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**Economic Commission for Africa**  
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Item 7 (d) of the provisional agenda\*  
**Parallel meetings for an in-depth review of progress made  
and peer learning on the sub-themes of the Regional Forum:  
parallel meeting on the sub-theme of decent work and  
economic growth**

## **Background paper on decent work and economic growth: progress report on Sustainable Development Goal 8 in Africa**

### **A. Introduction and background**

1. Goal 8 of the Sustainable Development Goals seeks to promote “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. It reaffirms the mutually inclusive relationship between economic, social and environmental policies, full employment and decent work. Goal 8 is inextricably linked to other Goals in the 2030 Agenda for Sustainable Development. For instance, achieving Goal 8 is crucial for ending all forms of poverty and ensuring that no one is left behind, because obtaining decent employment is the most direct and sustainable pathway out of poverty. Importantly, in order to ensure achievement of Goal 8, progress will also be required on other Sustainable Development Goals, such as Goal 1 (no poverty), Goal 2 (zero hunger), Goal 3 (ensuring good health and well-being), Goal 5 (achieving gender equality), Goal 10 (reducing inequalities) and 16 (promoting peace, justice, and strong institutions) and vice versa.

2. Promoting inclusive and sustainable economic growth, employment and decent work for all remains one of the most daunting challenges facing the African continent. Even before the coronavirus disease (COVID-19) pandemic, economic growth on the African continent had not been inclusive and fast enough to absorb the growing labour force in the formal economy. In fact, the majority of the labour force is in the informal economy. While unemployment rates in Africa are generally low, informal employment is widespread and is estimated at about 86 per cent. Informal employment is often characterized by lower productivity, lower pay, limited social protection coverage, high levels of working poverty, and lack of rights. There are also more women than men in informal employment. The lack of sufficient full, productive and decent jobs is complicating efforts to end poverty on the continent and ensure prosperity for all.

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\* ECA/RFSD/2021/1/Rev.1.



3. The COVID-19 pandemic has exacerbated the underlying labour market challenges and inequalities, with such effects as worsening the gender gaps in the labour market. Overall, the COVID-19 pandemic has undone many of the economic and employment gains that the continent had made over the past few years. Economic growth is projected to decline by 2.6 per cent, potentially pushing 29 million people into extreme poverty.<sup>1</sup> Moreover, according to 2020 estimates from the International Labour Organization (ILO), Africa suffered total working hour losses of 1.9 per cent during the first quarter of 2020, 15.6 per cent in the second quarter, and 11.5 per cent in the third quarter.<sup>2</sup> This translates into huge losses in absolute numbers of 7 million, 60 million, and 43 million during the first, second and third quarters respectively. Women and young people have been disproportionately affected.

4. Importantly, past economic growth has failed to result in structural transformation. The fact that that growth has largely been driven by the extractives has limited its employment intensity and the capacity for diversification, technological upgrading and poverty reduction on the continent. The COVID-19 pandemic has highlighted the need to make economies and labour markets more resilient and sustainable. It may also, however, provide an opportunity for African countries to craft a job-rich, inclusive, sustainable and equitable recovery through social dialogue among governments, and also organized business and workers.

5. Africa is undergoing a rapid demographic transition. As a result of strong population growth, the population of Africa is projected to double by 2050.<sup>3</sup> In addition, by 2055, the continent's youth population (aged 15–24), is expected to be more than double the 2015 total of 226 million.<sup>4</sup> A huge proportion of the growing youth population in Africa lives in rural areas, where employment and economic opportunities are limited and labour productivity is relatively low. Young women and youth with disabilities are at a greater disadvantage. While growth in the working age population presents an opportunity for Africa to reap a demographic dividend, this will depend on sufficient economic opportunities and labour demand being created to absorb the growing population into productive and decent employment.

## **B. Agreed commitments and renewed urgency due to the COVID-19 crisis**

6. Government, employers' and workers' delegates from 49 African countries who met at the ILO fourteenth African Regional Meeting held in Abidjan, Côte d'Ivoire, from 3 to 6 December 2019 made a strong call for a human-centred approach to the future of work, to unleash the potential of Africa for inclusive growth and create a future of work with social justice. The meeting concluded with the adoption of the Abidjan Declaration entitled: "Advancing social justice: shaping the future of work in Africa". The Abidjan Declaration builds on the ILO Centenary Declaration for the Future of Work and calls for committed actions on the following five priorities:

(a) Making decent work a reality for the Africa's youth, developing skills, technological pathways and productivity for a brighter future in Africa,

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<sup>1</sup> Economic Commission for Africa, *COVID-19 in Africa: Protecting lives and Economies* (Addis Ababa, 2020).

