing (54 projects) were expected to create 21,000 formal jobs in 2009. According to the Ghana Investment Promotion Center, this trend was expected to continue in the first half of 2010 with an increase of new projects by 65.5 per cent and 75.8 per cent respectively in Q1 2010 and Q2 2010 compared to the previous year. Total investment for that period amounted at GH¢ 1.065 Billion (4.1 per cent of 2010 GDP) and was expected to generate 103,928 jobs over the year with a peak of 89,000 jobs supposedly created in the second quarter of 2010.

Figure 5. Number of new projects launched and estimated employment of Ghanaian created.

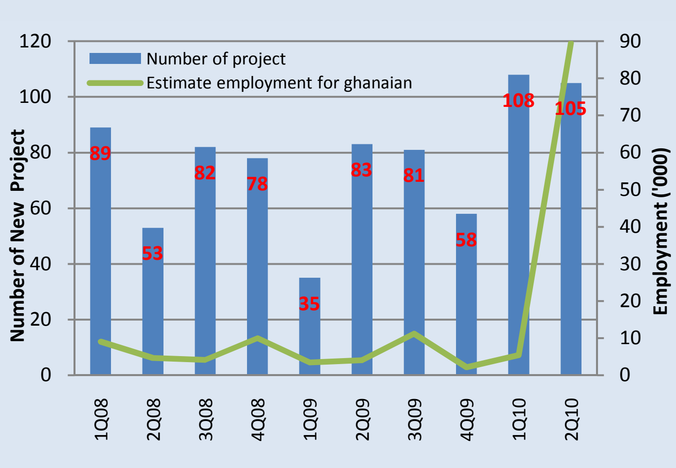
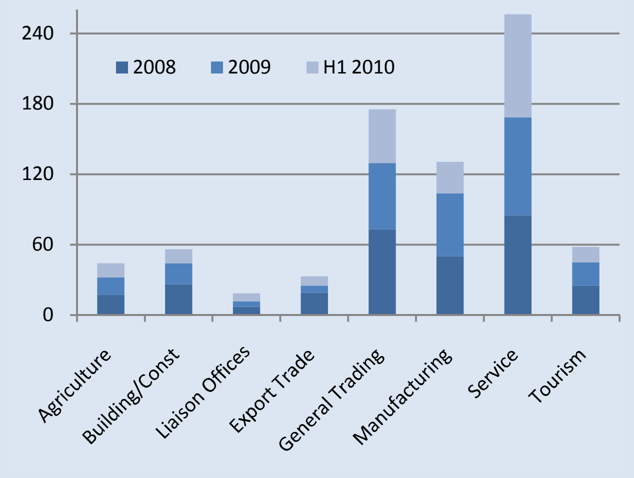


Figure 6. Number of projects by sector of activities created in 2008, 2009 and half of 2010.



Source: Author's calculations based on GIPC quarterly reports (2010)

Fostering Youth employment through training and agriculture

The Government has initiated a number of incentives for the young people reflecting the concern on growing youth unemployment. As a result, the National Youth Employment Program was strengthened with the resources freed by the MDRI (GH¢ 10 million) with the aim to create 2,393 jobs for youth in 2009 (total of beneficiaries reached 110,796 youth against 108,403 in 2008). The allocation for the NYEP also increased by GH¢ 5 million in 2010.

Agriculture contributes substantially in terms of output, employment and export net revenues and earnings. Under the development of the agriculture program mooted through the Millennium Development Authority, the government launched the "Youth in Modern Agriculture Initiative". This initiative funded in part through the HIPC initiative aimed at improving productivity and incomes with an initial beneficiary target of 66,400 youth in each of the country's 170 districts. In addition, some 100 unemployed youth in each district were to undertake dry season gardening while another 100 youths would undertake rearing of animals using improved methods.

Faced with unskilled youth workers and motivated by the ongoing educational sector reforms, Ghana set up a Council for Technical, Vocational Education and Training (COTVET). This structure intended to improve the employability of youth and informal economy workers (such as mechanics).The council is expected to facilitate the review and enhancement of labour laws (occupational, health and safety). In 2009, and Labour Information System was installed in order to solve the problem linked to inadequate and inaccurate labour statistics.

With assistance of US Labour Department, Ghana intensified its efforts to curb and eliminate child labour in cocoa growing areas which showed a sharp increase in child labour during the crises. Laws and conventions[24] were amended to protect children against worst forms of child labour in all sectors including cocoa and fishing. Secondly, a 5-year project (GH¢ 160 million) coordinated by ILO-IPEC is supporting Ghana's efforts in order to give educational assistance to over 2 million children and economically empower around 186,000 rural households.

Social spending with the aim to reach the MDGs targets

Social spending does not seem to have been affected by the consolidation of Government's fiscal policy. The Government planned to increase the part of the budget devoted to poverty-reducing expenditure from 8.7 per cent of GDP in 2008-09 to 9 per cent (or GH¢ 2.35 Billion) in absolute terms in 2010-11. However the low level of economic activity coupled with higher local food prices have threatened to push more Ghanaians into poverty[25]. The Government's efforts to improve levels of social protection included an increase in the allocation for cash transfers, provision for free education (66.97 per cent of total government expenditure) and primary health care (58.47 per cent of Health care expenditure). An example of an increase in the educational expenditure was in the national service scheme which aimed at deploying 20 000 volunteers to teach in basic education level schools. The purpose of the National Volunteer Program was to bridge the critical shortage in teacher supply accounting for 60 per cent of service personnel.

[24] For instance, Amendment to Article 43 paragraph 2 of Convention on the Rights of the Child (CRC); and 6. Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict

[25] UNICEF's social and economic policy working paper showed that monetary poverty and hunger would be higher respectively 30 per cent and 7 per cent in 2011 compare to 201 among children due to the crisis. p 21 (2010)

Figure 7. Evolution of Poverty Reduction expenditure (in GH¢ million) and its share in Government budget (per cent)

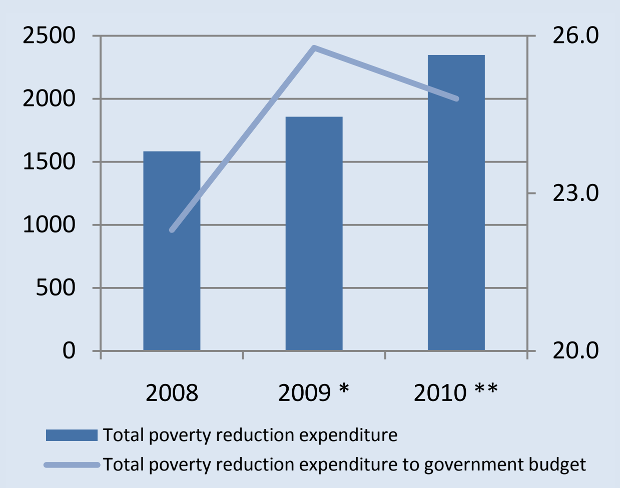
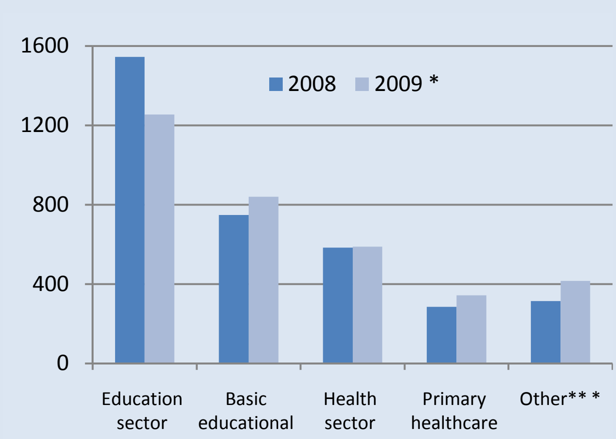


Figure 8. Poverty Reduction expenditure by sub-sector (in GH¢ million)



Note: * Projected expenditures and ** Preliminary. *** Other poverty includes: social welfare, governance, drainage, human rights, public safety, HIV/AIDS, vocational/employable skills, road safety, local government support unit, environmental protection and disaster management. Source: GoG(2010) and ODI(2009)

Other measures were expanded under the Livelihood and Empowerment against Poverty (LEAP) program, a component of the National Social Protection Strategy. Orphans, vulnerable children and persons with severe disabilities without productive capacities are targeted by this program. Through LEAP, the Government provided unconditional subsistence grants ranging from US $7 to US $ 15 per month to extremely poor households. This scheme allowed Ghana to support an estimated 35 000 households in 2009 against 28 343 households in 2008 with an additional support of US$ 20 million from the World Bank for flood-affected areas in northern part of the country.

3. The way forward

After economic performance was curtailed by the crisis, Ghana introduced reforms and measures that have made promising steps to offset the financial and economic crisis. These actions strengthened investors' confidence and have helped Ghana to restore economic growth in 2010 with an estimated 6.4 per cent of GDP growth. Economic performance is expected to receive a strong boost due to oil revenues which would help Ghana to overcome the pre-crisis level with forecasted 8.7 per cent of GDP growth in 2011.

To maintain high post crisis growth levels, Ghana could pursue the implementation of its policies and reforms. In general, Ghana must promote decent work through awareness of the private sector, reduce the share of the informal sector economy through support to growth oriented informal economy activities and also promote the rights and safety of workers in particular. Additionally Ghana must continue the implementation of Single Spine Pay Policy, which is aimed at reduction and total elimination of wage discrimination in the public sector. Due to this alignment, over 500,000 public sector employees would see an improvement in their salaries in 2010. This measure, which cost US$ 2.2 billion (or 6 per cent of 2010 GDP) contributes to improve the living standards of some of low-paid public workers.

Nonetheless, like other sub-Saharan developing economies, Ghana must strive to modernize and diversify its economy. To that purpose Ghana could continue to put forward appropriate economic and fiscal domestic policies to reduce the gaps and remove constraints in infrastructure, market inefficiencies and lack of competitiveness, while improving the financial system.

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Kenya's response to the crisis

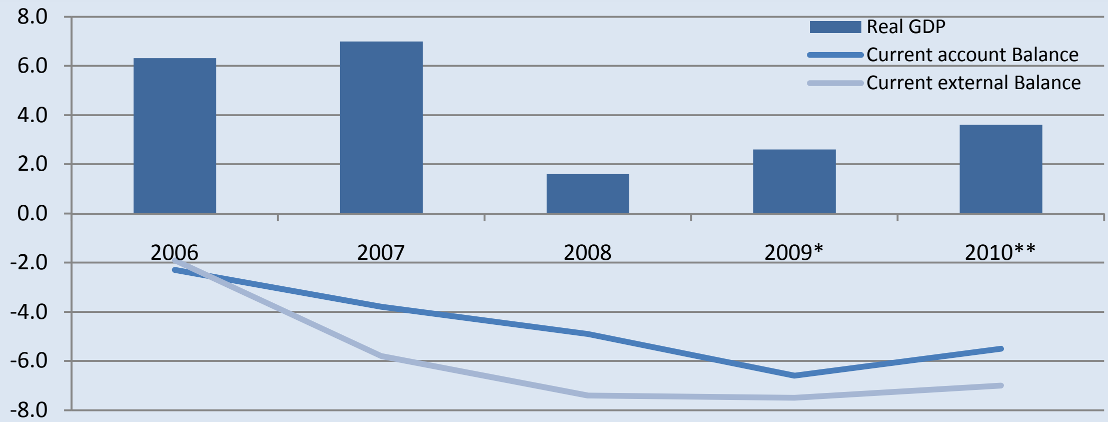
In 2008 and 2009, the Kenyan economy suffered from a series of crisis, including post February 2008 election unrest, food and oil crisis, and subsequently the financial and economic crisis. These crises reduced GDP growth from 6 per cent on average between 2004-2007 to 1.7 per cent in 2008, and 2.2 per cent in 2009. Employment losses due to the financial crisis were reported, mainly in the tourism sector and the export sector. To restore the stability of political climate and economic growth, the government implemented a fiscal package amounting to 3.6 per cent of GDP over 2009-11. The package focused on infrastructure development, creation of jobs for youth, and measures to compensate the increase in food and oil prices. Minimum wages were also adjusted in 2009. Growth in 2010 is planned to reach 3.6 per cent, a level far too low to generate massive creation of productive jobs.

