

***BUILDING A SOCIAL PROTECTION FLOOR WITH THE
GLOBAL JOB PACT***

***STATEMENT DELIVERED AT THE ILO 2ND AFRICAN DECENT
WORK SYMPOSIUM***

YAOUNDE 6 – 8 OCTOBER 2010

BY

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I am exceedingly delighted to be afforded an opportunity to participate in this 2nd African Decent Work Symposium. I thank the ILO for the initiative and for extending an invitation to the International Organisation of Employers (IOE). We are pleased to join the African Social Partners in their deliberations on “Building a Social Protection Floor with the Global Jobs Pact”.

I wish also to thank the Government and the people of the Republic of Cameroon for hosting this important symposium on behalf of the African continent. Thank you for your hospitality and for the excellent arrangements.

The theme of the symposium is “Building a Social Protection Floor with the Global Jobs Pact” and the main objective is “to strengthen the capacity of key actors and stakeholders to design and implement strategies to create productive employment and extend social protection within the framework of the social protection floor and the Global Jobs Pact”.

As President of the IOE I welcome the focus on capacity building and implementation and the support the ILO is providing to governments and other social partners to operationalise their commitments through actions at country level. We all know that improvements in the lives of people only become real through actions at country level.

The unanimous adoption of the Global Jobs Pact by government, employers’ and workers’ delegates from ILO member states in June 2009 had a huge impact on the global financial and economic crisis debate. It placed employment and social protection firmly on the agenda.

As a consequence, the ILO was able to highlight the impact of the crisis on jobs, sustainable enterprises and the poor. Before this intervention, the debate was focused

mainly on the plight of the banks, indebtedness of national governments and reduced credit flows to big corporations.

Realizing that countries and regions experienced the crisis differently, the IOE participated in a number of regional conferences in partnership with either national or regional employer federations. For the African region, the IOE organized a very successful African Employers' conference in Johannesburg, South Africa in partnership with the Pan-African Confederation of Employers on 9 and 10 April 2010. The conference was financially sponsored and supported by the ILO Africa regional office.

I am pleased to report that the challenges and recommendations highlighted by employers in Johannesburg are closely aligned to the issues that are presented for consideration at this symposium. In Johannesburg, the participating African Employer representatives made it clear that they want to work with other social partners – governments and workers – in promoting a productive recovery that is centered on sustainable enterprises, job recovery, employment creation and social protection for the vulnerable and the poor.

I cannot find appropriate words to convey the urgency that is required for action to create productive employment and alleviate hunger and deprivation across the African continent. Unemployment levels were high before the crisis, especially of the youth. Even among the so-called employed, the majority were in vulnerable employment in agriculture, self-employment and the informal sector. The demographics show that the situation is likely to get worse in the coming years because the majority of the population is young – less than 30 years – and is increasing. Therefore, the need to expand opportunities for decent work through diversification of African economies and improvement of technical and managerial skills cannot be overemphasized. Experience in other countries shows that decent work opportunities come from industrialization and expansion of the services sector as well as enactment and enforcement of laws that ensure effective collective bargaining.

The other very important paradigm shift that must take place for Africa to be able to accelerate the creation of productive employment is to embrace the private sector as a trusted partner in the economic transformation agenda. The consummation of this relationship is critical to economic progress as shown in a number of countries including Japan, South Korea and now China. Compacts must not only be between a ruling political party and a selected group of business leaders, but between the private sector and the government and must be based on national agendas and priorities and laws and regulations that are applied fairly and equitable and not tampered by personal friendship or party affiliations. In addition, Africa needs an independent and professionally competent bureaucracy that is guided by world class codes of professional conduct and a private sector that is strong and dynamic and not dependent on political favors, but on its entrepreneurial, technical and managerial capabilities.

Of course, entrepreneurs are motivated primarily by self interest and not by love of society in general and therefore they cannot be expected to ensure fair distribution of the value generated by the enterprises without engagement by other stakeholders. Experience throughout the world shows that appropriate policies and laws as well as effective institutions are a prerequisite to ensuring fairness and justice at work. Hence the need to make certain that respect for fundamental principles and rights at work gets fully integrated in national agendas for accelerating development of sustainable enterprises in African countries going forward.

This fact was recognised and embraced by the African Employer representatives that met in Johannesburg in April 2010.

As argued above, African countries should prioritise employment creation in their macro-economic strategies; however, much more is required to address unemployment and the plight of the vulnerable and at risk segments of society. Given the high levels of poverty and pervasiveness of vulnerable employment, strategies for accelerating employment creation should be linked to social protection measures as proposed by the ILO. This is imperative to ensuring all citizens access to essential social services and to

providing the poor and the vulnerable with minimum income security to afford food and other life essentials.

As African countries have already agreed to “adopt coherent national social security strategies, including for the introduction or extension of a basis social security package that includes essential health care, maternity protection, child support for school-age children, disability protection and a minimum pension”, the challenge is moving to the next stage which entails designing appropriate products, building appropriate institutions, determining sources of finance and implementation.

This symposium provides a platform for reviewing progress and exchanging experiences on all these issues, hence the invitation to all social partners. While there is no doubt about the need for a social protection floor, there are challenges as well as risks of unintended consequences that must be considered. For instance, there is a risk that if the social protection cash benefits are set at inappropriate levels, they may discourage healthy individuals from taking up employment at a time when Africa needs every able bodied person to be engaged in productive employment. If this risk is not acknowledged and judiciously managed, the result would be a deepening of a culture of entitlement which would further undermine Africa’s development efforts.

Secondly, there is the issue of affordability. Cash benefits/transfers should be set at levels that the countries can afford, otherwise they will further deepen dependence on AID. Again, this would be unfortunate because with the bad experience of the last 50 years, Africa should be moving away from dependence on AID by expanding the productive sectors through increased investments in human development, agriculture, industrialisation, infrastructure and dynamic services. At the centre of the strategy must be the promotion of a dynamic, innovative and responsible private sector.

At best, AID should be used for capacity building. African countries need exposure to international best practice, especially from developing countries for instance. South Africa has successfully introduced child grants, old-age pensions and benefits for the disabled. There is also an ambitious programme to extend access to essential services

like water, sanitation, electricity, basic education and health services to all citizens. There are many other examples that can be shared with countries that have the political will to provide a social protection floor.

In conclusion, African countries need to develop and implement Decent Work Country programmes as a matter of urgency. Therefore this symposium is timely and highly appreciated.

Thank you again and best wishes.