<sup>2</sup> International Labour Organization, *ILO Monitor: COVID-19 and the world of work*. Sixth edition. Updated estimates and analysis, 23 September 2020.

<sup>3</sup> Economic Commission for Africa, *Healthcare and Economic Growth in Africa* (Addis Ababa, 2019).

<sup>4</sup> [https://www.africa.undp.org/content/rba/en/home/blog/2017/8/7/africa\\_defining\\_challenge.html](https://www.africa.undp.org/content/rba/en/home/blog/2017/8/7/africa_defining_challenge.html).

transforming Africa's informal and rural economy for decent work, and respecting international labour standards, promoting social dialogue and ensuring gender equality;

(b) Strengthening the capacities of all people to benefit from the opportunities of a changing world of work;

(c) Strengthening the efficiency of the institutions of work to ensure adequate protection of all workers;

(d) Promoting inclusive and sustainable economic development and growth, full and productive freely chosen employment and decent work for all;

(e) Strengthening synergies between ILO and institutions in Africa, namely the African Union Commission, regional economic communities, and the three labour administration training centres.

7. Similarly, the Africa Regional Forum on Sustainable Development, at its sixth session, held in Victoria Falls, Zimbabwe from 24 to 27 February 2020, among the key messages adopted at the end of the session, agreed that:

(a) Member States should integrate pro-employment policy approaches in their macroeconomic and sectoral economic policy frameworks to stimulate labour demand and decent jobs. These should be complemented with social protection systems to address extreme poverty and to facilitate a transition to affordable renewable energy;

(b) Member States should focus on youth employment as a core pillar for promoting peace and security in Africa by establishing income-generating programmes for young people in Africa to prevent them from joining rebellious groups.

8. Furthermore, the ILO policy framework for tackling the economic and social impact of the COVID-19 crisis issued in May 2020 has structured its key policy messages and recommendations for responding to the pandemic around four pillars, namely:

Pillar 1: Stimulating the economy and employment;

Pillar 2: Supporting enterprises, jobs and incomes;

Pillar 3: Protecting workers in the workplace;

Pillar 4: Relying on social dialogue for solutions.

9. Each of the four pillars mutually reinforces and complements the others in distributing and sharing the weight of the burden faced by countries. The various commitments that African countries have made towards the achievement of Goal 8 must be translated into clear and tangible strategic actions on the ground.

10. The following sections provide an assessment of the progress made in 2020 against a number of selected indicators of Goal 8.

## **C. Progress towards the set targets and indicators**

### **1. Annual growth rate of real GDP per capita (indicator 8.1.1)**

11. Ensuring inclusive and sustainable economic growth is vital to the creation of opportunities such as employment. Even before the COVID-19 pandemic, average economic growth in African economies was insufficient to absorb the growing labour force. It is estimated that between 10 million and 12 million new entrants join the labour market each year and these numbers are

projected to rise in the coming years.<sup>5</sup> In terms of quantity and quality, economic growth on the continent over the past years has been inadequate and has generally not had strong employment creation effects. The continent faces a scarcity of regular wage employment, which is important for the creation of secure and stable employment and thus the forging of sustainable pathways out of poverty.

12. Overall, economic growth is projected to decline by 1.6 per cent in 2020. The economic recession is expected to be largest in Southern Africa, at a projected 3.5 per cent, followed by North Africa at 1.8 per cent and Central Africa at 1.6 per cent. The contraction of economic growth in Southern Africa in terms of output is partly due to downturns in large economies such as those of Angola and South Africa. In general, most African countries have been particularly vulnerable owing to their strong commodity dependence. Economic growth is projected, however, to rebound in 2021, although this will strongly depend on the trajectory of the COVID-19 pandemic that year.

Table 1

**Rates of growth of real GDP, 2016-2020**

	2016	2017	2018	2019 (e)	2020 (p)	2021 (p)
Africa	1.6	3.4	3.1	3.0	-1.6	3.4
North Africa	2.9	5.3	3.4	3.5	-1.8	4.0
East Africa	5.5	6.1	6.6	6.3	1.5	3.4
Central Africa	-0.5	-0.2	1.6	1.9	-1.6	3.2
West Africa	0.2	2.4	3.2	3.3	-1.3	3.1
Southern Africa	0.3	1.5	0.9	-0.1	-3.5	2.7
Developing economies	3.9	4.5	4.3	3.7	-0.7	5.3

Source: Department of Economic and Social Affairs.