1. Economic and labour market overview

The global financial crisis hit a country in a post electoral crisis

Kenya recorded a strong economic performance in the period 2004-07 with a real GDP growth averaging 6 per cent, peaking at 7.1 per cent in 2007. This performance is partly the consequence of sound economic and institutional policy reforms implemented under the ambitious "Economic Recovery Strategy for Wealth and Employment Creation",[26] coupled with a favourable external environment.

Figure 1. Real GDP growth (in per cent) and current account balance (in % of GDP)



Source: Ministry of Finance (2010) *preliminary **estimate

The Kenyan economy experienced a strong downturn in 2008 compared to 2007, largely due to the negative impact of post-election violence in early 2008. Further, the country was hit by the hike in food and commodities prices, resulting in a peak of headline inflation at 31.5 per cent in May 2008. This unstable situation worsened with the global turmoil which surged in the beginning of the fourth quarter of 2008. The

[26] The programme for economic recovery for wealth and employment creation (2003-07) was set up by the new administration, which had been appointed at the end of December 2002. This programme led to a steady economic performance, from a stagnation of 0.5 per cent in 2002 to a high of 7.1 per cent in 2007.

volume of exports reduced by 9.9 per cent in 2009, with respect to 2008.[27] The adverse effects of these multiple shocks have weakened Kenyan economic performance, and resulted in a decline of real GDP growth rate to 1.7 per cent in 2008.

Also, the current external account deficit widened to 7.5 per cent of GDP, compared to 5.8 per cent of GDP the previous year. That reflected the increase in maize imports and the relatively high oil import bill. The current account deficit followed the pace and stood at 4.9 per cent of GDP in 2008 from 3.8 per cent in the previous year, due to the shortfall of capital inflows to finance the budget.

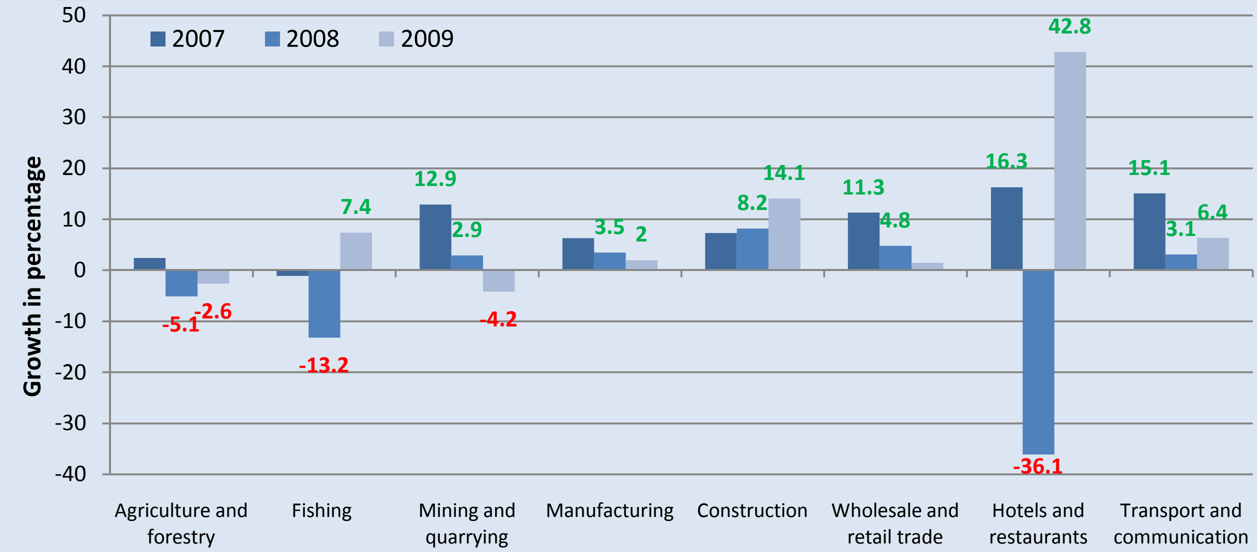
In early 2009, the Government of Kenya implemented significant measures to curb the spillover effects of crises. A fiscal package intended to revamp the economy and the political climate was implemented, which focused on key sectors such as infrastructure, agriculture, and tourism, and key groups such as youth and population affected by increase in food prices.

Thus, many sectors experienced a contraction in 2008 – including tourism, which suffered a near collapse in the first half of 2008, with a sharp drop of 36.1 per cent in value added. In addition, the agricultural sector performed poorly, with 5.1 and 2.6 per cent of negative growth, respectively, in 2008 and 2009 compared with the positive growth of 2.1 per cent in 2007. This performance was partly due to adverse weather and the post-election crisis.

Others sectors for their part have grown slightly due to the decline of global demand. For instance, manufacturing sector output grew by 3.5 and 2 per cent, respectively, in 2008 and 2009 compared with 6.5 per cent in 2007, faced with high costs of production and reduced demand.

The construction sector has been the only one which recorded good performance over this period. Its growth rate reached, respectively, 8.2 per cent and 14.1 per cent of growth in 2008 and 2009, reflecting the implementation of public works and the maintenance and construction of infrastructure.

Figure 2. GDP growth by sector: 2007-2009



Source: Central Bank of Kenya, Annual Report 2009.

The Kenyan economy is forecast to gain another 1 percentage point of growth compared to 2009, and stand at 3.6 per cent – still far from the pre-crisis level. Inflation has dropped reaching 3.5 per cent in June 2010.[28]

[27] Source: UNCTADSTAT.

Labour market analysis before the crisis

According to the Kenyan Poverty Reduction Strategy Paper (2008), 14.6 million people were labour market participants, whereby 11.9 million are employed while 1.7 million are openly unemployed in 2007. The unemployment rate among the youth (aged 15-24 years) stood at 24.5 per cent, with that of females being higher at 27.4 per cent compared to 21.6 per cent for males. Urban areas account for higher rates (38.5 per cent) compared to the rural areas (18.9 per cent).

The agriculture and tourism sectors accounted for respectively almost 60 per cent, and 7.1 per cent of total employment. The private sector accounted for 65 per cent of formal wage employment in 2007.

The service sector is the main source of formal employment, accounting for about 55 per cent of the wage employment. Wholesale and retail trade, hotels and restaurants accounted for 58.6 per cent of informal employment in 2006, followed by the manufacturing sector at 22 per cent in the same year.

As shown in table 1, the rate of male wage employment in all sectors is higher than that of women. Women are predominantly engaged in domestic unpaid work, subsistence agriculture and informal sector activities.

Table 1. Wage employment by selected industry and gender, 2006 and 2007

	MALES		*FEMALES*		*TOTAL*	
	2006+	*2007**	*2006+*	*2007**	*2006+*	*2007**
Agriculture and Forestry	19.18	18.96	0.152	0.152	17.99	17.82
Manufacturing	16.11	16.07	0.082	0.082	13.71	13.70
Trade, Restaurants and Hotels	10.37	10.63	0.091	0.094	10.00	10.27
Transport and Communications	7.97	8.84	0.049	0.054	7.03	7.81
Public Administration	0.065	0.061	0.094	0.085	0.074	0.067
Education Services	0.146	0.149	0.271	0.272	0.183	0.183
Other Services	0.127	0.126	0.199	0.203	0.149	0.148

Source: KNBS (2009)

Post-electoral violence and the global financial crisis threatened workers …

The tourism sector has been strongly hit by the crises. For instance, five hotels have closed in Malindi city, laying off 4,000 workers following massive cancellations by European tourists. Turning to exports, they were faced with a contraction in 2009. By the end of the first half of 2009, at least one-third of the 1.5 million employees in the horticultural industry had faced lay-offs, according to the Kenya Flower Council, resulting from the drop in demand for flowers by up to 30 per cent. Companies in the energy sector also announced that they were forced to lay off workers, including casual workers.

Faced with the challenges of restoring political stability and economic performance, the government eased monetary policy and took new measures to develop and maintain infrastructure, support agriculture, create employment for youth, and support living standards through food subsidies.

[28] The Kenyan National Bureau of Statistics released the new inflation series in October 2009 which resulted in a significant drop in reported inflation. The level of recorded inflation had been seriously distorted by the previous computational methodology. For instance, September 2009 inflation under the old methodology was 17.9 per cent, whereas under the new methodology it was 6.71 per cent (Central Bank monetary statements, December 2009).

2. Measures taken to face the crisis

Stabilize the level of prices and foster liquidity by sound monetary policies …

To avoid external spillovers into the domestic economy, the Monetary Policy Committee (MPC) lowered the cash reserve ratio (CRR) by 100 basis points from 6.00 to 5.00 per cent and simultaneously reduced the Central Bank Rate (CBR) by 50 basis points from 9.00 to 8.50 per cent in rhe fourth quarter of 2008. The CBR was subsequently reduced to 8.25 per cent in the first quarter of 2009 (February) before another cut of 25 basis points to 8.00 per cent in May 2009. By the end of 2009, both CRR and CBR was reduced by 150 basis points and stood, respectively, at 4.5 per cent and 7.00 per cent (table 3).

Table 2. Reduction of monetary policy rates

	Jun 08	Dec 08	Mar 09	May 09	July 09	Nov 09	Mar 10	Sept 10
C B R	*9.00*	*8.50*	*8.25*	*8.00*	*7.75*	*7.00*	*6.75*	*6.00*
C R R	*6.00*	*5.00*	5.00	5.00	*4.50*	4.50	4.50	4.50

Source: Monetary Policy statements of the Central Bank of Kenya

These actions led to a growth in credit to the economy. For instance, the credit to the Government picked up significantly due to increased borrowing through Treasury bills and bonds, principally to finance infrastructure development in the country

The Government of Kenya adopted new measures to support living standards of the poor and create jobs for youth

Before the onset of the global economic crisis, the government of Kenya has already been implementing initiatives to bolster economic recovery following the post-election violence. These initiatives encompassed labour-intensive works and a youth empowerment scheme, subsidies and tax cuts. Under the Kenyan Economic Stimulus Package worth KSh.82 billion (3.6 per cent of 2009 GDP), the Government adopted several measures with the aim of cushioning the adverse effects of the global financial crisis.

Table 3. Economic recovery package breakdown

	Amount in (KSh. billions)	share of ESP (in per cent)	Per cent of 2009 GDP
Labour market measures	17.31	21.11	0.76
Transfers to low income households	0.76	0.93	0.03
Infrastructure spending	38.84	47.36	1.71
Tax cuts	23.40	28.53	1.03
Additional measures to boost aggregate demand	1.70	2.07	0.07
Total of Economic Stimulus Package	82.01	100.00	3.61

Source: authors' calculations based on Ministry of Finance (2010)

- **An expansionary policy on key infrastructure projects through bonds issuing**

The Government's first action was to finance a broad spectrum of infrastructure projects by raising infrastructure bonds into the domestic market and avoiding external inflow dependence. The Government had managed to raise a total of KSh.55 billion from the first three bonds issued to date. The first, amounting to KSh.19.7 billion, was issued early in 2009, and the second, of KSh.18.8 billion, in December 2009. Then, the third bond of KSh.16.9 billion was issued in March 2010 followed by another one in August 2010, amounting to KSh.31.6 billion.[29]

The 2009 infrastructure expenditures amounting to KSh.38.4 billion (1.71 per cent of 2009 GDP) encompassed road- building (KShs.12.87 billion), energy sector supply works (KSh.15.82 billion) and improvement or the building of health and education infrastructure (KSh.10.15 billion).

Table 4. Infrastructure Bonds issued by the Government since the onset of the crisis

Period of issuance	*Amount in KSh.billion*
March 2009	19.7
December 2009	18.8
March 2010	16.9
August 2010	31.6
Total	*87*

Table 5. Key infrastructure projects of the Economic Stimulus Package

Group of expenditures	*Amount in KSh.billions*	*Share of ESP (in per cent)*
Public works	12.87	15.69
Energy sector	15.82	19.29
Social infrastructure	10.15	12.38

Source: Authors' calculations based on Ministry of finance (2009)

Infrastructure development projects were facilitated by offering tax incentives through Public Private Partnerships. Infrastructure development is one of the pillars of the Kenya Vision 2030[30.] The following results were recorded, amongst others: 110 irrigation schemes established in Northern Kenya; 550 water pumps provided, 3 sewerage projects and 30 rock catchment constructed in the ASAL region; 600 boreholes drilled or rehabilitated ; 306 dams or pans excavated in Northern Kenya which was hit by drought during 2008 and 2009.

