Background paper on promoting decent work and inclusive economic growth

I. Introduction

1. Sustainable Development Goal 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) deals with important aspects of sustainable development. The targets that have been put in place to monitor progress under Goal 8 include the following:

   (a) Sustain per capita gross domestic product (GDP) growth of at least 7 per cent in the least developed countries;
   (b) Achieve high levels of productivity through diversification;
   (c) Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small and medium-sized enterprises;
   (d) Improve resource efficiency;
   (e) Achieve full and productive employment and decent work for all women and men;
   (f) Substantially reduce the proportion of young people not in employment, education or training;
   (g) Take immediate action to eradicate forced labour and the worst forms of child labour;
   (h) Protect labour rights and promote safe and secure working environments for all workers;
   (i) Promote sustainable tourism that creates jobs;
   (j) Strengthen innovative financing and access to banking, insurance and financial services for all.

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* ECA/RFSD/2019/1.
2. Creating full and productive employment and decent work for all remains a daunting challenge for countries in Africa. Although unemployment rates in Africa are generally low, averaging 6.8 per cent in 2018, underemployment and informal employment are widespread, with large numbers of people involved in precarious and vulnerable employment. Most of the employment opportunities in Africa are created in the informal economy, which is normally characterized by low productivity and poor working conditions. Informality in Africa is more concentrated in the rural economy, which is largely based on agriculture. Africa has the highest rate of estimated informality in the world (85.8 per cent of total employment) and the highest rate of vulnerable employment (averaging 66 per cent). The lack of sufficient productive and decent jobs is complicating efforts to end poverty on the continent. During the past few years, Africa has recorded the highest rate of population growth, averaging 2.6 per cent annually; by 2050, the continent will be home to a quarter of the world’s population. As millions of young Africans join the labour market, the pressure to provide decent and productive jobs will increase.

3. Economic growth in Africa remains insufficient to absorb its growing population. Furthermore, most African economies remain dependent on the capital-intensive extractive sectors, limiting their capacity to create enough jobs to absorb the rapidly growing labour force. In most cases, the extractive sectors operate as enclaves, with weak linkages to domestic suppliers and the rest of the economy. Employment has been expanding at a rate of less than 1.8 per cent annually, which is less than the nearly 3 per cent annual growth in the labour force. Employment creation is therefore not expanding fast enough to keep up with the growing labour force.

4. Countries in Africa should make more effort to promote inclusive and sustainable economic growth and to ensure the expansion of full and productive employment opportunities, especially for women and young people. In order to achieve this, actions taken by countries should include the following:

   (a) Promote pro-employment structural transformation, industrialization, value addition through appropriate macroeconomic, sectoral and labour market policies;

   (b) Increase employment-intensive investment in infrastructure;

   (c) Promote skills development and employability;

   (d) Support small to medium-sized enterprises;

   (e) Promote safe and secure working environments;

   (f) Increase climate resilience and natural resource management;

   (g) Improve access to financial services;

   (h) Boost agricultural production and productivity;

   (i) Leverage industrialization and urbanization for structural transformation and economic diversification;

   (j) Strengthen labour market information systems and local institutions;

   (k) Improve employment services and provision of targeted active labour market policies;

   (l) Enhance and extend social protection interventions;

   (m) Close the gender gaps in the labour market.

5. There is a need to tackle the barriers and challenges to doing business in Africa so as to enhance private-sector development for employment creation. Ensuring job-rich growth will have a positive effect on ending poverty (in line with Sustainable Development Goal 1) and reducing inequalities (in line with Goal 10).
6. The present background paper provides a review of progress in Africa in terms of the implementation of Sustainable Development Goal 8. The focus is on targets and indicators for which the following data are available:

(a) Annual growth rate of real GDP per capita;
(b) Annual growth rate of real GDP per employed person;
(c) Proportion of informal employment in non-agriculture employment, by sex;
(d) Unemployment rate;
(e) Proportion of young people (aged 15–24 years) not in education, employment or training;
(f) Forced labour, human trafficking, modern slavery and child labour.

II. Progress towards set targets

A. Annual growth rate of real gross domestic product per capita

7. Ensuring sustained economic growth is critical for attaining sustainable development. A key target under Sustainable Development Goal 8 entails sustaining per capita economic growth, by national circumstances and, in particular, at least 7 per cent GDP growth annually in the least developed countries. In that respect, Africa has been growing but that growth has not been inclusive and sufficient enough to fully absorb the expanding and changing labour force.