Note: (e) - estimated (p) - projection

13. The African continent's gross domestic product (GDP) per capita of \$2,000 is the lowest in the world.<sup>6</sup> As shown in table 2, GDP per capita grew by 2.47 per cent in 2019 and it is projected to decline by 4.35 per cent in 2020. In sub-Saharan Africa, real per capita GDP is projected to fall in 2020 to its 2008 level, potentially throwing as many as 40 million people in sub-Saharan Africa into extreme poverty.<sup>7</sup>

Table 2

**Growth of GDP (purchasing power parity: international dollars per capita), 2016–2020**

	2016	2017	2018	2019 (e)	2020 (p)	2021 (p)
Africa	-0.42	0.94	3.38	2.47	-4.35	3.18
North Africa	-1.92	-0.75	5.02	3.81	-3.77	4.61
Sub-Saharan Africa	0.56	1.68	2.78	1.99	-4.47	2.65

Source: International Monetary Fund, *World Economic Outlook*, October 2020.

## 2. Annual growth rate of real GDP per employed person (indicator 8.2.1)

<sup>5</sup> United Nations, *World Economic Situation and Prospects 2020* (New York, 2020).

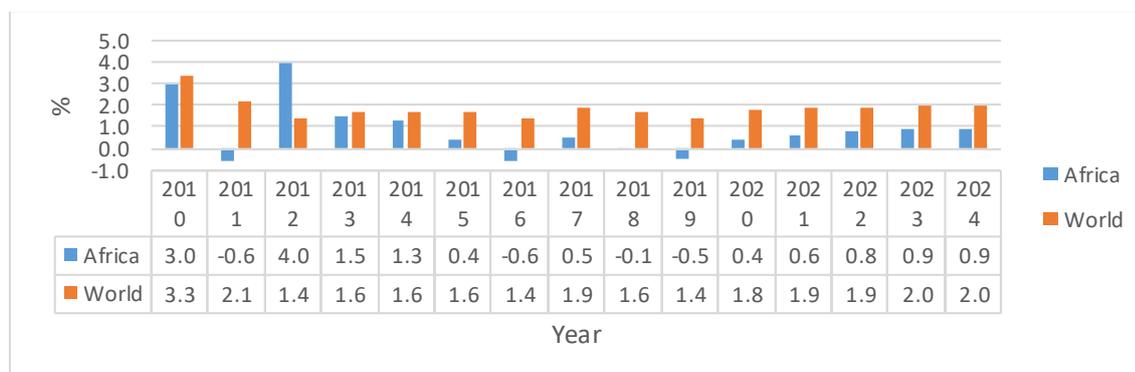
<sup>6</sup> Ibid.

<sup>7</sup> Albert Zeufack and others, *Africa's Pulse*, October 2020, vol. 22 (Washington, D.C., World Bank, 2020).

14. As shown in figure 1, output per worker is expected to improve from -0.5 per cent in 2019 to 0.4 per cent in 2020. Unfortunately, the numbers shown do not yet factor in the impact of COVID-19, as the underlying data necessary for a calculation of the impact of COVID-19 on output per worker are not yet complete. For this reason, it is difficult to assess progress against this indicator. It appears reasonable to assume, however, that the COVID-19 crisis will have had a significant negative impact on output per worker, thus requiring reinforced efforts towards structural transformation in response to the crisis.

Figure 1

**Annual growth rate of output per worker (GDP constant 2020 US\$) (%), 2010–2024\***



\* Projections for 2020–2024 do not take into account the impact of the COVID-19 crisis.

Source: ILOSTAT; last updated 13 December 2020.

### 3. Informal and vulnerable employment (indicator 8.3.1)

15. There remains a very high prevalence of informal and vulnerable employment in the region. Informal employment accounts for an estimated 85.6 per cent of the African workforce. In all, 95 per cent of young people are informally employed and the percentage of women in informal employment ((79 per cent) is higher than that of men (68 per cent). Gender discrimination consigns many women into insecure, low-productivity and low-paying jobs. Women also bear a disproportionate burden of unpaid care and domestic work. In sub-Saharan Africa, the gender gap in informality amounts to 6 percentage points (92.1 per cent for women versus 86.4 per cent for men). Those in informal employment have been the worst affected by the COVID-19 pandemic on account of the limited social protection coverage.

