

## **EMPLOYMENT, MARKETS AND TRADE**

**PRESENTATION BY  
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At the onset, let me congratulate the African Union and the United Nations Economic Commission for Africa, for their excellent organization of this historic sixth African Development Forum; as ECA celebrates its 50<sup>th</sup> Anniversary. The theme of this African Development Forum on **Action on Gender Equality, Empowerment and Ending Violence against Women**, could not be more topical and more timely, because this is one of the most important issues at this moment of African civilization, history, and development. We are deeply grateful to the African Union and the ECA, for giving us the honour and the opportunity to contribute to the success of this very historic African Development Forum.

The terms of reference for our presentation which covers **Employment, Markets and Trade**, require us to address the commitments that have been adopted in this area, by African countries, what actions have been undertaken to meet the commitments, what has

been achieved, and how this could be enhanced, the challenges encountered and how the existing gaps in action could be effectively addressed, and what other lessons could be drawn for the future. We are also expected to raise a few points for discussions, which can stimulate discussions and deliberations in the break out sessions, on the issue of **Employment, Markets and Trade**.

African countries have been grappling, with varying degrees of intensity, with the challenge of **Employment, Markets and Trade** over the past 50 years of history, that the ECA is celebrating at this Forum. Ideas generated over this long and rich history have been continually refined and enriched and are fully encapsulated in the more recent commitments by African countries. Given the constraints of time, I shall dwell more on the commitments made in more recent times. In my presentation, I shall concentrate mainly on the commitments made on Employment by African Heads of state and Government at their third Extra-ordinary African Union Summit held in Burkina Faso, Ouagadougou from 8-9 September 2004. Those commitments were contained in the now famous **Ouagadougou Declaration on Employment and Poverty Alleviation in Africa** and the Millennium Summit at the United Nations in New York in 2005, **Declaration on the Millennium Development Goals (MDGs)**. However, as we look back on history, let us remember that some of the current commitments draw their inspiration from the Copenhagen World Summit Declarations on Social Development of March 2005, and the Dakar and Beijing Declarations of 1995 so far as the Gender Dimensions of Employment and Development are concerned.

Coming back to the Ouagadougou AU Summit Declaration on Employment and Poverty Alleviation in Africa, African Heads of States and Government have committed themselves inter-alia, to:

1. Place employment creation as an explicit and central objective of our economic and social policies at national, regional and continental levels, for sustainable poverty alleviation and with a view to improving the living conditions of our people;
2. Support the continuing efforts made by our governments, social partners and civil society organizations to promote the decent work development agenda of the International Labour Organization (ILO) through achievement of the following related strategic objectives: (i) promote and implement international labour standards and, fundamental principles and rights at work; (ii) create greater opportunities for women and men to secure decent income; (iii) enhance the coverage and effectiveness of social protection for all; and (iv) strengthen tripartism and social dialogue;
3. Empower the poor and the vulnerable, particularly in the rural communities and the urban informal economy, the unemployed and the under-employed by enhancing their capacities through education, skills and vocational training and retraining of labour force, access to financial resources, in particular micro-financing, land, infrastructure, markets, technology and services in order to meaningfully integrate them into the labour market;

4. Empowering African women through increased access to decent employment as well as innovative approaches to income generating activities, entrepreneurship, real business opportunities, productivity and access to resources and markets at the national, regional, continental and international levels;
5. Developing and Implementing strategies that give young people in Africa a real chance to find decent and productive work and encourage African Member States to support, and adopt the Youth Employment Network (YEN) Initiative and implement its recommendations therein with the support of the UN, ILO, the World Bank and other competent agencies as well as development partners;
6. Improving the living condition of the aged, through better social protection services including improved pensions, health and other social security schemes;
7. Enhance the capacity of the Regional Economic Communities (RECs) to promote the productive employment dimension within the framework of regional and inter regional cooperation;
8. Include initiatives on employment creation and poverty alleviation as indicators in the NEPAD African Peer Review Mechanism (APRM);
9. Promote an effective and speedy implementation of actions and programmes agreed upon in the framework of NEPAD and to maximize their impact on the Continental efforts geared towards poverty reduction and productive employment creation, particularly in the fields of infrastructure, agriculture and rural development, environmental conservation, cultural industries, transportation, fisheries, forestry, Information and Communication Technology (ICT) industry, trade and tourism which have a high potential for enhancement of productive capacities; job creation and poverty alleviation.
10. Designate Member States and Regional Economic Communities (RECs) as the principal bodies responsible for the implementation of this Declaration and the Plan of Action; and the AU Labour and Social Affairs Commission as the coordinator of the implementing mechanism.

At the United Nations level in New York, African Heads of States and Government along with their counterparts around the world in the context of the Millennium Declaration 2005, again committed themselves to placing employment and decent work at the centre of their economic and social policies, including especially decent work for young men and women as avenues out of poverty.