8. Economic growth has been below the 7 per cent annual GDP growth target (see table 1). In 2010, the average annual growth rate was estimated at 3.1 per cent before slowing down to 1.6 per cent in 2016. The economic growth rate increased to 3.4 per cent in 2017 before declining slightly to an estimated 3.2 per cent in 2018. The economic growth rate is projected to rebound to 3.4 per cent in 2019 and to increase further to 3.7 per cent in 2020, driven by moderate improvements in commodity prices. Economic growth in Africa has, however, been uneven across the subregions, with East Africa expanding at the fastest pace in the period 2016–2020, and with Southern Africa lagging behind. Burkina Faso, Ethiopia and Senegal have been expanding at an average annual rate of 7 per cent or more.

Table 1
Rates of growth of real gross domestic product, 2016–2020

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<td>3.2</td>
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<td>4.4</td>
<td>1.7</td>
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<td>-0.2</td>
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<td>3.2</td>
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<td>2.4</td>
<td>3.2</td>
<td>3.4</td>
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</tr>
<tr>
<td>Southern Africa</td>
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<td>-3.8</td>
<td>3.8</td>
<td>3.5</td>
<td>2.6</td>
<td>1.9</td>
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<td>2.6</td>
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<tr>
<td>Developing economies</td>
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<td>5.1</td>
<td>4.9</td>
<td>4.4</td>
<td>3.9</td>
<td>3.9</td>
<td>4.5</td>
<td>4.4</td>
<td>4.3</td>
<td>4.6</td>
</tr>
</tbody>
</table>


a Data for 2019 and 2020 are projected.

9. Africa has a poor employment-generation record with employment’s responsiveness to economic growth remaining relatively low. The overall
employment elasticity of growth averaged 0.41 in the period 2000–2014, implying that a 1 per cent increase in GDP growth was associated with only 0.41 per cent growth in employment. This reflects an economic structure that depends heavily on primary commodities and the extractive sector. While growth-enhancing structural change has been significant in countries such as Ethiopia, Malawi, Senegal and the United Republic of Tanzania, this has unfortunately been accompanied by negative labour productivity growth within non-agricultural sectors. This is in line with the general poor performance of manufacturing in Africa.

10. The population of Africa has also been growing by an average 2.6 per cent annually and is projected to continue, implying that the income generated has to be shared by an increasing population, thereby weighing down heavily on per capita GDP growth (see figure I). The working-age population in Africa is projected to increase from 705 million in 2018 to almost 1 billion by 2030, increasing the pressure to provide decent jobs. At the current rate of labour force growth, Africa needs to create on average 12 million new jobs annually to prevent the unemployment situation worsening.

Figure I

Annual gross domestic product per capita and population growth in sub-Saharan Africa, 1990–2017

Source: Based on data from the World Development Indicators (Washington, D.C., World Bank, 2019).

11. Sustained and inclusive growth is necessary to generate employment opportunities. Africa is also struggling to achieve sustained growth in per-capita incomes. Real GDP per capita grew by an estimated 1.6 per cent in 2018, up from 0.5 per cent in 2017 and -0.9 per cent in 2016. Per-capita income is projected to grow by 0.9 per cent in 2019 and by 1.2 in 2020 (see table 2). Notwithstanding, per-capita income growth remains insufficient for Africa to make significant progress towards the attainment of the Sustainable Development Goals. Improving per-capita income will enhance the capacity of households to spend in quality health care, education and food, which are critical for the attainment of sustainable development. This is particularly crucial given that only 11 per cent of the poorest 20 per cent of households are covered by social assistance in sub-Saharan Africa, compared with 21 per cent in South Asia, 50 per cent in Eastern Europe and Central Asia, and 58 per cent in Latin America. In the case of social insurance, less than 10 per cent of the population is covered across the region, meaning that an overwhelming majority of today’s workforce has little or no income protection at present or in preparation for their old age. The situation is even worse for most of those working in the informal sector.
Table 2
Growth of gross domestic product per capita, 2016–2020