Table 3

#### Informal employment in total employment

Category	Africa	North Africa	Central Africa	East Africa	Southern Africa	West Africa
Share of informal employment and its components in total employment	85.8	67.3	91.0	91.6	40.2	92.4
Share of non-agricultural informal employment and its components in total employment	71.9	56.3	78.8	76.6	36.1	87.0

Source: International Labour Organization, “Report on employment in Africa (Re-Africa) – tackling the youth employment challenge” (Geneva, 2020).

16. An estimation made at the beginning of 2020, before the COVID-19 crisis hit the African continent, predicted that extreme working poverty<sup>8</sup> on the continent was expected to improve marginally in percentage terms in 2020. Given, however, the impact of the COVID-19 crisis on employment and working hour losses, it is clear that those estimates were too optimistic and will need to be corrected downwards as more data emerge. With working hour losses being translated into loss of income and increases in part-time work arrangements, and the impact being felt the most by the most vulnerable labour market participants, an increase in working poverty as a result of the COVID-19 crisis appears unavoidable.

#### 4. Unemployment rate, by sex, age and persons with disabilities (indicator 8.5.2)

17. Unemployment rates are generally low on the African continent, with the notable exception of middle-income countries in Southern and North Africa. This is because of low household incomes coupled with limited social safety nets driving many Africans to accept any type of employment to eke out a living, in particular in the informal economy. Table 4 shows the gender and youth disparities in the unemployment rates on the African continent. Women generally fare worse than men, in terms of both unemployment and vulnerable employment. It is important to note that these estimates do not take into account the COVID-19 crisis. New figures will be available at the end of January 2021.

Table 4

#### Unemployment rates, 2016–2024

		<i>Unemployment</i>		<i>Youth unemployment</i>	
		<i>World</i>	<i>Africa</i>	<i>World</i>	<i>Africa</i>
2016	Total	5.7	6.9	13.8	11.3
	Male	5.5	6.3	14.1	11.0
	Female	5.9	7.7	13.4	11.7
2017	Total	5.6	7.0	13.7	11.2
	Male	5.4	6.4	14.0	10.8
	Female	5.8	7.7	13.3	11.6
2018	Total	5.4	6.9	13.5	10.9
	Male	5.3	6.3	13.8	10.6
	Female	5.6	7.6	13.0	11.3
2019	Total	5.4	6.8	13.6	10.8
	Male	5.3	6.3	14.0	10.5
	Female	5.6	7.5	13.1	11.1
2020*	Total	5.4	6.8	13.7	10.7
	Male	5.3	6.2	14.0	10.4
	Female	5.6	7.5	13.1	11.0
2021*	Total	5.5	6.7	13.8	10.6
	Male	5.3	6.2	14.1	10.4
	Female	5.7	7.4	13.2	11.0

\* Projections do not take into account the impact of the COVID-19 crisis.

Source: ILOSTAT; last updated 13 December 2020.

<sup>8</sup> Extreme working poverty is defined as having a daily per capita income of below \$1.90 in purchasing power parity (PPP) terms and moderate working poverty is having a daily per capita income between \$1.90 and \$3.20 in PPP terms.

18. That said, even without taking into account the devastating effects of COVID-19, it is clear that youth unemployment and underemployment rates in particular remain high in Africa, with many young people locked in vulnerable occupations, typically in the informal economy. A significant proportion of college and university graduates struggle to find formal jobs. The low rates of formal sector employment in most African countries are largely a demand-side problem which is related to the skewed economic growth patterns characterized by low employment intensity and job creation in largely capital-intensive growth sectors.

19. According to the African Development Bank,<sup>9</sup> some 773.4 million Africans were employed in 2019 and, under the pre-COVID-19 pandemic assumptions, this number was projected to grow to 792.7 million in 2020. The continent's employment elasticity of growth remains low, with average historical data since 2000 showing that for every 1 per cent growth in GDP, employment only grows by 0.4 per cent. This implies that the COVID-19 crisis could result in millions of vulnerable workers losing their jobs. Under the baseline scenario of a -1.6 per cent decline in GDP for 2020, employment is estimated to decline by 24.6 million jobs in 2020. Under the worst-case scenario of a -3.4 per cent GDP contraction, however, as many as 30 million jobs could be lost. In the worst-case scenario, the direct impact of the pandemic on more than 23 million already vulnerable workers in Africa would drive the total number of people living in extreme poverty to 463 million.