In the Millennium Development Goals (MDGs) Goal one on halving extreme poverty and hunger by 2015, has target 2 stated as follows...*“Achieve full and productive employment and decent work for all, including women and young people”*.

With respect to gender equality in the field of employment, we have seen that MDG Goal 3 calls for the promotion of Gender equality and the empowerment of women. As indicated in Goal One Target 2 above it is expected that full and productive employment and decent work should be achieved for men and women, as well as young people male and female. MDG Goal 8, in one of the targets, specifically calls for the provision of decent employment for young men and women, who bear the brunt of the employment challenge.

What has been achieved in respect of the above commitments in the field of employment?

Many African countries have begun to take the employment challenge more seriously, by explicitly recognizing employment creation as a specific goal of their national development agenda. To mention only a few, Tanzania for example has committed itself to creating one million new decent jobs in the 2005-2010 period, Kenya has committed itself to creating 500,000 new jobs annually, while Nigeria has employment creation as one of the 7-Point Development Agenda of the new Nigerian Government.

In the realm of Youth Employment a number of African countries, Mali, Namibia, Nigeria, Rwanda and Senegal have presented themselves as lead countries of the Global Youth Employment Network (YEN) alongside 14 other countries in Europe, the Middle East, Asia and the Caribbean. At the micro level, a number of successful project interventions have been made, of benefit to women and men's employment. These success stories have been compiled by the ILO in 2 volumes referred to as **Success Africa**. The first volume was prepared for the African Union Ouagadougou Summit, while the second volume was prepared for the 11<sup>th</sup> African Regional Conference of the ILO held in Addis in April 2007, which also produced a Decade **Decent Work Agenda for Africa – 2007-2015**. The more recent UN: **The Millennium Development Goals Report 2008** has highlighted other success stories, especially in the areas of microfinance which has been very beneficial to many women workers, Malawi's Voucher Programme for Fertilizers and Seeds which has doubled agricultural productivity in just 2 years, as well as the NERICA, the New Rice for Africa – a crossbreed of Asian and African rice varieties which has increased productivity and nutrition, in Cote d'Ivoire, Democratic Republic of the Congo, Guinea, Kenya, Mali, Nigeria, Republic of the Congo, Togo and Uganda.

In spite of the laudable efforts and success stories in the field of employment recorded above, the employment challenge for women and men in Africa remains daunting. This has been thrown into high relief by the recent **ILO Report on Global Employment Trends for Women – March 2008**.

Unemployment rates for women in Sub-Saharan Africa stands at 9.1% compared to 7.5% for men. Youth unemployment rates are even higher with 13.9% for young women and, 13.6% for young men.

Agriculture continues to provide the vast majority of jobs for women: almost 7 out of 10 women in the region work in the agricultural sector, mainly in subsistence level agriculture under harsh conditions and with little or no economic security. Of those in employment,

8 out of 10 women (81.7%) are classified as occupied in vulnerable employment, defined as unpaid family labour, or own account worker. The comparable figure for men is 7 out of 10 in vulnerable employments. Accordingly while only about 20% of women are engaged in wage and salaried employment, about 30% of men are so engaged.

In North Africa, the Gender gap in the unemployment rate is even more disadvantageous to women, for while the unemployment rate for women is 16.2%, the rate for men is 9%. The Youth unemployment for women in North Africa is a staggering 32.3%.

From the employment statistics presented very briefly above, it is very clear, that in spite of the progress made in recent years, in the employment of men and women in Africa, the current situation is very far from satisfactory, and calls for very urgent and sustained

ameliorative action, especially when the adverse employment impacts of the current global recession are taken into account.

However, before laying out briefly out urgent ameliorative actions needed to boost women's economic empowerment through full and productive employment and decent work, let us now briefly turn to a discussion of the issue of markets and trade which are closely related to the employment of women and men in Africa. The discussion can be conducted in terms of the major factors of production, namely Land, Labour and Capital; others might add Entrepreneurship and Technology. As these issues are to be discussed in varying degrees of details by other speakers, let me be very brief here and highlight only a few points. The productivity of women's employment and for that matter men's employment, depends on access to the major factors of production outlined above, and the efficiency and fairness of competition in the markets for productive factors listed above. We know that in the African context the odds are very much biased against women, and young women in particular, hence the unsatisfactory outcomes for women employment in Africa, as we saw in the statistics cited earlier.

Before leaving our discussions of markets we need also to reflect on commodity markets and the popular perception of markets as a market place where there is the selling and buying of concrete commodities and sometimes of services as well. This dimension of buying and selling in the market place is also particularly important for the productive employment of African women.

As we know, African women predominate in trading in rural and urban markets selling their agricultural goods, in the production, of which, they also predominate, as well as handicrafts and artifacts. Access to the market place, is also very critical for women's employment productivity and income. The physical condition in the market place itself, which are often abominable call for urgent ameliorative action, as well as access to the market place often hindered by the lack of feeder roads and administrative and discriminatory bottlenecks in the allocation of shops and stalls. Finally, the lack of storage and processing facilities which force traders, especially women, to dump their fresh products into the market, thereby reducing their incomes from employment and work, are other key issues which deserve attention and action.