- **Supporting youth through the Jobs for Youth programme ('KAZI KWA VIJANA')[31] and promoting youth entrepreneurship**

In April 2009 the 'KAZI KWA VIJANA' (KKV) programme was launched, aiming at employing youth in rural and urban areas in labour–intensive public works projects implemented by different line ministries. The KKV programme is implemented under the overall supervision and guidance of a National Steering Committee chaired by the Prime Minister and comprising Ministers and Permanent Secretaries with KKV sub-projects. The Office of the Prime Minister (OPM) is in charge of the overall coordination and monitoring. Priority is given to sub-projects that can be implemented rapidly using labour-intensive techniques such as road maintenance, small-scale water supply and sanitation, water harvesting, afforestation, and waste collection.

The additional allocation of KSh.10 billion to the KKV programme in August 2009 should create between 200,000 and 300,000 jobs for skilled and unskilled youth. A vocational training element was also added to the programme.

[29] The fourth bonds were not yet financed at the time of writing this Brief.

[30] Vision 2030 envisages Kenya, East Africa's biggest economy, becoming a middle-income country by that year. Under the plan, the Government plans to raise economic growth rate to 10 per cent by 2015 and sustain that through 2030 by investing in infrastructure, including roads, rail, airports and ports.

[31] '*KAZI KWA VIJANA*' is the Kiswahili appellation of "Jobs for youth Programme"

Table 6. Number of job supposedly created in the public sector only through the KKV Program in 2009

	Ministry	No. of projects	No of youth employed	Cost of projects in KSh.
1	Office of the Prime Minister	1	20	50,000,000
2	Ministry of Planning	2	3,135	62,500,000
3	Ministry of Finance	1	-	10,000,000
4	Ministry of Internal Security & Provincial Administration	1	-	45,000,000
5	Ministry of Environment and Natural Resources	-	20,000	1,686,160,224
6	Ministry of Water and Irrigation	6	71,934	600,000,000
7	Ministry of Roads	1	57,519	800,000,000
8	Ministry of Forestry & Wildlife	-	20,000	1,080,000,000
9	Ministry of Local Government	1	14,700	330,750,000
10	Ministry of Youth Affairs and Sports	2	9,200	193,000,000
11	Ministry of Regional Development Authority	6	18,950	250,000,000
	Grand Total	21	195,458	5,619,960,224

Source: Office of the Prime Minister (2010)

In addition to these urgent measures taken to benefit youth, the government of Kenya adopted other resource allocation measures to special sector programmes implemented in 2008, immediately after the civil unrest. Under this scheme, the Youth Development and Empowerment Services has funded the training of over 58,000 youths in various disciplines and sports skills, 91,000 youth entrepreneurs were financed and 591,840 youth were empowered through sensitization, entrepreneurship skills and “trees for jobs” programmes. A new scheme called the Youth Employment Fund was created for KSh 5 billion over 2009-2012. By mid-2010, it had beneficiated more than 65,000 youth across the country, and created directly and indirectly 200,000 jobs.

- **More space for social spending in government expenditure**

Confronted with the deterioration of living standards of the population due to successive crises (electoral, commodities, and financial), the government of Kenya introduced measures to support various targeted groups like poor households, the elderly and children. The share of social spending in GDP increased from 9.5 per cent in 2008 to 9.7 per cent in 2009.

First, the import duty on main food staples decreased in 2009, from 75 per cent to 35 per cent for rice and from 35 per cent to 10 per cent for wheat. The cost of this tax exemption has amounted to KSh.23.4 billion or 1.03 per cent of 2009 GDP. The aim of this action was to facilitate feeding the population who were suffering from starvation due to the drought. Additional support was provided by international development stakeholders to funds cash transfer programmes to benefit orphans and other vulnerable children. Thus, the direct cash disbursement for vulnerable persons over 65 years of age and to orphans and vulnerable children has increased from KSh.549.6 million in 2008-09 to KSh.1,118.8 million in 2009-10. These measures have benefited 135,000 households with orphans and vulnerable children. In addition, 300 elderly persons benefited from a new retirement pension scheme, while 39,000 households with elderly persons could be supported under the Social Protection Initiative (BSP 2010).

Table 7. Summary of cash transfer programmes and coverage in Kenya

<table>
<tr><th>Major cash transfer programmes (partner)</th><th>Coverage (households)</th><th>Eligible households nationally</th><th>Per cent of eligible households included in cash transfer programme (actual and target)</th><th>Total number of poor households nationally</th><th>Coverage as percentage of poor households (actual and target, where available)</th></tr>
<tr><td>Child Benefit (UNICEF)</td><td>75,000
Target: 125,000 by 2015</td><td rowspan="3">1.4 million
Eligibility:
Hard-core poor (19% of all households)</td><td>5%
(8.7%)</td><td rowspan="3">3.5 million</td><td>2.0% (3.6%)</td></tr>
<tr><td>Hunger Safety Nets (DFID)</td><td>60,000
Target: 300,000 by 2017</td><td>4.2% (20.8%)</td><td>1.7% (8.6%)</td></tr>
<tr><td>Cash Transfers for the Elderly (Government)</td><td>300
Target: 8,000+ by 2011</td><td>0.0% (0.6%)</td><td>0.0% (0.2%)</td></tr>
</table>

Source: ODI (Nov 2009)

The government contributed 30 per cent of the costs of the Child Benefit programme (US$3.9 million) in 2009, and was planning to maintain contributions of up to 20 per cent in the coming years as coverage increased, and extend its funding to cash transfers for the elderly (US$7.2 million), funded wholly from domestic resources. This reflects Kenya's concern to promote policy stability by limiting reliance on donor funding which is subject to shifts in donor preferences (McCord 2009).

With KSh 1.2 billion available, the Women Enterprise Development Fund (WEDF) funded over 92,000 women in their income-generating activity. Also, 1,000 people with disabilities have been trained in various technical skills.

Turning to public employment services, on-line registration for jobseekers was developed, and matching services with prospective employers improved. A total of 12,000 Jobseekers were placed through the public employment system while over 34,000 trainees were placed after their traineeship. Also, 9.1 million farmers were trained with the aim of sustaining the growth in agriculture under the agriculture development fund scheme.

The government also raised basic minimum wages (these had not been adjusted since 2006) with effect from 1 May 2009, by 18 per cent for the general workers in large towns, from KSh.5,195 to KSh.6,130 per month. In smaller towns this adjustment was reduced from KSh.5,195 to KSh.5,655. For all other "towns", the figures are KSh.3,270 rising from KSh. 2,771 with a housing allowance of 15 per cent of the basic wage. For agricultural workers, the consolidated minimum wage was upped by 20 per cent from KSh.2,536 in 2006 to KSh. 3,043 per month as of 1 May 2009.

3. Challenges

Kenya's poor economic performance in 2008 was largely due political instability and civic unrest that followed the February 2008 election. The political instability initiated a drop in tourism, a major source of income and employment in the country, while the crisis amplified the drop. There was also a reduction in the volume of exports in 2008 with respect to the year before (-9.9 per cent), following the contraction in exports market to industrialized countries. These two factors contributed to a decrease in government's revenues.

In 2009, Kenya launched an ambitious fiscal package amounting to 3.6 per cent of GDP, which was an answer to political troubles and increase in commodity prices, as much as to the financial crisis. The fiscal package targeted infrastructure development, youth employment and tax cuts to boost aggregate demand.

The combination of decrease in government's revenue and increase spending has increased the budget deficit (to an estimated 7.5 per cent of GDP in 2010). However, the 2010 outlook for the Kenyan economy was improving. First, Kenya's exports would be likely to benefit from the expected recovery in world economic growth and the increase in prices for some of Kenya's main exports recorded in early 2010. Second, the impact of the 2009 fiscal stimulus, implemented by the Government in late 2009, would be felt throughout 2010. As a result, the Kenyan economy was expected to grow by 3.6 per cent in 2010.

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Réponse du Mali face à la crise

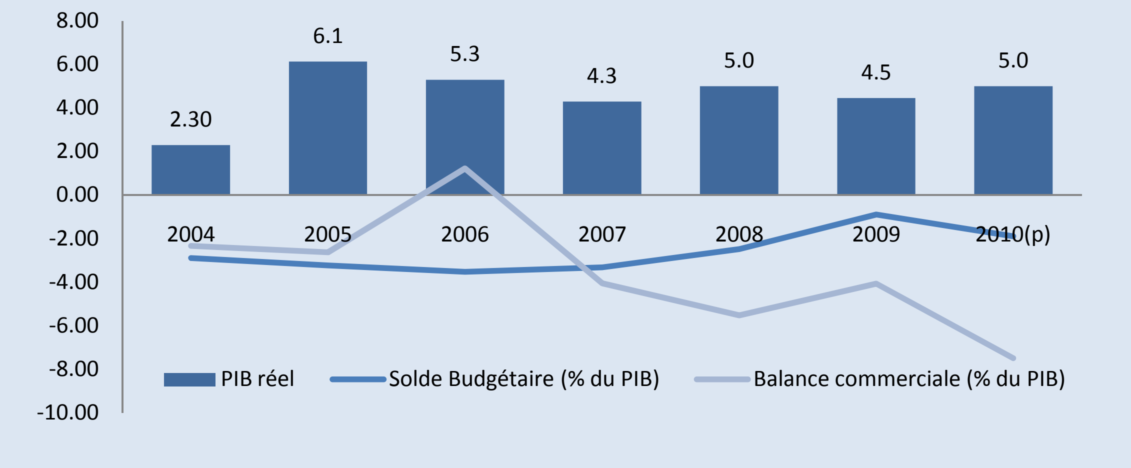
Le Mali a connu un léger ralentissement de la croissance d'un demi-point à 4,5 pour cent en 2009. Ce ralentissement est à mettre au détriment des effets de la crise sur le secteur industriel (textile et agroalimentaire) engendré par la baisse de la demande. Cependant, la reprise a été meilleure que prévue grâce à la bonne performance du secteur agricole (bonne campagne due à la bonne pluviométrie) et aux bonnes performances du secteur minier (hausse de la production et des revenus d'exportations de l'or). Ces performances ajoutées à une bonne programmation des dépenses budgétaires (financées par les recettes de la privatisation de la compagnie de télécommunications) ont contribué à la faible exposition du Mali aux effets négatifs de la crise. Le développement économique et social devrait s'accélérer avec une croissance du PIB prévue à 5 pour cent en 2010.

1. Aperçu de l'économie et du marché du travail

L'état de l'économie: L'économie Malienne a enregistré un taux de croissance moyen de 6,1 pour cent sur la période 2001-2006. Cette performance a été possible grâce à la bonne tenue du secteur des exportations, aux politiques budgétaires et aux réformes structurelles complémentaires initiées à travers le cadre stratégique de lutte contre la pauvreté (CSLP). L'objectif était de porter l'économie à 7 pour cent de croissance annuelle moyenne sur la période 2007-2011 par la consolidation des politiques macroéconomiques. Cependant, cet objectif de croissance a été considérablement entamé par la série de crises mondiales qui a compromis, à l'instar des autres pays d'Afrique sub-saharienne, les efforts de développement de leur économie déjà asphyxiée par une crise qui prend une allure structurelle.

D'abord, la crise des prix des produits alimentaires et du pétrole débutée en fin d'année 2007 et qui s'est accentuée en 2008 a entraîné une hausse vertigineuse des prix de nombreux produits de premières nécessité importés par le Mali. Cela a automatiquement eu une implication sur inflation qui avait jusque-là été contenue (1,4 pour cent en 2007). Ainsi, l'inflation a progressé pour atteindre 7,5 pour cent en 2008 avec un pic à 13 pour cent en septembre 2008. Dans le même temps, le solde extérieur affichait par ailleurs une tendance baissière de 4,1 pour cent et 5,5 pour cent respectivement en 2007 et 2008 entraînée par la chute des exportations et l'accroissement des importations.