20. Africa suffered total working hour losses of 1.9 per cent during the first quarter of 2020, 15.6 per cent in the second quarter, and 11.5 per cent in the third quarter. This translates into huge losses in absolute numbers of 7 million, 60 million, and 43 million respectively, as shown in table 5.<sup>10</sup> Looking ahead to the future, labour market outcomes from the COVID-19 pandemic will be determined both by the effectiveness of policy responses to mitigate its fallout and by the evolution of the pandemic itself.

Table 5

**Working hour losses, world and by region and subregion, first, second and third quarters of 2020 (percentage and full-time equivalent jobs)**

	Percentage of working hours lost			Equivalent number of full-time jobs (48 hours/week) lost (millions)		
	Q1	Q2	Q3	Q1	Q2	Q3
World	5.6	17.3	12.1	160	495	345
Africa	1.9	15.6	11.5	7	60	43
Sub-Saharan Africa	1.9	14.5	11.3	6	45	35
North Africa	2.1	21.2	12.9	1	13	8
Central Africa	1.8	14.7	11.9	1	7	6
East Africa	2.0	14.0	11.8	3	19	16
Southern Africa	0.5	20.3	14.2	0	4	2
West Africa	2.1	13.9	9.9	2	15	11

Source: ILO Monitor: COVID-19 and the world of work. Sixth edition September 2020.

<sup>9</sup> African Development Bank, *African Economic Outlook 2020: Supplement – Amid COVID-19* (Abidjan, Côte d'Ivoire, 2020).

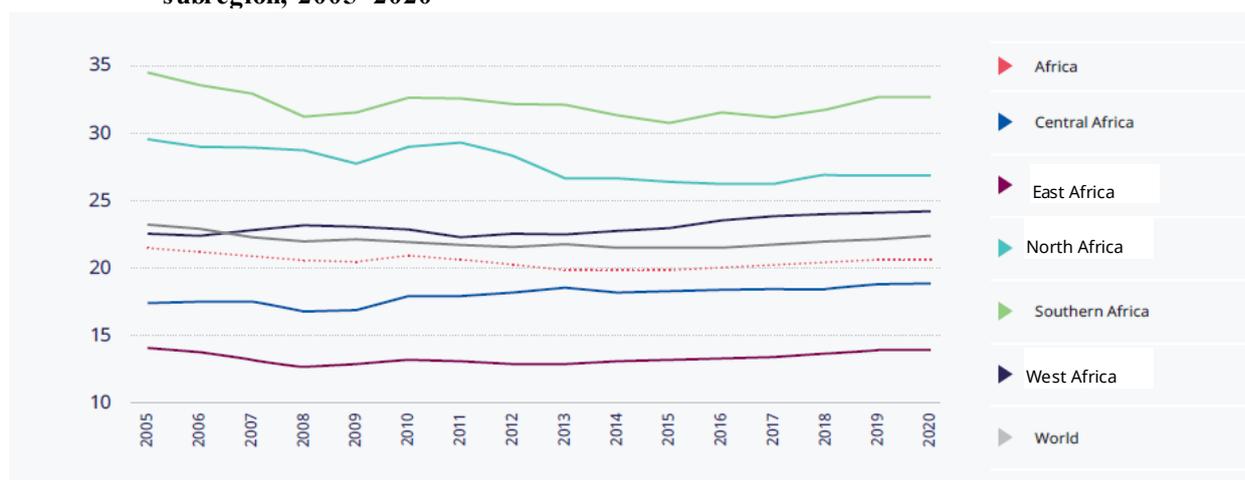
<sup>10</sup> It is important to note that these losses in working hours do not translate directly to unemployment, but instead take various forms, such as, among others: unemployment, inactivity (moving out of the labour force), income loss, furlough and short-term work.

## 5. Proportion of youth (aged 15–24 years) not in education, employment or training (indicator 8.6.1)

21. The rate of young people in Africa not in education, employment or training is estimated at 20.7 per cent, meaning that more than one in five young Africans neither have a job nor are they participating in education or training. ILO estimates that, in Africa, 12.4 million young people were unemployed in 2020, whereas 53.5 million (well over four times as many) are not in education, employment or training (figure 2).<sup>11</sup> The COVID-19 pandemic resulted in huge disruptions due to the closures of schools, colleges, universities and institutions offering technical and vocational education and training. As a result, it appears already clear that the rate of youth not in education, employment or training will increase significantly as a result of the COVID-19 crisis.<sup>12</sup>

Figure 2

**Rates of youth not in education, employment or training ,global and by African subregion, 2005–2020**



Source: International Labour Office, “Report on employment in Africa (Re-Africa) – tackling the youth employment challenge”, Geneva, 2020.