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
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<tr>
<td>Africa</td>
<td>-0.9</td>
<td>0.5</td>
<td>0.6</td>
<td>0.9</td>
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<tr>
<td>North Africa</td>
<td>1.3</td>
<td>2.5</td>
<td>1.7</td>
<td>1.7</td>
<td>1.8</td>
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<tr>
<td>East Africa</td>
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<td>3.1</td>
<td>3.3</td>
<td>3.4</td>
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<tr>
<td>Central Africa</td>
<td>-3.1</td>
<td>-2.8</td>
<td>-0.4</td>
<td>-0.1</td>
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</tr>
<tr>
<td>West Africa</td>
<td>-2.5</td>
<td>-0.3</td>
<td>0.5</td>
<td>0.7</td>
<td>1.1</td>
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<tr>
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<td>-0.8</td>
<td>-1.1</td>
<td>-0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Countries with developing economies</td>
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<td>3.2</td>
<td>3.1</td>
<td>3.1</td>
<td>3.4</td>
</tr>
</tbody>
</table>


B. Annual growth rate of real gross domestic product per employed person

12. Another key target under Sustainable Development Goal 8 seeks to ensure the achievement of higher levels of productivity. There has been an improvement of labour productivity on the continent from 2017. Starting in 2016 at -0.5 per cent, the annual growth rate in labour productivity has been increasing; it is projected to reach 1.1 per cent in 2019 (figure II). Africa, however, lags behind the rest of the world. Labour productivity growth is projected to remain sluggish while population growth will increase at a faster pace, making it difficult for countries in Africa to reduce poverty or increase average incomes sufficiently.

Figure II
Annual growth rate of output per worker, measured as gross domestic product in constant 2011 international United States dollars in purchasing power parity

Source: Data taken from ILOSTAT (Geneva, International Labour Organization, 2019).

C. Informal and vulnerable employment

13. Poor job quality and high levels of working poverty, rather than unemployment, remain the main labour market challenges in most countries in Africa, which are linked to the high incidence of informal and vulnerable employment. The unemployment rate in Africa has been steady at an average
of around 7 per cent (see table 3). Informal employment accounts for a large share of total employment – estimated at about 86 per cent in 2016. With regard to young people, a total of 95 per cent are in informal employment. In Africa in 2018, the informal sector accounted for a higher proportion of women’s employment (79 per cent) than men’s (68 per cent), with the exception of North Africa, where the pattern was reversed.

Table 3  
Key labour market indicators, Africa, 2017–2020

<table>
<thead>
<tr>
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<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020*</th>
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<tbody>
<tr>
<td>Unemployment rate</td>
<td>6.9</td>
<td>6.8</td>
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<tr>
<td>Vulnerable employment</td>
<td>65.9</td>
<td>66.0</td>
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<tr>
<td>Extreme working poverty</td>
<td>33.6</td>
<td>33.0</td>
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<tr>
<td>Moderate working poverty</td>
<td>22.6</td>
<td>22.5</td>
<td>22.4</td>
<td>22.3</td>
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</tbody>
</table>


* Data for 2020 are projected.

14. Addressing gender gaps in labour outcomes and opportunities is a critical milestone towards the attainment of sustainable development. In addition, these inequities distort an efficient allocation of human capital in the labour market, with negative implications for productivity, economic growth, firm profits, and economic diversification. According to the Africa Human Development Report 2016: Accelerating Gender Equality and Women’s Empowerment in Africa of the United Nations Development Programme, gender gaps in the labour market are estimated to have cost sub-Saharan Africa $105 billion in 2014.

15. As in all regions of the world, people with less education are more likely to become informally employed and to remain permanently trapped in it. In Africa, 94 per cent of workers with no education are informally employed. Africa has the highest rate of vulnerable employment globally, estimated at around 66 per cent. Vulnerable employment is defined as the share of own-account workers and contributing family workers in total employment. In absolute figures in 2017, that translated to 290 million workers in Africa who were estimated to be in vulnerable forms of employment. Overall, around 250 million workers in Africa were living in extreme or moderate poverty in 2018, a number that is expected to rise by approximately 8 million by 2020 as a result of the rapid expansion of the population and an inadequate level of inclusive economic growth.

16. Extreme working poverty on the continent as a whole is expected to marginally improve to approximately 32.5 per cent in 2019, down from 33 per cent in 2018, as shown in table 3. The rate of moderate working poverty, however, is expected to remain stable at around 22.5 per cent. Moderate and extreme working poverty rates refer to the shares of workers living in households with income or consumption per capita between $1.90 and $3.10 per day (purchasing power parity) and less than $1.90 per day (purchasing power parity), respectively. There are variations across the subregions. Sub-Saharan Africa continues to experience very high rates of extreme working poverty at 38.5 per cent, and moderate working poverty at 24.8 per cent in 2018.