Figure 1. Taux de croissance du PIB et Niveau des Soldes Budgétaires et Commerciaux de 2004 à 2010 en pourcentage

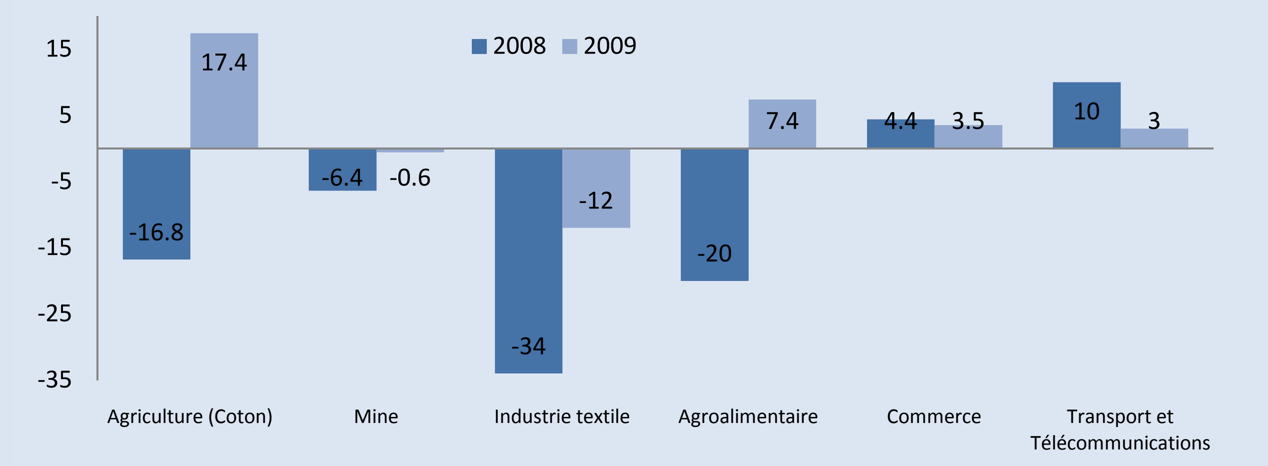


Source : Ministère des Finances, BAD et FMI.

En comparaison à 2008, l'année 2009 a été marquée par un ralentissement de la croissance d'un demi-point en pourcentage s'établissant à 4,5 pour cent. Cette légère baisse de la croissance peut être attribuée aux effets collatéraux de la crise financière sur l'économie mondiale quoique les effets induits aient été peu perceptibles au niveau du Mali contrairement à la crise des prix des produits alimentaires et du pétrole.

Le point positif est la bonne performance du secteur primaire qui a enregistré une croissance de 13,3 pour cent en 2009 (la filière coton a cru de 17,4 pour cent contre une baisse de 16,8 pour cent en 2008). Le secteur secondaire a opéré un rattrapage partiel (3,4 pour cent de croissance en 2009 contre -4,6 pour cent en 2008). Au sein du secteur secondaire en particulier, les mines, l'industrie textile et l'agro-alimentaire n'ont pas retrouvé en 2009 le niveau de production qu'ils avaient en 2007. La croissance du secteur tertiaire s'est poursuivie pendant la crise globale, mais son rythme s'est ralenti (4,3 pour cent en 2008 et 3,3 pour cent en 2009), influencée par la plus faible croissance de ses deux principales composantes : le commerce et le secteur des transports et télécommunications.

Figure 2. Taux de croissance de certains secteurs d'activités pour les exercices 2008 et 2009, en pourcentage



Source: Banque Africaine de Développement (2010)

Le déficit global, quant lui, a été ramené à 0,9 pour cent du PIB en 2009 contre 3,2 pour cent en 2007 soit une progression de 2,3 points en pourcentage. Cette performance est la résultante de la croissance des revenus du secteur minier (20 pour cent des recettes gouvernementales et 8 pour cent du PIB en 2009) d'une part, et d'autre part de la privatisation de 51 pour cent de la SOTELMA évaluée à près de F CFA 180.4 Milliards, qui a permis à l'Etat Malien de disposer d'une certaine marge de manœuvre budgétaire.

Par conséquent, on a assisté à une stimulation de la demande avec la croissance de la consommation finale de 2,4 pour cent en 2009 comparée à l'exercice 2008, élevant sa contribution au PIB à 93 pour cent pour l'exercice 2009. Cette embellie s'est consolidée avec une stratégie visant non seulement à assurer l'autosuffisance alimentaire[32] à travers le soutien à la production nationale par le biais du Fonds national de Développement Agricole (FNDA) mais aussi à diversifier les sources de croissance du Mali dans la perspective de la limitation de sa vulnérabilité aux chocs exogènes engendrés par les crises.

Le marché du travail durant la crise : La majorité de la population active se retrouve dans le secteur agricole avec près de 800 000 exploitations agricoles familiales parmi lesquelles la filière coton génère 3,5 millions d'emplois directs ou indirects, faisant d'elle un des éléments importants de ce secteur. Aussi, dans le cadre de l'accompagnement des agriculteurs évoluant dans la filière rizicole, l' « Initiative Riz » a été lancée

[32] Le Projet de Développement Economique et Social (PDES) du Président de la République qui est l'expression de la volonté et de l'engagement politique d'opérationnaliser le Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté, envisage l'atteinte de l'autosuffisance alimentaire avec la production de 10 millions de tonnes de céréales par an à l'horizon 2012.

avec le recrutement spécial de 202 agents de base dont 100 pour l'année 2009. L'initiative est sensée s'étendre à d'autres types de céréales (blé, maïs) dans le cadre du renforcement de la sécurité alimentaire[33] et permettre la création d'emplois.

Le gouvernement a continué sa programmation de création d'emplois dans la fonction publique. Ainsi en 2009, près de 9 160 emplois publics ont été créés, répartis entre l'éducation et l'enseignement supérieur (4 360 emplois), les services publics dont santé (477 emplois) et la protection civile (1 050 emplois).

En plus de cela, un plan social a été mis en place en accord avec l'Union Nationale des Travailleurs Maliens (UNTM) en vue d'établir des mesures d'accompagnement pour les pertes d'emplois entraîné par la privatisation de la SOTELMA. Le montant de ce plan établi à FCFA 15 milliards devrait permettre de faciliter la réinsertion dans le tissu économique des 610 agents déflatés retenus sur un total de 753 demandeurs. D'autres plans sont en cours de négociation avec la restructuration de la Compagnie Malienne pour le développement du Textile du (CMDT) et la Banque pour l'Habitat du Mali (BHM).

2. L'investissement dans la jeunesse comme moteur du développement durable

La relative bonne santé de l'économie malienne durant la crise reflétait l'environnement favorable créé au niveau régional par l'assouplissement des conditions monétaires (baisse des taux d'intérêts de 50 pour cent et du taux de réserve obligatoire) et l'injection de liquidités initiées par la BCEAO[34] d'une part, d'autre part, par la baisse des cours des prix alimentaires et énergétiques (l'inflation a été contenue à 2,2 pour cent en 2009), une bonne tenue du cours de l'or (75 pour cent des recettes d'exportation) et une pluviométrie assurant une meilleure productivité du secteur agricole. Il convient de noter que la mise en œuvre de politiques macroéconomiques prudentes avec les ressources exceptionnelles tirées de la privatisation de la SOTELMA (4,3 pour cent du PIB) et des appuis budgétaires (allocation DTS d'un montant de F CFA 49,3 milliards), a permis au Mali d'initier de nombreuses actions en faveur de l'assainissement des finances publiques, de la promotion de l'emploi, l'amélioration du cadre de vie et de la réduction de la pauvreté.

Développer les ressources humaines pour maintenir la croissance et le développement social.

Le Gouvernement du Mali a mis un accent particulier d'une part, au soutien à la formation des jeunes et à la promotion de l'emploi et d'autre part, à l'amélioration des conditions de vie des populations. L'enveloppe budgétaire des ces investissements se chiffrent à FCFA 91,4 milliards soit environ 2,16 pour cent du PIB en 2009. Ainsi, de grands projets d'infrastructures ont pu être lancés avec par exemple, au niveau de l'éducation la construction d'universités et de centres de formation (FCFA 12,5 milliards), des grands travaux (routes ponts, maisons sociales et canaux d'irrigation des zones rurales pour un montant de FCFA 51,17 milliards).

Les capacités des structures chargées d'encadrer la promotion de l'emploi à travers les PME-PMI ont été renforcées avec l'augmentation des dotations de 9,3 pour cent ; 32 pour cent et 11,5 pour cent comparée à 2008 respectivement pour l'ANPE, l'APEJ et le FAFPA. Ces réallocations budgétaires ont été possibles grâce à l'application des différentes taxes (Formation et employabilité des jeunes) initiées et renforcées par le gouvernement et le soutien des partenaires au développement.[35] Plusieurs projets s'étalant sur 3 à 4 ans ont

[33] Selon les agences onusiennes près de 250 000 personnes sont confrontées à l'insécurité alimentaire dans l'est du Mali

[34] Le Mali appartenant à un espace économique et monétaire commun à 8 pays, sa politique monétaire est liée aux décisions émanant de la Banque Centrale des Etats de l'Afrique de l'Ouest et de l'Union Economique et Monétaire Ouest Africain.

[35] Agence Nationale pour l'Emploi (ANPE), Agence pour la promotion de l'Emploi des Jeunes (APEJ) et le Fonds d'Appui à la Formation Professionnelle et à l'Apprentissage (FAFPA). La taxe pour la Formation Professionnelle a été lancé en 1997 quand celle pour l'employabilité des jeunes initiée en 2008.

pour objectif de créer 53.241 emplois directs et offrir des formations à près de 12.682 jeunes. A terme, ce serait près de 250.000 emplois jeunes qui viendraient soutenir la croissance économique dans tous les secteurs d'activités du fait de ces projets.

En plus de cela il faut ajouter que le gouvernement malien a amorcé la mise en place de l'Assurance Maladie Obligatoire qui permettra de couvrir près de 2 millions de personnes, garantissant ainsi une couverture médicale aux populations démunies.

Ouverture du gouvernement aux acteurs sociaux gage d'un climat social apaisé

Les syndicats ont obtenu des gains sociaux auprès des autorités maliennes qui concourent à limiter les effets de ces crises. Ainsi, 100 000 salariés du public et du privé ont pu bénéficier d'une réduction du taux d'imposition de sur les traitements et salaires (atteignant les 10 pour cent en fonction de statut matrimonial et du nombre d'enfants à charge) à la suite des discussions de l'UNTM.

Un protocole d'accord entre le Gouvernement Malien et les syndicats d'enseignants[36] a été signé qui prévoit une augmentation des rémunérations des enseignants et chercheurs de 47,10 pour cent en moyenne, avec un salaire moyen à F CFA 462 799 pour l'enseignement supérieur. Ce qui constitue une enveloppe budgétaire de F CFA 1 781 212 534 représentant 0,05 pour cent du PIB. Pour l'enseignement fondamental et l'éducation préscolaire et de base, les enseignants ont perçu F CFA 7000 en plus sur leur émoluments mensuels quand ceux du secondaire se voyaient gratifier de F CFA 10 000 de plus en 2009. A compter de 2011, cette hausse atteindra F CFA 20 000 et F CFA 25 000 respectivement pour chaque corporation. Ces hausses font suite à plusieurs années de baisse de pouvoir d'achat des enseignants.

En ce qui concerne les avancées corporatistes, l'État s'est engagé à intégrer les enseignants contractuels dans la Fonction publique de l''Etat et des collectivités territoriales, garantissant par la même occasion une équité dans le traitement salarial et tous les autres avantages liés à leur nouveau statut. Ces mesures visent à mettre les enseignants dans les meilleures dispositions de travail et surtout donner l'occasion à un maximum d'enfants d'avoir accès à l'enseignement en droite ligne avec les OMD.

Table 1. Grilles d'augmentation des salaires dans l'éducation nationale et l'enseignement supérieur (en F CFA)

Titres	Ancien revenu	Nouveau revenu	pour cent de Hausse
Assistant	233 322	344 370	47.59
Maître-assistant	259 374	398 225	53.53
Maître de conférences	279 880	413 135	47.61
Professeurs et Directeur de recherche	314 609	439 342	39.65

Cycle	2009	2010	2011
EFPS*	7 000	13 500	20 000
Enseignement Secondaire	10000	17500	25 000

*Enseignement Fondamental, Préscolaire et Spécial

Source : BIT basé sur les informations données par la Primature et quotidiens nationaux.