Our discussion of factor and commodity markets has taken us inexorably into the realm of trade, which can be considered from the domestic and international perspectives.

Facilitating domestic trade for the products of women's employment mostly agricultural, textiles, handicrafts and artifacts, will no doubt go a long way towards boosting women's income and thus raise their employment productivity, as well as enhance their economic empowerment. Accordingly, action in these areas must get priority attention in our discussions for action on the ground.

Domestic trade expansion alone is insufficient when considering employment. Accordingly, consideration must of necessity extend to regional trade in the context of the African Regional Communities in which women are very active, African continental trade, and finally trade at the global and international level. If Africa's development strategy is to conform to theories of export led growth, then the prospects for African exports, especially of goods produced by women need to be boosted.

African countries have been giving priority to reducing impediments to African Exports, with support to some extent from the international community. Two major issues loom large in the context of Africa's International Trade – the Economic Partnership

Agreements (EPAs) with the European Union, and the Doha round in the global negotiation for trade liberalization within the context of the World Trade organization (WTO). 2 major Declarations of the African Union set out African positions and commitments on these 2 key issues. They are the **Addis Ababa African Union Trade Ministers Declaration on WTO Trade Negotiations** - Jan 2007, and **The Nairobi Declaration on Economic Partnership Agreements**, April 2008.

Given time constraints, suffice it to say that African countries want Developed countries to remove tariff and non-tariff barriers to their exports to developed countries, including the removal of farm subsidies on their agricultural products which compete with African exports, while on the issue of EPAs with the European Union, African countries do not want liberalization of trade between the 2 unions to undermine Africa's development prospects. At the global level, in the context of the MDGs. Under MDG 8 Target 2, the Commitment is to "develop further an open rule-based predictable non discriminatory trading and financial system."

In assessing achievement of commitments in the area of markets and trade, we can say in sum, that many challenges remain, especially in the areas of international Trade where the Doha round has collapsed implying that African countries have not succeeded in achieving their goals as set out in the AU Declaration on WTO Trade Negotiations. On the EPAs, while some countries are signing the EPAs with the EU, there remains widespread African concern that these EPAs are a threat to Africa's long-term development, unless the concerns in the Nairobi Declaration on EPAs, are addressed.

Let me now conclude by highlighting a few issues, on which we need to concentrate, in moving forward the Agenda of Women's Economic Empowerment in the areas of Employment Markets and Trade and which should also assist the break-out sessions, as they reflect on and discuss these issues further, to enable more definitive action proposals to be crafted.

What needs to be done? What is the way forward?

On employment, the way forward is clearly charted in the AU Ouagadougou Summit Declaration on Employment and Poverty Alleviation. What we need now is the political will at the national level with support from the international community to implement the Declaration. We need to build a powerful coalition of stakeholders of Employers, Workers, Civil Society organizations and the Academia with Women at the vanguard, to ensure that African Heads of state and Governments are held to their commitments. The same is needed for the MDGs which relate to Poverty and Employment, Women's Equality, and Global partnership for development, especially in the areas of trade for the benefit and development of Africa as indicated in the AU Declarations on WTO Negotiations and EPAs.

There is also an urgent need to build and strengthen African analytical capacity with gender balance on employment issues, at the African Regional level, in the AU, the ECA, and the ILO African Regional Department, within African governments; and African universities and Research institutions. This would facilitate the production and publication of periodic and regular employment reports such as **The African Employment Report** which I used to publish from our ILO office here in Addis, as well as National Employment Reports. This would help place employment issues on the front

burner and help chart the way forward in terms of needed action, including women's economic empowerment through productive employment and decent work.

This would also enable us concentrate on the more specific issues of Employability of women, Entrepreneurship Development, the appropriate sectors for Employment creation and successful macro and micro projects that will guarantee employment creation, and finally concentrate on issues of Equity in employment and the elimination of all forms of discrimination against women in employment.

I thank you for your kind attention.

**Major Points for Discussion in Break-out Groups:**

1. Success stories and impediments experienced, in the formulation of National Action Plans on Employment, called for in the Ouagadougou Declaration.
2. How to build coalitions in support of the implementation of Ouagadougou Declaration on Employment and the Addis Ababa and Nairobi Declaration on WTO negotiations and EPAs.
3. Success stories that can be up-scaled in the areas of employability of Women (Education and Skills Development) Impediments to avoid.
4. Success stories that can be up-scaled in women's entrepreneurship development, and pitfalls to avoid.
5. Successful employment creation projects for women or gender sensitive employment projects for women and men; for replication.
6. Ensuring equity in employment for women. Needed Actions to be taken to avoid all forms of discrimination or cultural practices that adversely affect women's employment.
7. Actions to boost domestic trade operations, especially with a bias to products from women's employment.

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