Recovering from the Crisis

A Roadmap for the Implementation of the Global Jobs Pact in Africa





Crisis Spreads to Africa

Crisis started in world's financial centres and spread to Africa through several channels:

- Export earnings down, commodity prices fell;
- Remittances down, fewer tourists;
- Drop in FDI and ODA promises slipping;
- Most recently, government budgets have been squeezed by fall in export tax revenues; threatening core spending on basic needs, including education and health.



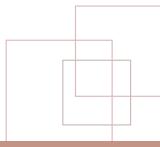
Weak growth hits jobs

- Growth down, falling in per capita terms in most countries. Recovery prospects fragile with risk that jobs pickup will lag well behind output.
- Setback to poverty reduction and creation of decent work opportunities with serious long term consequences for social development/political stability.
- Youth and women and other vulnerable groups are being hit hardest.



Structural Constraints to African Recovery and Development

- Current crisis adds to deeper long-standing structural crisis in African development.
- National policy and fiscal space constrained in most countries by budget deficits, foreign debt, dependence on narrow commodities export base, and national capacities for effective policy implementation.
- Recovery strategies should be first step towards new approach to sustainable, resilient and balanced development.



Escaping Dependence, Building New Approach to Sustainable Development

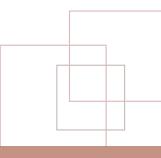


- One of main resources for recovery is political commitment of government, employers and unions to social dialogue to develop and follow through on national action for recovery; drawing on the tripartite approach of the ILO Global Jobs Pact.
- National resource mobilization must be given higher priority by:
 - i) Broadening tax base to finance essential public support for development; and
 - ii) Financing policies that secure and channel savings and channel investment to real economy and jobs.

International Partnerships for African Recovery Strategies



- Africa must be a partner in a truly global effort to stimulate and sustain job-driven recovery. In the future, developing countries' growth must be the main driver of sustainable world development.
- Reversing African recession urgently requires a fresh round of debt cancellation and relief alongside major increase in long-term low-cost finance. Genuine policy dialogue over development strategies must replace previous conditionalities.





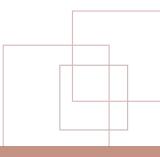
Increased Vigilance on Fundamental Principles and Rights at Work

- Crisis calls for increased vigilance to ensure that fundamental principles and rights at work are not compromised.
- Promotion of ratification and implementation of international labour standards should be intensified, especially Conventions of particular relevance in crisis conditions.
- International labour standards are an important component of a rightsbased approach to development and should be integrated into Decent Work Country Programmes.
- Strategies for the transformation of the informal economy should include measures to assure implementation of international labour standards.



Social Dialogue: Key mechanism for African Recovery Strategies

- The importance of social dialogue is reinforced in times of crisis when social tensions increase.
- Inclusive dialogue to develop and implement a pact or plan of action is key for an effective and sustainable response to the crisis.
- Enhanced internal dialogue within unions and employers' organizations is vital to the preparation of effective tripartite dialogue.
- Social dialogue should be developed within regional economic communities.





Key Elements of African Recovery Strategy: Rural Employment

Promotion of strengthened policy and regulatory environment for:

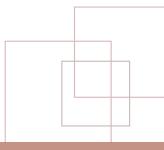
- Employment intensive infrastructure investment (roads, irrigation etc.);
- Improved access to finance for farmers and rural MSMEs;
- Promotion of agro-processing;
- Support to member-based organizations (coops, farmers' unions etc.);
 and
- Decentralized and participatory local governance.

Key Elements of African Recovery Strategy: Micro, Small & Medium Enterprises



MSMEs are engines of employment generation and thus potential motors for recovery and decent work, but face many barriers to sustainability. Priorities in creating favourable environment for sustainable enterprises, especially MSMEs are:

- Improved access to finance on terms that meet their special needs;
- Public procurement policies that ensure MSMEs can bid and win contracts;
- Women entrepreneurs face additional barriers which call for policies to overcome discrimination (e.g. in asset ownership);
- Enterprise development services should be widely available on attractive terms providing advice, training and other support;
- Government policies should facilitate the entry of MSMEs into the formal economy by reducing unnecessary regulatory burdens and offering quality public services.





Key Elements of African Recovery Strategy: Skills

Continuous upgrading of skills vital to poverty-reducing development and job-intensive recovery. Key issues:

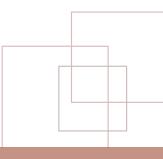
- Integrated national strategies steered by a tripartite oversight council on human resource development;
- Public/private partnerships to deliver skills training;
- Good labour market information on skill gaps;
- Systems to recognize informally acquired skills;
- Strong universal education equipping young women and men with core competencies for working life.