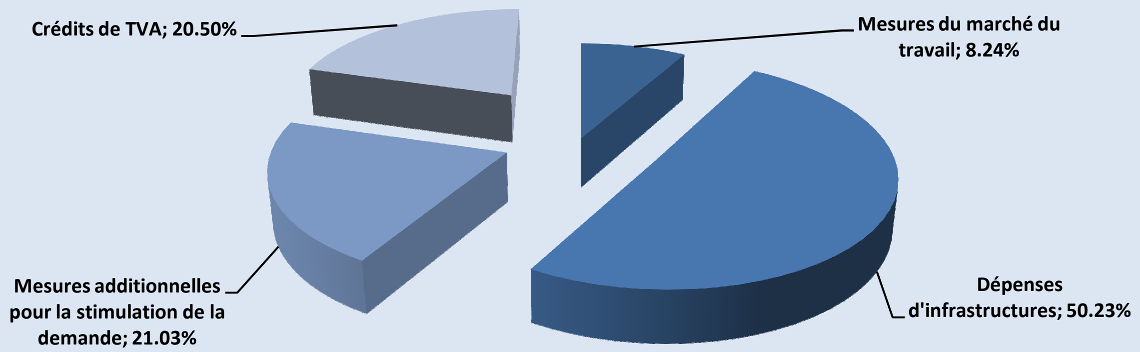
[36] Le Syndicat national de l'enseignement supérieur (SNESUP), le du Syndicat national de l'éducation et de la culture (SNEC), la Fédération nationale de l'éducation des sports des arts, de la recherche et de la culture (FENAREC), la Fédération nationale de l'éducation (FEN), le Syndicat des professeurs contractuels de l'enseignement secondaire (SYPCES), la Coordination des syndicats de l'enseignement secondaire (COSES).

Promotion du secteur privé…

Le secteur privé n'a pas été en reste des mesures du Gouvernement. Aussi, l'État a accéléré le paiement de la dette intérieure contractée auprès des agents économiques améliorant ainsi leur trésorerie pour de futurs investissements. Les fonds alloués par le DTS a permis d'éponger une partie de la dette intérieure, pendant que FCFA 37,3 milliards (0,9 pour cent du PIB) étaient reversés en crédit de TVA au secteur privé malien.

Des mesures d'accompagnement des PME-PMI ont vu le jour à la suite de la crise, à travers un plan national de promotion de la micro finance (F CFA 35 milliards) devant s'étendre sur la période 2008-2012. Ces mesures, financées pour moitié par l'État moitié par les bailleurs, englobent d'une part de la création d'un Fonds National de Garantie (FNG) qui devrait garantir avec l'appui des structures régionales les prêts bancaires jusqu'à hauteur de 80 pour cent. Et d'autre part, d'un Fonds National d'Investissement doté de F CFA 5 milliards (idem que pour le FNG) dont l'objectif est de faciliter l'accès du grand nombre de micro-entreprises au crédit. Ainsi, ce sont 3750 Activités Génératrices de Revenus, près de 1000 micro-entreprises et 250 PME/PMI qui ont pu bénéficier de financement auprès des institutions financières.

Figure 4. Répartition du paquet de relance économique du Mali.



Source : Inventaire des politiques de réponses à la crise (BIT 2010) et Ministère de l'Economie et des Finances.

3. Les challenges

Le Mali devrait poursuivre sa forte croissance grâce à la bonne santé des secteurs clés de l'économie. Par ailleurs, les programmes de développement et de réformes des filières pourraient être poursuivis afin de continuer à réduire la dépendance au coton au niveau de l'agriculture, en prorogeant le projet Cadre intégré de développement des filières mangues, karité, lait etc.

La restructuration des structures publiques (CMDT et BHM) pourrait se poursuivre également, qui à l'image de celle de la SOTELMA donnerait au gouvernement des ressources supplémentaires susceptibles de l'aider à renforcer ces projets de développement. D'autre part, la continuation de la négociation de plans sociaux, initiée entre le gouvernement malien et les autres partenaires sociaux, pourra aussi permettre aux travailleurs des entreprises publiques touchés par les restructurations, de se réinsérer plus facilement sur le marché du travail.

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Mozambique’s response to the crisis

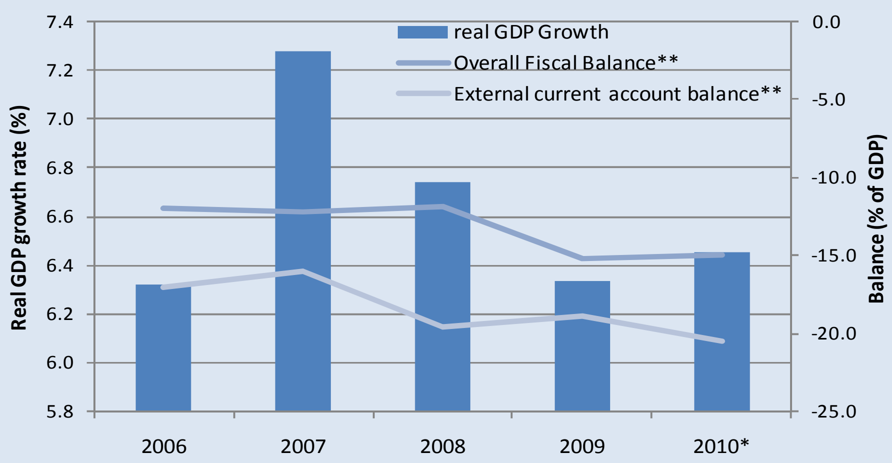
Growth in Mozambique went from 6.7 per cent in 2008 to 6.3 per cent in 2009, therefore remaining fairly isolated from the global slowdown. The 2008 financial and economic initiated in industrialised countries transmitted to Mozambique through a decrease in exports, whose share in GDP went from 29.4 per cent of GDP in 2008 to 18.5 per cent in 2009. There was evidence of employment losses in export sectors. Fiscal deficit also increased markedly by 3.3 percentage points of GDP between 2008 and 2009 (decrease in revenue, increase in fuel and food subsidies). Mozambique’s action plan initiated prior to the crisis also includes investment in infrastructure. Foreign Direct Investment (FDI) continued to increase very rapidly. Growth in 2010 was expected to reach 6.4 per cent.

Economic and Labour Market overview

Mozambique has endured over fifteen years of a civil war (1977-1992) which had exacerbated an already critical situation of the economy. By the beginning of the 1990’s, Mozambique undertook a series of political and macroeconomic reforms designed to stabilize the economy. The rate of GDP growth was higher than 9 per cent per year for most of the past decade, one of the highest rates in the world.

Mozambique's economy showed resilience in front of the financial crisis in 2008. Spillovers effects of the crisis were mainly recorded during 2009 with the decrease export incomes, capital inflows and development aid (IMF, 2009). Thus, with the depreciation of the Metical (local currency) and the reduction in global demand resulted in a substantial drop in export earnings in Mozambique. The total value of goods exports in 2009 decreased by 30.2% compared to 2008. On the other hand, the reduction in international prices contributed to the reduction in expenditure on imports by 11.0%. This fall, coupled with a greater decrease in exports, resulted in a worsening of the trade deficit.

Figure 1. Real GDP growth rate (%), Overall fiscal and external current account Balance (% of GDP)



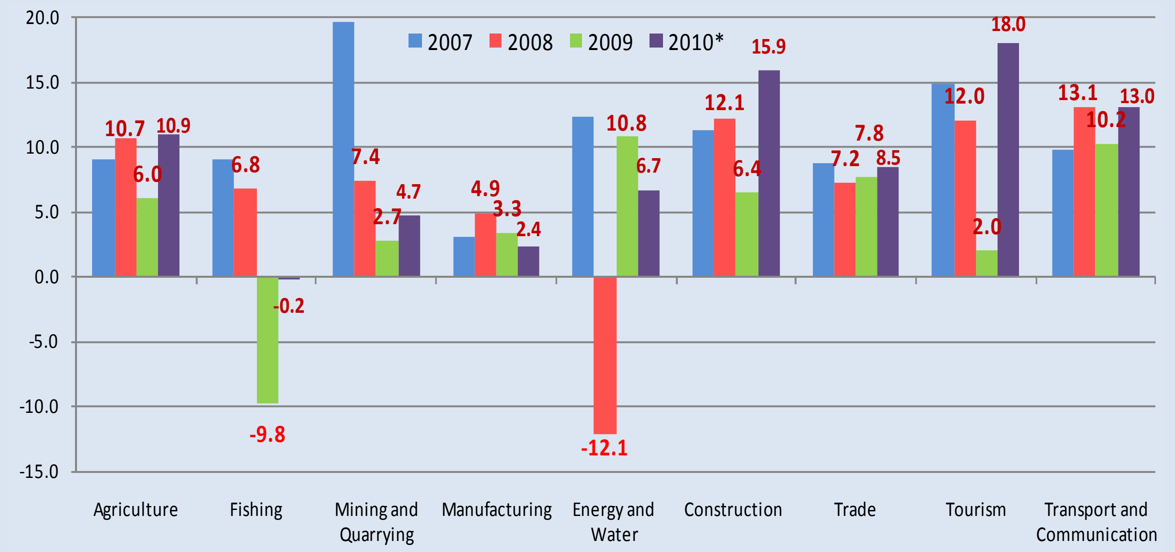
Source: Ministry of Finance and IMF (2010)*estimates **excluding grants

The Government of Mozambique introduced countercyclical measures under the Policy Support Instrument (PSI) and Exogenous Shocks Facility[37] (IMF) to mitigate the impacts of the crisis, including subsidies and tax cuts. This expansionary stance widened the fiscal deficit to 15.2% of 2009 GDP from 11.9% of 2008 GDP. Inflation remained at single digit at 4.1 per cent (the lowest over past five years). Growth reached 6.3% in 2009 compared to 2008.

Growth in Mozambique continued to be driven mainly by large foreign investment in mineral resources and services like Mozal aluminum smelter[38], the country's largest foreign investment project to date while the agro-industry, energy and construction sectors benefited from strong donor support.

All sectors of Mozambique economy except trade experienced a decrease in 2009. Primary sector such as agriculture suffered from late planting and pest infestation, especially in the central region while mining and quarrying was hit by the decrease of international prices of aluminium (Mozal plant). These sectors recorded respectively 6 per cent and 2.7 per cent in 2009 compared to 10.7 and 7.4 per cent in 2008. Fisheries – 4% of GDP, 13 per cent of income export, and 90, 000 workers- experienced a recession in 2009, due to the contraction of export markets in East Asia, Europe, and neighbouring countries.

Figure 2. Gross Domestic Product by industry Constant Prices of 2003, Variation - Percentage of Volume (%)



Source: Instituto Nacional de Estatística (INE) * estimates for H1 2010

Growth of the construction sector decreased by 4.7 percentage points in 2009 compared to 2008. With the implementation of major infrastructure projects it is supposed to record a strong growth in 2010 (15.9 per cent of growth recorded by mid-2009). Energy and water sector experienced a sharp drop at 12.1 per cent of

[37] Both PSI and ESF are IMF's assistance towards low incomes countries with the aim to help in their economic program designing but also consolidate their deficit of balance of payment due to sudden and exogenous shocks.

[38] The aluminum smelter Mozal provides about half of Mozambique's export receipts and 70 per cent of the manufacturing sector's output in 2008. The global downturn has affected Mozal mainly through falling aluminum prices.

negative growth despite the retrocession of revenues of dams[39]. Tourism sector growth decreased from 12.0 per cent in 2008 to 2.0 per cent in 2008.

Only the trade sector has recorded a slight increase in 2009 with 7.8 per cent of growth compared to 7.2 per cent in 2008. The economy is supposed to grow by 6.5 per cent in 2010 and on the track to meet the pre-crisis level faster than expected in 2011.

Labour market overview

Subsistence agriculture continues to employ the vast majority of the country's work force, while formal employment represented 8 per cent of total employment in 2005.[40] The duality of the economy is very strong (IMF, 2009), which is one of the reasons for the relatively mild impact of the 2008 crisis. However, the aluminum agency Mozal has substantially cut operating costs, especially domestic expenditures on employment, maintenance and other services. Employment losses were recorded in export sectors, including cashew with a loss of 12,000 jobs, 30,000 in the textile industry, and 25,000 in transport.

Measures taken

Monetary policies to revive the economy of Mozambique

The Central Bank of Mozambique (BoM) designed the monetary policy to cushion the impacts from the global financial crisis by stimulating credit to the private sector. It lowered its benchmark interest rates and the mandatory reserves coefficient. In addition, the Central Bank also provided more liquidity to banks and enterprises who experienced temporary shortfalls in their settlement balances (Table 2). At the same time, the rate on overnight deposits with the Central Bank decreased until mid-2009. The objective of these measures was to reduce financial costs incurred by banks and contribute to the decrease of interest rates on credit operations. Monetary policy was later tightened in 2010.