D. Unemployment rate

17. The unemployment rate is highest among young women, causing greater inequalities within the labour market (see table 4). In North Africa, the unemployment rate is expected to remain stable at 11.8 per cent in 2019 and drop to 11.7 per cent in 2020. In sub-Saharan Africa, the unemployment rate was estimated at 5.9 per cent in 2018 and was not expected to change by 2020.
There are, however, cross-country variations: South Africa, for example, had an unemployment rate of 27.7 per cent in 2017.

Table 4

Unemployment rates in Africa by sex and age, 2010–2019

<table>
<thead>
<tr>
<th></th>
<th>15-24</th>
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<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
<td>Male</td>
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<td>2010</td>
<td>14.1</td>
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<td>15.8</td>
<td>7.9</td>
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<tr>
<td>2011</td>
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<td>15.2</td>
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<tr>
<td>2012</td>
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<td>7.5</td>
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<tr>
<td>2017</td>
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<td>2018</td>
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Source: Data taken from ILOSTAT (Geneva, International Labour Organization, 2019).

* Data for 2019 are projected.

18. According to ILOSTAT of the International Labour Organization (ILO), the proportion of young people – that is, those aged 15 to 24 years – who were not in education, employment or training in 2018 was 21.5 per cent. Broken down by sex, the rates were 16.2 per cent for men and 26.8 per cent for women. The number of young people not in education, employment or training is expected to increase by more than 7 million, from 53 million in 2018 to 60.7 million in 2023.\(^2\)

19. In their worst forms, forced labour, human trafficking, modern slavery and child labour are grievous issues of concern in Africa. In 2016, 20 per cent of children aged 5 to 17 years (72.1 million) were in child labour. Approximately 9 per cent of children in Africa (31.5 million) were in hazardous work, defined as work likely to harm the health, safety or morals of children. Among all major global regions, Africa had both the largest number and highest proportion of child labourers. Furthermore, those numbers had grown during the decade to 2016. According to a regional brief for Africa on the 2017 global estimates of modern slavery and child labour, published by ILO, the number of victims of forced labour, human trafficking and modern slavery were also high. There were more than 9.2 million victims of modern slavery in Africa on any given day in 2016 – equivalent to 7.6 per 1,000 persons – higher than any other region globally.

III. Gaps and emerging issues, challenges and opportunities

20. Africa is undergoing rapid demographic and urban transitions, which will have important implications on the achievement of the Sustainable Development Goals, in particular Goal 8. A positive aspect of the rapid transitions is that the growth in the working age population presents an opportunity for Africa to reap a demographic dividend. This potential dividend can only be harnessed and leveraged through an investment in skills, health care and social protection, among others.

\(^2\) International Labour Organization, ILOSTAT (Geneva, 2019).
21. Africa is experiencing rapid urbanization: by 2035, half of the population of Africa will be urban, compared with just one third in 1990. If well planned, urbanization can provide a pathway for sustainable development and structural transformation through agglomeration economies in production and consumption. However, unplanned urban growth, including unregulated and substandard settlements, pose serious health hazards for the inhabitants. Urbanization in Africa has not been backed by urban-based investment or much formal-enterprise growth. Investment in urban-based infrastructure and amenities have the potential to boost private-sector development and thereby create employment opportunities.

22. The rural economy in Africa also represents an untapped reservoir of wealth and economic opportunities. Rural development can help to unleash that potential through the creation of jobs and structural transformation. An enhanced focus on policy and investment in the rural economy is essential to enable the realization of its full potential. Investment in rural infrastructure, including irrigation and rural health and education, are critical elements of strategies for sustainable rural development in countries in Africa.

23. In addition, there are opportunities for the creation of decent employment through leveraging green growth opportunities. In particular, green industrialization is an important tool for the sustainable structural transformation on the continent. Governments in Africa can support and encourage the green transition process by creating an economic, institutional and political framework and environment that is conducive to such a process. Governments can also offer incentives to promote innovation and investment in green activities. At the same time, it is important to consider the just transition of the populations, which are quite vulnerable to environmental degradation and the changing climate. Jobs can be created through green works, stressing climate resilience. Labour-based activities, such as water and soil conservation, and flood protection can also be promoted.