Key Elements of African Recovery Strategy: Services and Information

Most African countries have underinvested in public employment services and labour market information systems. Effective recovery strategies require these weaknesses be addressed and supported by regional and international cooperation. Priorities are:

- More and better equipped employment centres to support employers and workers in filling job opportunities;
- Stronger labour market information services undertaking /analysing regular labour force surveys.



Key Elements of African Recovery Strategy: Building a Social Protection Floor



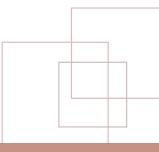
- Social Protection Floor is a global and coherent social policy concept that promotes national strategies for minimum level of access to essential services and income transfers for all.
- Political will is required to either use or extend existing fiscal space to accommodate the financing of components of the social protection floor.
- National consensus for the creation of sustainable national social floors can only be achieved in inclusive and transparent social dialogues processes.
- Donor support (including budget support) can help, but in the long run all programmes have to be financed by national means which include innovative resource mobilization.
- Promote co-ordination, synergies and policy coherence within a 'delivering as One UN' approach to 'bundle' donor support for social protection.

Key Elements of African Recovery Strategy: Sustaining Social Security Systems



Social protection, particularly for women and youth alleviates poverty and harsh realities of the crisis. Systems should be strengthened through:

- Graduated social protection provided and extended to the informal economy;
- Improved and strengthened management systems;
- Enhanced tripartite governance to improve transparency, accountability and effectiveness of benefit delivery.





Key Elements of African Recovery Strategy: Minimum Wages

Minimum wages can protect vulnerable workers and discourage wage deflation during the crisis. Existing systems need to be improved and where they do not exist, consideration should be given to their introduction. Key issues for review through social dialogue are:

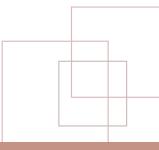
- Protecting vulnerable workers;
- Extending the coverage of minimum wages;
- Securing policy coherence with collective bargaining, public sector pay, social security, and other income policies; and
- Improved compliance.



Key Elements of African Recovery: Migration Policies

Migrant working women and men are in frontline of the crisis. This calls for reinforced efforts to build national and international strategies to protect their rights and ensure that mobility of labour is economically and socially sustainable. Measures include:

- Strengthened international cooperation to protect migrant workers rights, especially women, and, where necessary, regularize their status;
- Re-enforcing capacity of employers and workers organizations and social dialogue in respect of migrant workers;
- Support the productive use of remittances;
- Address problems caused by the migration of highly skilled workers particularly in the health sector; and
- Collect better statistics on international labour migration.





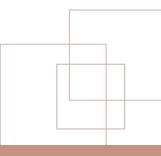
The Ouagadougou Process: Building National Recovery Strategies

- ILO's constituents will follow-up this Ouagadougou Symposium on the Global Jobs Pact with national dialogues on strategies for recovery. Dialogues should include Economic and Social Councils and parliaments. They should identify resource gaps, domestic potential and partnerships.
- Constituents, supported by Office (e.g. with Mainstreaming Decent Work Toolkit), will integrate recovery priorities into international mechanisms, e.g. UN Development Assistance Frameworks, ADB and World Bank, bilateral cooperation.

The Ouagadougou process: Continental Coordination



- ILO's Regional Office will collect and share information from constituents on recovery strategies, including estimates of resource gaps for their implementation.
- The Office will facilitate the development by constituents of employment generating infrastructure investments to strengthen regional integration.
- ILO will present results of the Ouagadougou Symposium and of the national dialogues to the African Union, the Pan-African Parliament, the AU/ECOSOC, the ADB, the UNECA and regional economic communities.
- ILO will aim to further strengthen support for promotion of decent work in continental recovery efforts.





The Ouagadougou Process:Africa's Voice on the World Stage

- A report on the symposium and follow-up action will be presented to the next ILO Governing Body Meeting and the 12th African Regional Meeting.
- Constituents will work to ensure that African decent work recovery packages are prioritized in policy dialogues with the Bretton Woods institutions and other development partners.
- The results of the Symposium and its follow-up will feed into ILO's input to the 2010 UN General Assembly reviewing the Millennium Development Goals.

Mobilizing Social Partnership for Inclusive and Sustainable Globalization



- We applaud African social partners commitment expressed in the Declaration of their 2nd Forum to concerted mobilization for the ILO Global Jobs Pact.
- There can be no recovery without increased employment. Full productive employment and decent work is central to Africa's recovery and its sustainable and balanced development in the future.
- Decent work is the main route to the eradication of poverty. Sustainable enterprises generate decent work. Effective systems for social protection are essential foundation for productive economies and social justice.
- Social partnership, based on full respect for fundamental principles and rights at work, offers a vital impulse to inclusive and sustainable recovery and development.