Table 1. Evolution of standing (SLF) and deposit facilities (SDF) during the crisis.

In per cent	2008	Feb 2009	Jul 2009	Apr 2010	Jun 2010	Sep 2010
Standing Liquidity Facility	10.25	7.00	3.00	3.00	4.00	4.00
Standing Deposit Facility	14.50	13.00	11.50	12.50	14.50	15.50

Source: Banco Central do Moçambico (2010).

Implementation of major infrastructure projects

Infrastructure of the country was improved, as part of the implementation of the Poverty Reduction Strategy Paper (PARPA, 2006-2010).

(1) Construction of Nacala Airport - This involves the construction of the entire project infrastructure, including roads, civil works, and a processing plant of coal. The contract also provides for the recovery of railroads next to mine, the building of the Beira port and the construction of a thermoelectric power plant. The works started in April 2010, are budgeted at $ 120 million (EUR 73 million) and will last for 22 months.

[39] At the end of 2007, and after years of negotiations, the government took over Portugal's majority share of the Cahora Bassa Hydroelectricity (HCB) company, a dam that was not transferred to Mozambique at independence because of the ensuing civil war and unpaid debts (https://www.cia.gov/library/publications/the-world-factbook/geos/countrytemplate_mz.html).

[40] Informal Sector in Mozambique: Results from the First National Survey (2005).

(2) Airports Modernisation and Expansion (i) Maputo Airport - Maputo international airport is in expansion works, a project of US $ 75 million. The first phase of development, which comprised the building of a new cargo terminal, has already been completed in 2009. The first part of the second phase, which means the construction of a new international passenger terminal is being terminated. Is to be developed the extension of the existing terminal – to be dedicated to domestic flights – and the creation of a duty-free shopping area. (ii) Vilankulos Airport- The work is estimated at $ 15 million. The airport will increase its current ability of 60 thousand passengers to 200 thousand passengers per year (iii) Beira, Tete and Quelimane Airports-These works are to improve airports of the Centre Region of the Country. They will cost approximately $28 million.

Increase in minimum wage and reform of public wages

In April 2009, the government ratified the minimum wage increases proposed by the tripartite Labour Consultative Commission between five and 42 per cent increase according to sectors, including public services. The new minimum wages represent between 50 and $100 dollars per month.

Table 2. Statutory Minimum Wage by sector in Mozambique

	Previous Minimum wage	April 2009 minimum wage	Variation
Primary sector workers			10.91%
Agriculture, forestry, hunting	1315	1486	13.00%
Sugar workers	1316	1500	14.00%
Artisanal fishing*	1754	1900	8.32%
Industrial fishing	1893	2050	8.32%
Secondary sector workers			14.26%
Mining	1892	2120	12.05%
Manufacturing	1975	2300	16.46%
Energy and water	2136	2403	12.50%
Construction	1909	2215	16.03%
Tertiary sector workers			28.96%
Non financial services	2139	2500	16.88%
Financial services	1935	2748	42.00%
Public services	1832	2345	28.00%

Source: Government of Mozambique. *Mainly *Kapenta fishing workers on Cahora Bassa lake*

In April 2009, the government also reformed public sector wages and introduced new performance evaluation system. Public wages increased by between 14 and 28 per cent, applied in such a way as to increase wage differential. Government consumption also grew in 2009 and will continue to do so in 2010, due mostly to the recruitment of 11 500 teachers, 138 doctors and the training of 1 135 health staff in 2010

Oil and food subsidy

In 2008 the government adopted a set of subsidies to reduce the effects of the food and price rises on living standards.[41] In March 2009, oil prices were frozen through a subsidy given to the fuel distribution companies representing the difference between the import price and the price at the pumps ($84 million in 2009). A bread subsidy was introduced after the riots against price increase on 1-2 September 2010 in Maputo and the neighboring city of Matola. The bread subsidy ensured that the price of bread remained at pre-September levels through subsidizing the price of wheat.

According to Household survey data, the incidence of poverty headcount fell from 69 per cent in 1997 to 54 per cent in 2003. The recent dramatic increases in food and oil prices may have reduced the pace of poverty reduction in the post 2008 period (Arndt et al., 2009).[42]

Concluding remarks and challenges

The main transmission mechanisms of the crisis to Mozambique were through a decrease in export – one of the highest decreases in Africa: -12.8 per cent in 2008 followed by 1 per cent growth only in 2009 – after years of steep increases. In addition to monetary policy, the main policy measures introduced in answer to the new economic and social conditions in 2008 and after, aimed at reducing the impact of the rise in oil and food prices on the population. These include oil and food subsidies, rise in minimum wages, and public wages. To compensate for the increase in subsidies, there was a tax increase on tobacco, and alcohol except beer, and treasure bonds were issued. The public deficit increased between 2008 and 2010.

[41] FAO (2009).

[42] Results from the 2009 Household Survey were not available at the time of writing this Brief.

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Nigeria's response to the crisis

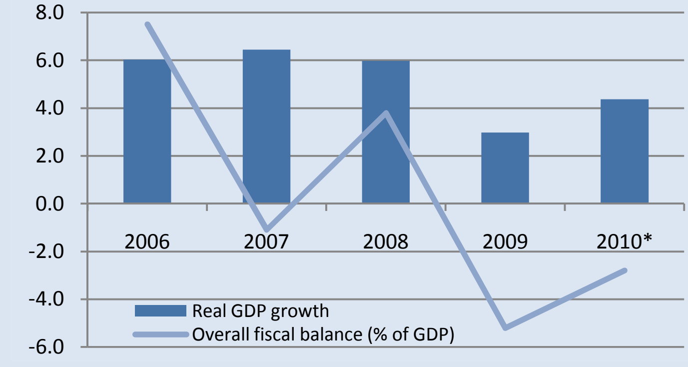
Nigeria has been severely affected by the global economic and financial crisis, with GDP growth declining from 6 per cent in 2008 to 3 per cent in 2009. The economic slowdown was due to a range of factors, including the weakness of domestic demand caused by the reduction of public expenditures and significant reduction in credit to the private sector. The position of young people in the Nigerian labour market is hampered by the demographic challenge of numerous entrants to the labour market, and has deteriorated during the crisis. The unemployment rate of youth aged 15-24 was 25.9 per cent in March 2007, and 41.6 per cent in March 2009. The unemployment rate of women worsened over the same period, while the situation of men in the labour market, as measured by the unemployment rate, improved. Preliminary forecasts estimate GDP? growth in 2010 to reach 4.4 per cent, but more recent estimations put growth at a much higher 6.9 per cent, owing to the strong performance of the non-oil sector.

1. Economic and labour market overview

Nigeria recorded an impressive average of 9.8 per cent of GDP growth per year between 2001 and 2007. This performance can be explained by internal factors, such as economic reforms initiated since the beginning of the decade, as well as external demand factors. Diversification of the economy had begun with strong growth registered outside the oil sectors in the banking and telecommunication services. For instance, banking branches grew from 2,900 to almost 5, 500 in mid-2009, and they participated in a wider range of activities (including financing of infrastructure and the oil sector), while telecommunications services grew at an average of 37.4 per cent per year over the period 2004-08.

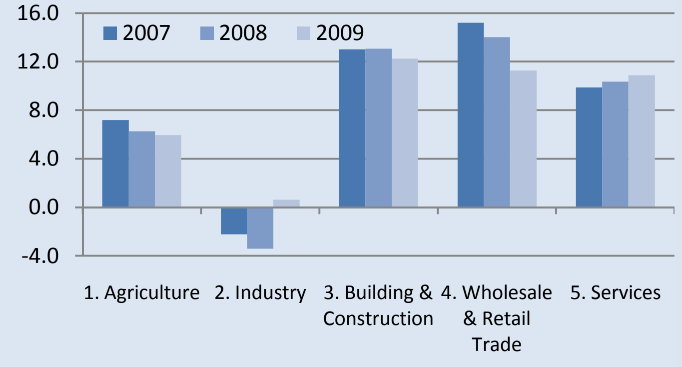
The global crisis transmitted to the Nigerian economy, through the decline in the price of oil, and the depreciation of the Nigerian naira (NGN). Falling oil revenues of 20 per cent of non-oil GDP have also reduced the scope for fiscal stimulus.[43] Agriculture was the leading contributor to GDP in 2009, helped by a good harvest. Its share in GDP rose from 33.5 per cent in 2008 to 36.5 per cent in 2009. On the other hand, the contribution by the crude petroleum and natural gas sector to GDP fell from 38.2 per cent in 2008 to 32.3 per cent in 2009, partly due to security issues in the Niger Delta and OPEC production quotas.

Figure 1. Real GDP growth rate (in per cent) and overall fiscal balance (per cent of GDP), 2006-10



Source: African Development Bank (AfDB), 2010. *preliminary.

Figure 2. Growth of selected sectors of activity, 2007-09



Source: Central Bank of Nigeria (CBN).

The global recession also has had a negative impact on Nigeria's fiscal position. The budget balance deteriorated from a surplus of 3.8 per cent in 2008 to a deficit of 5.2 per cent in 2009. A smaller deficit of 2.8

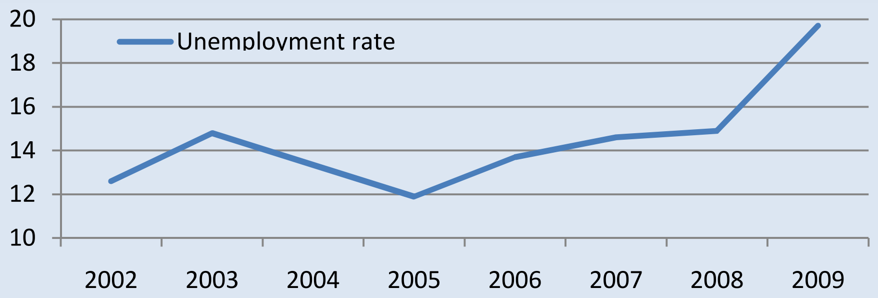
[43] IMF, 2009.

per cent of GDP is projected for 2010. Growth is expected to reach 4.3 per cent in 2010, according to the African Development Bank, and 6.9 per cent according to the International Monetary Fund.

Labour market in Nigeria

Prior to the crisis, the labour market was characterized by the following features. Agriculture accounted for over 70 per cent of total employment in 2008. The expansion of the oil industry, which represented 1 per cent of total employment, helped to increase formal job opportunities in administration, construction, commerce, industry and services, but insufficiently to prevent urban informal employment from growing. The federal and local governments remained the major formal employment provider.[44] The unemployment rate for the working-age population ranged between 12 and 15 per cent from 2002 to 2007. Turning to youth employment, the Nigerian population is very young (45 per cent of the population is below 15), which translates into the massive number of new entrants to the labour market every year. Finally, the labour market was, and is expected to remain, characterized by the restructuring of public enterprises. In the telecommunications services, over 7,000 employees were laid off due to the privatization of the state-owned company Ajaokuta in 2006. During the crisis, 3,389 workers who had attained 45 years of age and 25 years of service could lose their job in order to reduce the wage bill of the company from NGN 695 billion to NGN 187.6 billion.[45] In the steel industry, the planned restructuring of Ajaokuta could jeopardize 25,000 direct and indirect jobs.