24. A number of countries have come up with national employment legislation and policies to support the creation of employment opportunities and mainstream employment creation objectives into macroeconomic and development policies. For example, Mauritius passed its National Employment Act 2017 to provide for a more appropriate and modern legislative framework and is now in the process of drafting a new national employment policy to address the needs of and challenges in the labour market. Similar policymaking efforts are being undertaken in Botswana, Chad, the Congo, Guinea, Guinea-Bissau, Mauritania and South Africa. Employment policies have already been adopted in Algeria, Cameroon, Ghana, Kenya, Madagascar, Malawi, Mali, Nigeria, Uganda and Zimbabwe, while existing policies are being revised in Benin, Côte d’Ivoire, the Niger, Rwanda, the United Republic of Tanzania and Zambia. It is vital to ensure adequate funding for the full implementation of national employment policies. There is a need to mainstream employment objectives into sectoral, macroeconomic and development policies to strengthen coherence, coordination and synergy. There is greater scope for countries in Africa to proactively ensure that macroeconomic policies facilitate and incentivize productive investment, job creation and structural transformation.

25. A major challenge for employment creation and private-sector development in most countries in Africa is the highly onerous and cumbersome business environment and regulatory framework. Estimates from enterprise surveys show that between 1.3 million and 3 million jobs are lost every year owing to administrative hurdles, corruption, inadequate infrastructure, poor tax administration and other red tape. This figure is close to 20 per cent of the new entrants to the labour force every year. Doing business reforms aimed at simplifying and streamlining the doing business environment, especially the regulatory framework, is therefore key to unlocking the potential of the private sector to create employment opportunities. Public investments can be leveraged to create or enhance much-needed infrastructure – for example, enhancement
of roads and ports, and storage facilities – which can support the private sector value chains, thereby contributing to productivity, business opportunities and the sustainability of regional economic development.

26. Another key challenge in terms of the process of implementing the Sustainable Development Goals involves the unavailability of credible, timely and disaggregated data (in particular labour market data and statistics) which is vital for the monitoring, reviewing and reporting of the Goals. Many countries in Africa lack the statistical capacity to collect, manage and report on the Sustainable Development Goals in general. There is opportunity and scope to strengthen South-South partnerships by promoting regional cooperation in terms of enhancing statistical capacity. Cooperation in regional infrastructure development (physical and digital infrastructure) would be crucial.

IV. Mobilizing the means of implementation, including the role and status of data

27. The mobilization of adequate financing is an important means for the attainment of sustainable development. This requires the involvement of all the relevant stakeholders as well as the integration of a number of sources of finance involving Governments, the private sector and international partners. It is important to explore innovative and sustainable sources of finance. In addition, it is necessary to ensure the active participation and involvement of all key stakeholders in the coordination and implementation of the 2030 Agenda to ensure that no one is left behind.

28. The Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which was adopted on 27 July 2015, provides a financing framework for the 2030 Agenda for Sustainable Development. The Agenda contains strategies for developing countries to mobilize domestic resources. It also covers commitments and recommendations in the following action areas: domestic public resources; domestic and international private business and finance; international development cooperation; international trade as an engine for development; debt sustainability; addressing systemic issues; science, technology, innovation and capacity-building; and data, monitoring and follow-up. Domestic resource mobilization has been identified as the most important core source of sustainably financing the achievement of the Sustainable Development Goals. In addition, the Agenda highlights the primacy of countries as the key drivers and financiers of sustainable development. The implementation of the Addis Ababa Action Agenda is critical in the implementation of the 2030 Agenda.

29. Owing to the large size of the informal economy, the tax base in most countries in Africa has remained narrow, which has a negative impact on their capacity to mobilize sufficient domestic revenue to invest in the key enablers of the economy, such as infrastructure, with the potential to create employment. The informal economy in the region accounts for an average of 34 per cent of GDP, ranging from 19 per cent in Mauritius to 52 per cent in both Gabon and Nigeria. Consequently, the tax-to-GDP ratio in countries in Africa remains very low when compared with other regions, with most countries having a tax-to-GDP ratio of even less than 15 per cent. Widening the tax base and enhancing the efficiency and capacity of tax administration are important for effective resource mobilization for financing sustainable development.

30. While the private sector has huge potential, private investment in Africa is insufficient to ensure the achievement of sustained and inclusive growth. This is reflective of the structural and institutional challenges in the business environment. For example, according to UNCTADstat of the United Nations Conference on Trade and Development, foreign direct investment as a percentage of GDP declined from 3.43 per cent in 2009 to 2.11 per cent in 2013 and further to 1.92 per cent in 2017. There is scope for the private sector to increase its contribution to sustainable development through improvements in
the business environment and investment in infrastructure to ensure a reduction in the high cost of doing business. In particular, greater private-sector investment is vital for the generation of additional revenue and the creation of jobs.