## 6. Proportion and number of children aged 5–17 years engaged in child labour, by sex and age (indicator 8.7.1)

22. Child labour remains a stubborn challenge on the African continent. Child labour has many characteristics, including forced labour, prostitution and work in mining, agriculture and small family businesses. The 2016 global estimates of child labour show that 20 per cent of all African children are involved in child labour, a figure which is more than twice as high than in any other region. Furthermore, 9 per cent of African children are in hazardous work, the highest such proportion anywhere in the world. In absolute numbers, 72.1 million African children are estimated to be in child labour, while 31.5 million are in hazardous work. On the African continent, the agricultural sector contributes about 85 per cent to total child labour statistics, which in absolute terms means 61.4 million children. The COVID-19 pandemic has worsened economic fragilities, especially given that most of the workforce is in the informal economy with limited social safety nets. In particular, the closure of

<sup>11</sup> International Labour Organization, “Report on employment in Africa (Re-Africa) – tackling the youth employment challenge” (Geneva, 2020).

<sup>12</sup> International Labour Organization, “Preventing exclusion from the labour market: Tackling the COVID-19 youth employment crisis”, Policy Brief, May 2020. Available at [www.ilo.org/emppolicy/pubs/WCMS\\_746031/lang-en/index.htm](http://www.ilo.org/emppolicy/pubs/WCMS_746031/lang-en/index.htm).

schools during the lockdowns was expected to increase the demand for and burden of unpaid care and domestic work, in particular on girls.

23. The adoption by the Assembly of the African Union in February 2020 of its ten-year continental action plan to eradicate child labour is an important milestone in the campaign against child labour. Moreover, out of a total of 22 countries, 11 countries in Africa – Cameroon, Côte d’Ivoire, Ethiopia, Ghana, Madagascar, Malawi, Mauritania, Morocco, Nigeria, Tunisia and Uganda – have been identified as pathfinder countries under Alliance 8.7.<sup>13</sup> This is a demonstration of determination, courage, will and commitment to increase actions for the elimination of child labour, forced labour, human trafficking and modern slavery in the continent.

#### 7. Tourism direct GDP as a proportion of total GDP and in growth rate (indicator 8.9.1)

24. The tourism sector is one of the sectors worst affected by the COVID-19 pandemic through, among other impacts, travel restrictions, travel bans and border closures. According to the World Tourism Organization (UNWTO), international tourist travel declined by as much as 70 per cent in the first eight months of 2020. In 2019, the World Travel and Tourism Council estimated that the travel and tourism sector contributed \$168 billion – or 7.1 per cent – to the total GDP of Africa.<sup>14</sup> In the same year, the sector contributed 24.6 million jobs in Africa, representing 6.8 per cent of total employment in Africa, with a positive growth rate of 2.2 per cent. The sector has been growing over the years, forming the backbone of many African countries in terms of its contribution to GDP and employment (see table 6).

Table 6

#### Contribution of the travel and tourism sector in selected African countries

Country	% contribution to GDP	% contribution to employment	Country	% contribution to GDP	% contribution to employment
Seychelles	40.5	20.6	Rwanda	10.2	10.4
Mauritius	18.8	19.1	Egypt	9.3	9.7
Tunisia	13.9	10.8	Kenya	8.2	8.5
Morocco	12	12.4	South Africa	7	9.1
Madagascar	11.8	12.2	Zambia	7	7.2

Source: Figures from the World Travel and Tourism Council (see <https://wttc.org>).

25. Africa and the Middle East both recorded a 69 per cent drop in tourists between January and August 2020, becoming the second most affected regions after Asia and the Pacific, with Europe registering 68 per cent and the Americas 65 per cent (UNWTO, 2020). The abrupt drop in tourist arrivals has placed many millions of jobs at risk and threatened millions of livelihoods. For Africa, the period of risk and impact remains uncertain and depends on the unfolding developments in the COVID-19 pandemic.