Figure 3. Unemployment rate, 2002-09



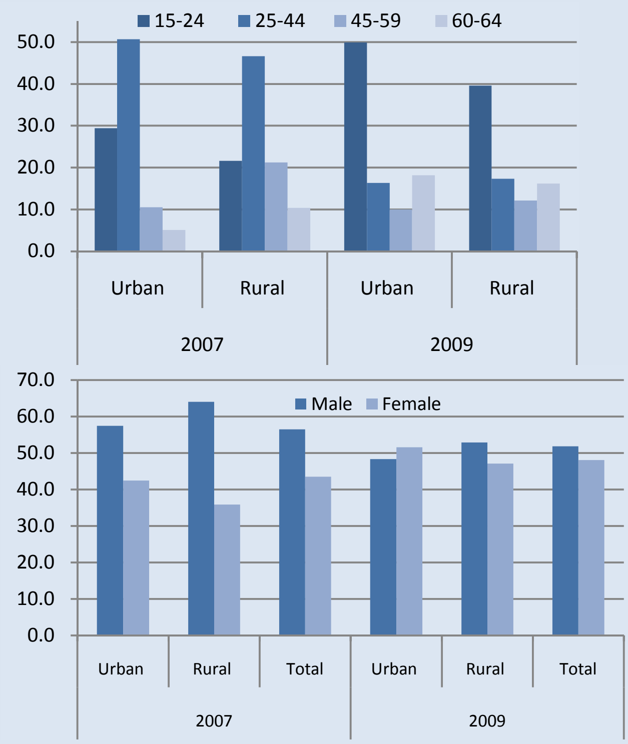
Source: National Bureau of Statistics (NBS), 2010

During the crisis, Nigeria recorded a sharp increase in the total unemployment rate, which went up to 19.7 per cent in March 2009, compared to 14.9 per cent in the same period in 2008. The unemployment rate of youth aged 15-24 increased from 25.9 per cent in March 2007 to 41.6 per cent in March 2009, reaching 49.9 per cent in urban areas. The female unemployment rate deteriorated, from 43.5 per cent in March 2007 to 48.9 per cent in March 2009. Over the same period, the male unemployment rate reduced from 56 per cent to 51.9 per cent.

[44] Based on 2005 figures. The administrative decentralization brought about the creation of new States (from 12 in 1967, to 36 at present) and the creation of 779 local governments http://www.globalurban.org/Issue1PIMag05/NWAKA per cent20article.htm.

[45] http://allafrica.com/stories/201009070675.html.

Figure 4. Unemployment rates by age group and sex between 2007 and 2009



Source: National Bureau of Statistics (NBS), 2010

Employment losses were especially severe in the textile industry. The collapse of the textile industry in Nigeria rendered more than 1 million farmers jobless within three years (2007-09).[46] More than 90 per cent of the textile enterprises in the country shut down, while a few others have relocated outside the country.

2. Federal Government measures implemented to recover from the crisis

Maintaining reforms and liquidity injection into the banking system …

Banking services have expanded massively in recent years (the number of bank branches doubled between 2005 and mid-2009). The quality of some bank balance sheets was questioned, and the potential contagion of the Nigerian banking system due to the detention of toxic assets became evident. The Central Bank provided liquidity through a number of monetary policy actions in order to avoid a credit crunch in the domestic financial market (table 1).

[46] http://www.afriqueavenir.org/en/2010/03/12/collapse-of-textile-industries-in-nigeria-causes-more-than-million-job-losses/ and http://allafrica.com/stories/201001190522.html.

Table 1. Main reduction of rates by Central Bank (in per cent)

	Before the crisis	During the crisis	Percentage points of change
Liquidity management			
Monetary policy rate	10.25	9.75	0.50
Liquidity ratio	40.00	30.00	10.00
Cash reserve requirement	4.00	2.00	2.00

Source: Central Bank of Nigeria (CBN), 2009.

Another major measure has been the establishment of the Asset Management Company of Nigeria (AMCN), the aim of which was to buy up the toxic assets of the banking system in order to strengthen the balance sheet of the banks and facilitate their lending ability to the domestic economy. The AMNC Bill was passed by the National Assembly. This measure helped to avoid the collapse of five banks representing 40 per cent of Nigeria's bank credit with a bail-out of NGN 400 billion or 1.5 per cent of 2009 GDP (Naira = Local Currency Unit) in September 2009.

Wage arrears during the crisis

The federal Government and trade unions have reached common agreement over the need to restore social peace in the country and avoid strikes which could worsen the crisis situation. To that purpose, some of the wage arrears due to workers and laid-off employees were paid using part of the fiscal stimulus. First, wage arrears were paid to Ajaokuta steel plant employees, amounting to NGN 3.32 billion. Then, after long negotiation rounds, the Academic Staff Union of Universities obtained the settlement of NGN 21.32 billion. The Government also increased the salaries of teaching staff by 40 per cent and those of non-teaching staff, whatever their level or weight of responsibility, by 20 per cent. The settlement of the parastatal pension arrears amounted to NGN 37.8 Billion of which NGN 9 billion was devoted to workers at NITEL/MTEL –the national telecommunications company. On a less positive note, some 3, 389 workers from NITEL/MTEL lost their jobs, while 29 months of wage arrears were still due. On the whole, the share of the stimulus package devoted to the settlement plans amounted to NGN 62.4 Billion or 0.02 per cent of 2009 GDP.

Infrastructure spending and sectoral measures to boost aggregate demand

In order to ensure a turnaround and quick recovery of the economy, other targeted fiscal interventions were taken. Infrastructure projects were implemented, which represented 36.4 per cent of the total stimulus package. They included both new infrastructure and maintenance works (respectively, 28 per cent and 8 per cent of the total package). The implementation of these projects aimed at bridging critical infrastructural gaps in order to reduce the cost of doing business in Nigeria, and creating hundreds of employment opportunities.

Table 2. Infrastructure projects implemented by the federal Government

	Cost in billion of Naira	Share of the total stimulus package (per cent)
Infrastructure development	20.50	8.18
Gas & oil installation rehabilitation	5.00	2.00
Telecommunication infrastructure	2.40	0.96
Emergency roads rehabilitation	15.00	5.99
Building of health centres	1.70	0.68
Building of airport road	46.50	18.56
Total	*91.10*	*36.37*

Source: Federal Ministry of Finance, 2009

Other measures included in the stimulus measures were directed at supporting specific sectors. An additional allocation to the cotton, textile and garment industry amounted to NGN 10 billion. Support was provided to the private sector, including through a VAT refund scheme (N 29 billion or 0.01 per cent of 2009 GDP), and export-stimulation measures worth NGN 3 billion. Some of the export measures also aimed to improve the environmental sustainability of international trade. Also, the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) benefited from a budget expansion of NGN 400 million to support the development of micro, small and medium enterprises in all regions of the country.

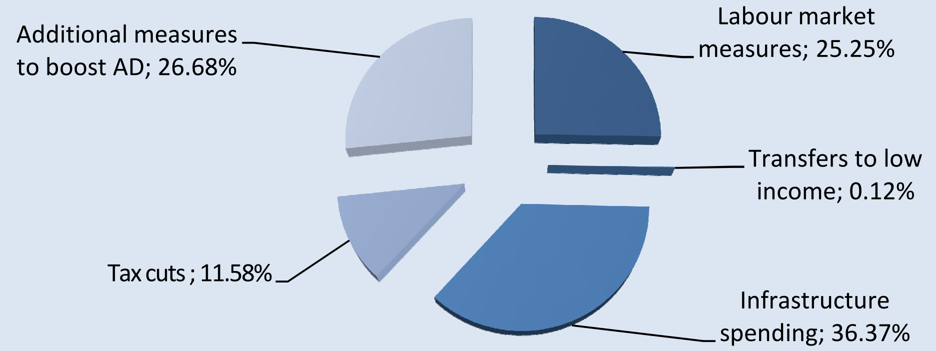
Empowering targeted vulnerable population by creating job opportunities

A Conditional Cash Transfer Programme ("Care of the People" (COPE)) was launched in late 2007, and expanded in 2009, with an additional allocation of NGN 300 million to the budget of the National Poverty Eradication Plan Agency. This measure, which is targeted at the poorest households, supported 8, 850 households, with the result that 30,000 children were able to attend primary school.

Young people also benefited from the stimulus measures with an allocation of half a billion Naira as supplementary support to the budget of the National Directorate for Employment. With these resources, several schemes were implemented such as the Vocational Skills Development Programme which provided vocational skills acquisition training for unemployed school leavers and drop-outs, or the Entrepreneurship Development Centre which completed the training of 6, 505 males and 2, 993 females by March 2009.

Fiscal stimulus measures put forward by the federal Government have reached NGN 250.48 billion or almost 1 per cent of 2009 GDP.

Figure 3. Breakdown of federal Government fiscal stimulus measures



Source: Federal Ministry of Finance (2009.)

3. Challenges

In spite of its rich endowment with natural resources, Nigeria faces multiple challenges in the field of human development indicators. To achieve the “Nigeria Vision 2020”[47], the Government is strengthening its efforts to implement a development framework which is focused on rural development and employment-creation strategies in a context of growing youth and female unemployment. The support to a more capital-intensive agriculture would raise living standards in the rural areas and reduce the demographic pressure on cities. The diversification of the economy could also be further supported, including the continuation of reforms to help improve efficiency in the budget execution and the management of oil resources. Better management of the budget would also reduce the incidence and the level of wage arrears in the public sector. In addition, building fiscal reserves out of oil resources would make macroeconomic policy less pro-cyclical and mitigate Nigeria’s over-reliance on the oil industry.

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Global Urban Development Magazine: *The urban informal sector in Nigeria: towards economic development, environmental health, and social harmony.* http://www.globalurban.org/ Issue1PIMag05/NWAKA per cent20article.htm

[47] The long-term objective is to make Nigeria one of the 20 largest economies of the world by 2020.

Tanzania's response to the crisis

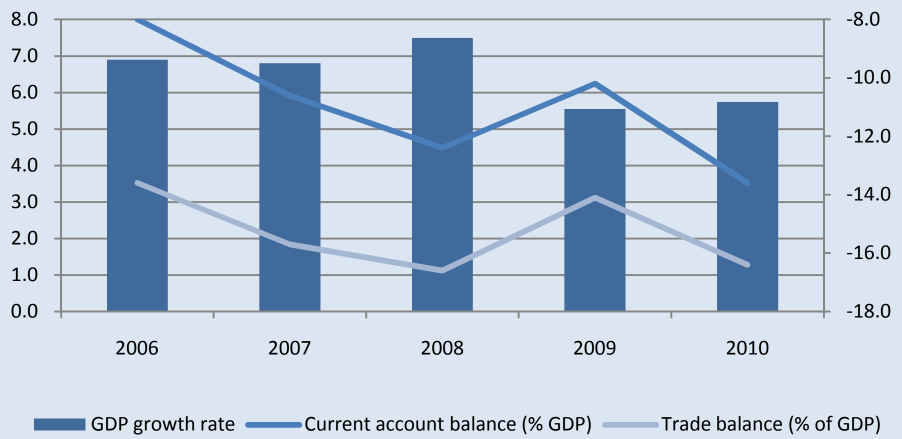
In 2009, the Tanzanian economy grew at an average of 5.5 per cent, a decrease of 1.9 percentage points with respect to 2008. The global economic and financial crisis affected Tanzania through the decrease in the demand for agriculture and mining and quarrying exports, and the reduction in tourism revenues. Employment losses were recorded in mining and quarrying, and tourism. The strategy to cope with the crisis included the implementation of a major fiscal package focusing on support to the agriculture sector, support to enterprises, and to youth and other vulnerable groups of the population. The economic growth is expected to reach 6.1 per cent in 2010, driven by exports.

1. Economic and labour market overview

Tanzania's growth has averaged 7.0 per cent of GDP growth per annum for the period 2000-08. In 2008, GDP grew at 7.5 per cent compared to 6.8 per cent in 2007. Agriculture and mining sectors have been responsible for much of this growth. The increase of capital inflows, averaging 19 per cent growth per annum over the last five years from 2004 to 2008, was also a driving factor of growth.

The global financial and economic crisis has entailed a slowdown in this economic growth, triggering a decline in economic growth by 2 percentage points in 2009 compared to 2008, due to a drop in both domestic and foreign demand. The first effect of the crisis was the inflation hike, which increased from 11.6 per cent in September 2008 to 13.5 per cent in December 2008, despite reforms and stabilization measures to subdue inflation to a single digit. The rise in inflation rates, which was driven by global fuel and food prices shocks, was exacerbated by the financial crisis. On the external sector side, the price levels of key export commodities in Tanzania fell further as consumer demand in advanced countries continued to decline. The imports sector also decreased in a larger proportion. As a result of this situation, Tanzania decreased its trade balance structural deficit down to 14.1 per cent of GDP in 2009, and subsequently its level of current account deficit which fell from 12.4 per cent in 2008 to 10.4 per cent in 2009.

Figure 1. Percentage change of GDP, trade balance and current account balance (% of GDP)



Source: African Development Bank (AfDB), 2010.