V. **Key policy recommendations to scale up implementation**

31. The rapid growth of the labour force and widespread poverty in Africa make employment creation in the high value added sectors a major priority for policymakers and other relevant key stakeholders. To achieve sustained economic growth in Africa, it is necessary to increase productivity, and to diversify, producing and exporting finished products instead of a few primary commodities. Modernizing the rural economy (agriculture sector) through the availability of quality infrastructure and strengthening intersectoral linkages between agriculture and non-agriculture activity is key for structural transformation in Africa. In particular, there is need for countries in Africa to adopt industrial, investment and sectoral policies and strategies that target key sectors and value chains that have a high potential to create employment opportunities. Improving productivity within key economic sectors can be achieved through investing in the upgrading of technology, skills development, infrastructure and institutional capabilities.

32. It is important to strengthen the macroeconomic policy framework, in particular the national budget by aligning it with national development priorities and plans, with a view to facilitating the achievement of the Sustainable Development Goals. Employment creation should also be mainstreamed into all macroeconomic and development policies, taking care that those policies contain clear employment targets and benchmarks. Incentives for foreign investment must be linked to local content and local employment. Improved management of public investments could yield higher employment impacts. Furthermore, the adoption and full implementation of national employment policies anchored to broad-based social dialogue and consultations is key to the achievement of Goal 8.

33. In addition, it is of vital importance for countries in Africa to comprehensively deal with the high levels of informality in order to broaden the tax base, which can be done by simplifying the tax regime, strengthening the tax administration and reducing compliance costs in general. It is necessary to ensure that people have access to credit, technology, physical space, and water and electricity for the informal sector to increase employment and raise incomes. Policymakers should aim to increase the access that people have to high-quality secondary education and skills, especially for women and young people, in order to enable them to avoid the informality trap. Overall, there is need for the creation of an enabling and supportive policy, institutional and regulatory framework that reduces the cost of doing business, improves the investment climate, and lowers the barriers and high cost of the national transition to formality. Countries in Africa also need to strengthen tax harmonization and regional integration under the framework of the African Continental Free Trade Area.

34. Countries in Africa need to prioritize efforts to improve and strengthen collection, quality, analysis and dissemination of high quality, reliable, timely and disaggregated employment and labour market data and statistics. In particular, more and better-quality data – relating to women from vulnerable groups, including domestic workers – need to be collected, analyzed and disseminated. Adequate resourcing of national statistical offices and systems is crucial to enable them to effectively address the data demands contained in the 2030 Agenda. In particular, there is a need to establish well-functioning systems at national and subnational levels to provide relevant labour market information to policymakers, employers, training institutions and individuals. The creation
of labour market information systems (or labour market observatories) should include a clear framework and programme for regular data collection, analysis and dissemination based on the needs and context of each country. It is also important to strengthen regional and global cooperation in terms of enhancing statistical capacity for an effective monitoring and evaluation of progress towards the achievement of the Sustainable Development Goals.

35. Many countries in Africa have designed and implemented active labour market policies and employment services in the past decade to respond to high unemployment and underemployment, including of young people. The challenge, however, is the lack of policy and institutional coherence and coordination; in some cases, there are overlapping or duplicated efforts across governmental and non-governmental agencies. Moreover, public institutions for the delivery of employment services and active labour market policies are in many countries very weak, offering basic services that do not respond to the needs of the labour market participants. Governments have also not been prepared for the infiltration of private providers of employment services, the result of which is that, in many countries, the proliferation of such service providers occurred in the context of no or weak regulatory frameworks, calling into question the potential for the abuse of workers. In many cases, Governments have been reactive, rather than being proactive in providing a regulatory framework.

36. Public employment services, private employment agencies and non-profit service providers can play a crucial role in promoting the efficient functioning of the labour market and integrating jobseekers in productive employment while reducing employer transaction costs for talent acquisition. Governments need to invest in their public employment services, provide conducive regulation for private employment agencies and promote cooperation and partnerships with other service providers.