#### 8. Aid for Trade commitments and disbursements (indicator 8.a.1)

26. In 2017, African least developed countries received \$7.1 billion in Aid for Trade disbursements. This represents 49.3 per cent of the total Aid for Trade to Africa and 58.7 per cent of all Aid for Trade disbursed to least developed countries globally. According to a 2019 joint study by the Economic

<sup>13</sup> Alliance 8.7 is an inclusive global partnership committed to achieving target 8.7 of the Sustainable Development Goals

<sup>14</sup> See the World Travel and Tourism Council website at <https://wttc.org>.

Commission for Africa (ECA) and the World Trade Organization (WTO),<sup>15</sup> the patterns of Aid for Trade to Africa have remained largely unchanged. Africa remains one of the largest recipients, with \$15.2 billion in Aid for Trade disbursed to the continent in 2017. This also tallies with the European Union's Aid for Trade Progress Report of 2020,<sup>16</sup> recording that, in 2018, nearly half of all Aid for Trade from the Union and its member States went to Africa (6 billion euros), followed by Asia (23 per cent), the Americas (8 per cent) and Europe (8 per cent).

27. The largest flows were to projects focus on the subcategories of building productive capacity and economic infrastructure, transport and storage, energy generation and supply and agriculture. The subregions of East and North Africa attracted the most Aid for Trade in Africa.

28. Aid for Trade will need to target transitioning efforts by informal trade stakeholder to formalize their trade so that they have access to the regional and global markets, in particular in the context of the African Continental Free Trade Area. For the Aid for Trade programme to have a more transformative effect, in particular in the COVID-19 recovery era, it needs to target the lower ends of African value chains, especially in agriculture and manufacturing, stimulate production and trade through the development of national and regional value chains, and ensure that these value chains are integrated into the global value chains. COVID-19 and the African Continental Free Trade Area have provided opportunities for African Governments to renew their commitment to industrial revolution driven by value chain development, thus promoting creation of the much-needed jobs on the continent. As reiterated by ECA and WTO in their aforementioned 2019 joint study, in order to realize a transformative Aid for Trade architecture, there is need to mainstream gender and young people's concerns into the Aid for Trade initiatives as they have been largely excluded from trade policies in general.

**9. Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy (indicator 8.b.1)**

29. The ILO Centenary Declaration for the Future of Work adopted in Geneva, in June 2019, clearly articulates the commitment to and need for effective policies aimed at generating full, productive and freely chosen employment and decent work opportunities for all, and in particular facilitating the transition from education and training to work, with an emphasis on the effective integration of young people into the world of work. This provides the reference standard for the establishment of global and national strategies for youth employment.

30. A number of African countries do not yet have clear national strategies for youth employment. In August 2019, ILO held the Global Youth Employment Forum in Abuja, with the central aim of gathering young people together from across the globe to discuss youth labour market prospects and to seek their contribution towards the achievement of the youth employment-related Sustainable Development Goals. Importantly, the 2019 Forum provided valuable insights and suggestions for future ILO action on youth employment. A tripartite drafting committee composed of young representatives produced an outcome document, referred to as the "Abuja Youth Statement", as a youth contribution to follow-up by ILO to its call for action on the youth employment crisis, for the period 2020–2030. On the basis of these engagements and

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<sup>15</sup> Economic Commission for Africa and World Trade Organization, *An Inclusive African Continental Free Trade Area: Aid for Trade and the Empowerment of Women and Young People* (Addis Ababa, 2019).

<sup>16</sup> <https://op.europa.eu/en/publication-detail/-/publication/f022db96-d854-11ea-adf7-01aa75ed71a1>.

consultations a follow-up plan of action on youth employment for the period 2020–2030 was adopted by the ILO Governing Body in November 2020.<sup>17</sup>