Agriculture, and mining and quarrying, the two major sectors of the economy in terms of value added, were adversely affected by the decline in demand for exports. The mining sector consistently recorded negative growth over three quarters from 4Q08 to 2Q09, up to 30 per cent in the second quarter of 2009. This decline was mainly due to the closure of gold mine companies and the fall in diamond prices. The agriculture sector also recorded poor or negative growth performance between 4Q08 and 2Q09, as the production of some major crops was cut back.

Figure 2. Quarterly percentage of change of Gross Value Added at 2001 constant price by activity

Source : National Bureau of Statistics (NBS), 2010.

Nevertheless, the Tanzanian economy showed resilience, partly due to the fiscal stimulus measures implemented following the crisis. For instance, to ensure food sufficiency it introduced a surplus-sharing scheme so that the regions with shortages could benefit from it. The Tanzanian Government also received assistance from development partners (equivalent to 0.4 per cent of GDP) which allowed expansion of investment without jeopardizing sustainability.[48] In addition, resources borrowed from the domestic market reached 1.2 per cent of GDP in 2009, and may rise up to 1.6 per cent of GDP in 2010. Both these measures helped increase public expenditures for infrastructure and social expenditures, and can also help to achieve poverty reduction strategies outlined in MKUKUTA II.[49] Social expenditure stood at 28.5 per cent of GDP in 2009.

Major employment losses recorded in tourism and mining and quarrying sectors

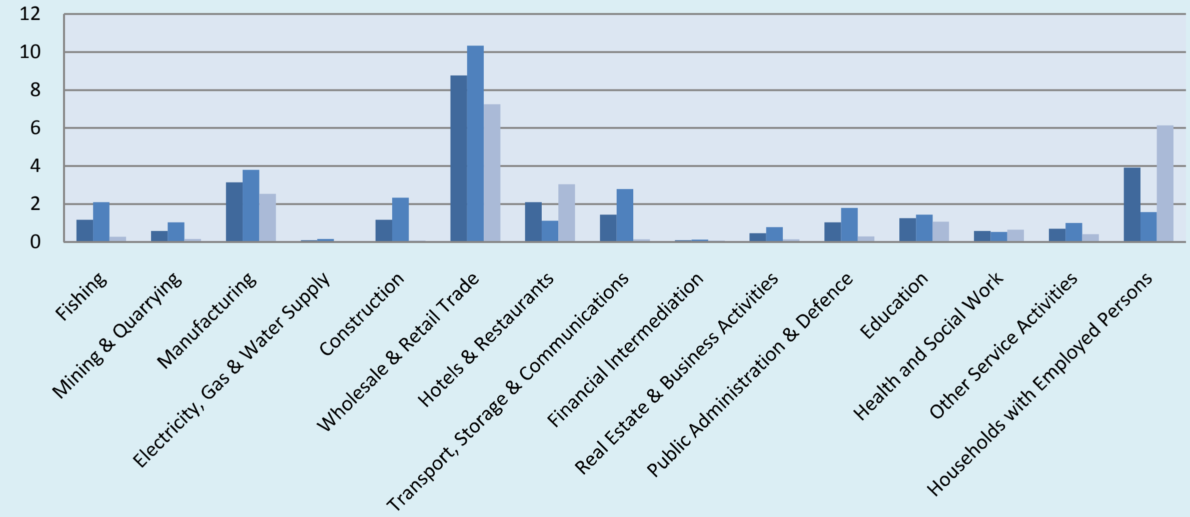
The labour market before the crisis

Agriculture is the major source of employment in Tanzania and represented 77 per cent of total employment in 2006 (the most recent available year), against 84 per cent in 2000.

[48] Tanzania is one of eight countries receiving G20 Global Financial Crisis funds of more than US$255 million. It also received a Financial Crisis Initiative Package from USAID, worth US$37.7 million.

[49] MKUKUTA and MKUZA, second-generation Poverty Reduction Strategies, have been the guiding frameworks for growth and poverty reduction in Tanzania.

Figure 3. Share of employment by selected sector of activities, 2006 (in %)



Source: ILO, Laborsta

Impact of the crisis on the labour market

By mid-2008 over 437,200 new jobs were recorded under the National Employment Creation Programme, falling short of the million jobs it strived to achieve by 2010. The crisis may also have induced an additional migration of workers entailing a loss of skilled workers in industry sectors,[50] as stated by Tanzanian officials.

Furthermore, a large number of multinational companies decided to close their business operations or scale down their business investments as a result of the economic crunch (declining business and cash flows combined with export markets shrinking). This resulted in losses of formal employment. For instance General TV (communications sector) and the GEITA gold mine closed their businesses while the Kabanga Nickel Project (mining sector) – which initially employed 200 workers – has retrenched more than 150 of them. It was initially estimated that when the mine becomes fully operational in 2011, it would employ over 2,000 workers.

The tourism sector, which contributed to 17.2 per cent of GDP in 2009, also suffered from the decrease in the number of tourists. Between October 2008 and mid-2009, around 1,160 workers were laid off, which represented 30 per cent of the tour guiding sub-sector workforce. Those employees who continued to hold jobs in the tourism sector saw a decline in their monthly salary of 10 per cent over the same period.[51] Employment losses were also recorded in the hotel and restaurant sector.

[50] Mr. Mustafa Mkulo's statement (Minister for Finance and Economic Affairs, Tanzania) at the African Finance Ministers' Press Briefing, April 2009, International Monetary Fund).

[51] "Recession taking its toll on Tanzania tourism as thousands of jobs get axed": http://www.eturbonews.com/9982/recession-taking-its-toll-tanzania-tourism-thousands-jobs-get-axe.

2. The “Agriculture First” way out of the recovery

The Government of Tanzania ruled a two-year economic rescue plan worth TSh.1.7 trillion (5.76 per cent of 2009 GDP) to cope with the crisis. Given the lack of a formalized social safety net, targeted discretionary spending measures were introduced for protecting vulnerable groups of the population and providing support to priority sectors, while providing a boost to aggregate demand[52]. The rescue package was broadly directed towards the agricultural sector (agriculture also contributes to about 45 per cent of total export earnings) and youth employment?

Agricultural competitiveness through the “KILIMO KWANZA” Programme

In August 2009, Tanzania adopted the “KILIMO KWANZA” Programme. This is a ten-year initiative aimed at transforming peasant and small farmers into commercial farmers, making agriculture more attractive to investors, and strengthening productivity in the economy. The new measures ensure that a major share of the rescue package is devoted to the agricultural sector (included, for instance, are agro-inputs and farm implements worth TSh.117 billion – 0.39 per cent of 2009 GDP). The Agricultural Development Bank (TADB) was created in December 2009 with an initial capitalization of US$500 million. During the financial crisis, thousands of small and micro farmers were provided with TSh.10 billion credit for agricultural purposes.

Banking package to support agriculture and small and medium enterprises

The Government of Tanzania, after consultation with experts, cooperatives and commodities trading companies, decided to implement several facilities in order to cushion the impact on the banking sector. The first scheme amounting to TSh.23.6 billion was aimed at compensating losses incurred as a result of the sharp drop in prices of three major cash crops (15 out of 32 eligible companies in the cotton sector have already benefited from this scheme). A partial loan scheduling facility (worth TSh.304 billion) was set up to provide a two-year grace credit guarantee to firms involved in agriculture and also to ensure a safety net for banks involved in agricultural sectors in order to avoid a credit crunch in the economy. Additional packages were released through commercial banks, aiming to lend affordable capital for small businesses. All these banking measures amounted to almost TSh.552 billion, representing 1.87 per cent of GDP in 2009.

Table 1. Banking package breakdown

Schemes	Amounts in TSh billion
Loss compensation facility	23.60
Loan rescheduling guarantee facility	304.00
Financial scheme for SMEs and HS	15.05
Export guarantee facility (ECGS)	10.00
Commercial banks bailout	200.00
Total of banking package	552.65
Pper cent of GDP	1.87 per cent

Source: Ministry of Finance (MoF), ESRF, authors’ calculations.

[52] IMF, *Country report No. 10/173.*

Empowering targeted groups

The Government of Tanzania implemented or pursued programmes intended to reinforce vulnerable people, mostly youth and women, to tackle the adverse effects of the crisis. For instance, in March 2009, through the strengthening of the Economic Empowerment and Job Creation Programme (launched in 2007), the Government provided loans amounting to TSh.68.58 billion to 131,640 entrepreneurs who were members of 210 Savings and Credit Cooperative Societies (SACCOS) and 86 economic groups. Furthermore, loans were channelled through the Women's Development Fund, Youth Development Fund and the Tanzania Social Action Fund (TASAF) towards other targeted populations.

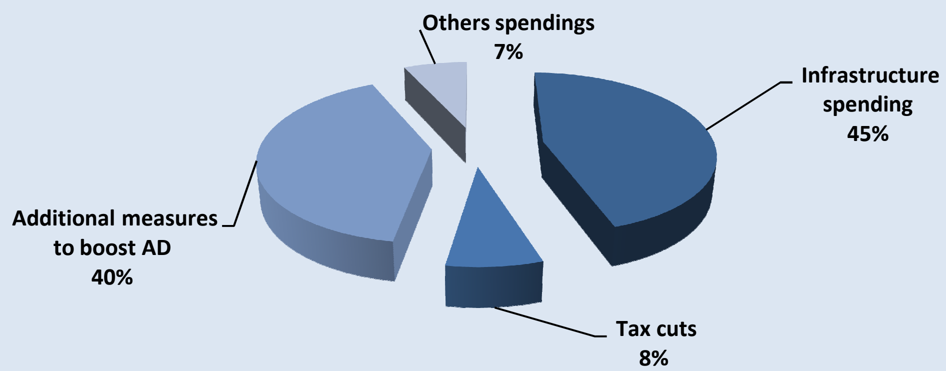
In addition, development partners – including the ILO – agreed to sustain Tanzania's efforts to empower young people by financing a new programme called the Youth-to-Youth Fund.[53] This programme was aimed at identifying new ways of developing entrepreneurship opportunities among youth. It is noteworthy to mention that Tanzania made substantial efforts towards social expenditures with the aim of supportting poor people's well-being. There was an increase in expenditure on education and sanitation in 2009 by, respectively, 21.3 per cent and 50 per cent, compared to 2008.

Support to the private sector

The Government amended several tax Acts (VAT, income tax, oil tax) with the aim of increasing domestic consumption and supporting the export of goods and services. These exemptions reduced government revenue by TSh.129 Billion or 0.43 per cent of 2009 GDP. The Government of Tanzania also bailed out the Energy Company Nigeria to implement energy projects for communities and save jobs in the company.

In addition, Tanzania has launched infrastructure projects (already planned but currently on hold) with high social impacts, through public-private partnerships. The issuance of government bonds allowed the funding of these infrastructure works, including rural irrigation, roads, schools and health centres). The total spending on infrastructure amounted to TSh.760 billion, or 2.5 per cent of 2009 GDP.

Figure 4. Tanzania's allocation in percentage of the stimulus package



Source: MOF, author's calculation. AD: aggregate demand.

[53] A call for proposals was made in order to facilitate the emergence of youth-led organizations which may apply for grants between US$5,000 and US$20 000; YEN Newsletter, April-June 2010.

3. The way forward

The Government of Tanzania has implemented sound macroeconomic policies and far-reaching structural reforms. The economy also benefited from the rebound in the demand for export products initiated in the second half of 2009. This economic environment, and the debt relief, could provide the foundation for growth to resume to its pre-crisis level.

The strong macroeconomic performance and the implementation of MKUKUTA[54] also had an effect on poverty reduction. Thus, the number of people who cannot afford to cover their basic needs has fallen from 35.7 per cent in 2000-01 to 33.4 per cent in 2007, and those who suffer from food poverty has declined from 18.7 per cent in 2000-01 to 16.5 per cent in 2007.[55]

The challenge for Tanzania is to ensure that growth translates into job creation, productivity gains and higher wages across the economy. Such strategies could also include the continued and complementary development of industry and agriculture.

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[54] The five-year implementation of Tanzania's National Strategy for Growth and Reduction of Poverty ("MKUKUTA" in Kiswahili) came to an end in June 2010 with more than one-third of the population still living below the poverty line.

[55] The national survey (HBS 07) showed that over one-third of Tanzania's population still lives below the poverty line and that incomes are inequitably distributed. Access to social services is improving but at a slow pace and it is mostly skewed in favour of urban settings (African Economic Outlook 2009).

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