37. There is need to promote greater private-sector investment and involvement for enhanced job creation through the simplification and streamlining of the business environment. In most countries, the business environment remains challenging; it is therefore important to ensure a conducive environment for businesses to grow and create jobs. Realizing the Sustainable Development Goals calls for greater private-sector involvement as a key development partner. Private-sector involvement is especially important to bridge the huge financing gap that exists.

38. It is important to take specific actions towards ensuring the provision of decent work for all, according to the ILO Declaration on Fundamental Principles and Rights at Work and the International Labour Standards, including through gender-responsive public works programmes, as it is a critical component in the realization of rights for both women and men, and a mechanism for increasing the autonomy of women. Measures should be taken in order to, for example, ensure the ratification and implementation of ILO C189 – Domestic Workers Convention, 2011 (No. 189), on decent work for domestic workers.

39. Taking a rights-based approach that promotes international rights frameworks, including labour standards, would help improve the situation of many migrant workers facing vulnerabilities by helping address common challenges, including those relating to working conditions, wages, social protection, occupational safety, migration status and access to health care (such as sexual and reproductive health). By strengthening ethical recruitment practices and helping eliminate recruitment fees, the achievement of that target would also help address the issues of human trafficking, debt bondage and forced labour.
Key messages

40. Although Africa has been making progress in the implementation of Sustainable Development Goal 8, the pace has been slow. Economic growth in Africa remains limited, and is insufficient to absorb the growing labour force. Most African economies remain heavily reliant on primary commodities and the extractive sector. Consequently, the employment-generation capacity of economic growth in Africa has been relatively low when compared with other regions. The high rates of population growth have slowed down growth in per-capita incomes.

41. Although unemployment rates in Africa are generally low, averaging 6.8 per cent in 2018, underemployment and informal employment are commonplace, with most people holding precarious and vulnerable employment. Most of the employment opportunities in Africa are created in the informal economy, which is normally characterized by low productivity and decent work deficits. Compared with the rest of the world, Africa has the highest rate of estimated informality, at 85.8 per cent of total employment, and the highest rate of vulnerable employment, averaging 66 per cent. Informality in Africa is more concentrated in the rural economy, which is largely based on agriculture.

42. The modernization of the rural economy through sustained investment in both physical and social capital to enhance productivity and strengthen intersectoral linkages between agriculture and non-agriculture activity are key for structural transformation and diversification in Africa. Employment-intensive investment in infrastructure has the potential to create jobs, reduce poverty and boost local economic development.

43. Employment creation requires a proactive, comprehensive and gender-responsive approach to employment policy that includes coordinated demand- and supply-side measures. There is a need to ensure that employment creation is mainstreamed into all macroeconomic and development policies taking care that those policies contain clear employment targets and benchmarks. Incentives for foreign and domestic investment must be linked to local content and local employment. The adoption and implementation of national employment policies that are anchored to effective broad-based social dialogue and consultations is key to achieving Sustainable Development Goal 8.

44. The private sector has a crucial role to play in terms of employment creation and bridging the huge financing gap. It is therefore important to implement more business reforms to promote and unlock greater private-sector investment, which is vital for the generation of additional revenue and the creation of jobs.

45. Active labour market policies and employment services need to be strengthened. In addition, there needs to be an increase in the promotion of collaboration, and partnerships between government institutions and other service providers in the private and third sector need to be enhanced. Governments should endeavour to be proactive with regard to the planning and establishment of appropriate policy and regulatory frameworks. Such frameworks can promote the development of service providers that would ensure lifelong learning, enhance employability and improve efficient transitions to the labour market, particularly for young people.

46. The public sector also has a crucial role to play in improving the employment impacts of direct public investments. Strategies include improving programme design and social outcomes, increasing the availability of sustainable public goods, ensuring the management and protection of its natural resources and increasing climate resilience. This will also generate more job opportunities to absorb the surplus labour.
47. It is important to strengthen information systems in order to ensure the availability of reliable, timely and disaggregated data – in particular, labour market data and statistics – which are required for assessing the labour market context and specific challenges; shaping appropriate policies and programmes; and monitoring, reviewing and reporting of progress on the implementation of Sustainable Development Goal 8. An effective system of employment services could provide Governments with up-to-date labour market intelligence, at least for the formal sector and business start-ups. Furthermore, it is important for countries in Africa to standardize their reporting on labour statistics by implementing the resolution concerning the statistics of work, employment and labour underutilization; the resolution concerning the statistics on work relationships; and the guideline on measuring informality, and all other guidelines associated with the decent work indicators.