#### D. Key messages for the way forward

- **In response to the COVID-19 crisis, facilitate structural transformation and economic diversification:** Even before the COVID-19 pandemic, economic growth on the continent was not fast enough to absorb the growing labour force into productive employment and thereby reduce poverty. In most African economies, economic growth has been driven by the extractives, thereby limiting its employment intensity and its capacity for structural transformation. In the post-pandemic era, it will be important to enhance the quality and pattern of economic growth on the African continent through efforts to facilitate structural transformation, technological upgrading and diversification by shifting resources from low value-added activities to those with high levels of value added and employment intensity. Such a bold transition will necessitate both public and private investments on a more significant scale than the current levels. Similarly, establishment of the African Continental Free Trade Area provides a unique opportunity in this regard to further drive growth and structural transformation, through greater economic integration in a form that benefits African businesses and workers alike. Importantly, the COVID-19 pandemic has provided an opportunity for the crafting and implementation of a job-rich, inclusive, sustainable and equitable recovery strategy through social dialogue between governments and social partners.
- **Integrate pro-employment macroeconomic and sectoral policies with explicit employment creation targets:** In line with a key resolution adopted by the African Regional Forum on Sustainable Development at its sixth session, African countries should integrate pro-employment policy approaches in their macroeconomic and sectoral economic policy frameworks to stimulate labour demand and decent jobs. There is need for most African States to develop and implement employment policies and to integrate employment in all their national and sectoral policies. Explicit employment creation targets must be incorporated in national budgets, monetary policies, investment policies and development strategies. These should be complemented with social protection systems to address extreme poverty and to facilitate a transition to affordable renewable energy, not least through the use of employment-intensive infrastructure investments and public employment programmes that benefit those most in need.
- **Mount effective interventions to facilitate the transition to formality and support greater human capital accumulation:** In view of the high levels of informality, and the severe impact of COVID-19 on informal workers and businesses, it is vital to ensure effective and comprehensive action to achieve transition to formality in line with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). Moreover, supporting the rural economy and strengthening intersectoral linkages between agricultural and non-agricultural activity is key for structural transformation in Africa. Increased support should be targeted at helping micro, small and medium-sized enterprises to be more competitive and productive as well as strengthening

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<sup>17</sup> International Labour Organization, document GB.340/POL/2. Available at [www.ilo.org/wcmsp5/groups/public/--ed\\_norm/--relconf/documents/meetingdocument/wcms\\_757859.pdf](http://www.ilo.org/wcmsp5/groups/public/--ed_norm/--relconf/documents/meetingdocument/wcms_757859.pdf).

value chains and systems between such enterprises and established local, regional and global value chains. Harnessing the full potential of the digital economy could enhance the productivity of micro, small and medium-sized enterprises, while also lowering the cost of compliance and transition from informality to formality. Increased investments in human capital can provide an opportunity for creating decent work, facilitate the formalization of those in informal employment and end working poverty. In addition, enhancing the quality of apprenticeships, upgrading informal apprenticeships and boosting other types of work-based learning programmes can enhance the employability of youth by providing bespoke practical work experience and the skills required by the labour market. This can reduce skills mismatch and improve the transition from school to the world of work, thereby reducing rates of youth not in employment, education or training.

- **Achieve gender equality and women’s empowerment, along with equal opportunities for persons with disabilities:** Given that 79 per cent of women are informally employed in Africa, policies should encourage more women to enter the formal sector, targeting constraints more acutely felt by women, including low skill and education levels and also lack of access to finance. Enhancing access to secondary and tertiary education, in particular for girls, is critical for increasing the employability and productivity of women. In addition, facilitating forward linkages of women-owned informal enterprises with the formal sector, reducing costs of formalization through tax incentives and the elimination of registration fees, improving access to finance through microfinance, and lowering collateral requirements could empower female entrepreneurs. Achieving gender equality at work is critical for sustainable development. This can be achieved by ensuring equal opportunities, equal participation and equal treatment, including equal remuneration for women and men for work of equal value; enabling a more balanced sharing of family responsibilities; and promoting investment in the care economy. It is also important to ensure equal opportunities and treatment in the world of work for persons with disabilities, and also for other persons in vulnerable situations.

- **Implement the ILO Centenary Declaration for the Future of Work and the Abidjan Declaration in pursuit of a sustainable recovery from the COVID-19 crisis:** As a result of the sizeable shifts in the world of work due to the COVID-19 crisis, the ILO Centenary Declaration for the Future of Work, and the concomitant Abidjan Declaration for Africa have increased in relevance and should continue to guide Member States work towards SDG 8. Hence, there is need for African Governments to continue in their commitment to implement these declarations and their objectives. COVID-19, the implementation of the Agreement Establishing the African Continental Free Trade Area, and fast-tracking the digitalization of economies will create scope for African Governments to rethink and prioritize the creation of youth employment. The ILO policy framework for tackling the economic and social impact of the COVID-19 crisis provides a useful framework on the basis of its four pillars:<sup>18</sup>

Pillar 1: Stimulating the economy and employment;

Pillar 2: Supporting enterprises, jobs and incomes;

Pillar 3: Protecting workers in the workplace;

Pillar 4: Relying on social dialogue for solutions.

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<sup>18</sup> <https://www.ilo.org/global/topics/coronavirus/impacts-and-responses/lang--en/index.htm>.