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**A NOTE ON THE IMPLEMENTATION OF THE
DECLARATION OF THE 27TH SESSION OF THE
ASSEMBLY OF HEADS OF STATE AND GOVERNMENT ON
THE EMPLOYMENT CRISIS IN AFRICA**

The purpose of this note is to present to the ECA Conference of Ministers Responsible for Human Resources Planning, Development and utilization, the Declaration of the Twenty-Seventh Ordinary Session of the Assembly of Heads of State and Government on the Employment Crisis in Africa, and to recommend measures that ought to be considered in pursuance of the recommendations of the Declaration.

The Declaration does acknowledge the existence of a deepening employment crisis in the continent which has over the years, manifested itself in high - and growing - levels of open unemployment and underemployment. These negative employment conditions are both consequence and cause of overall low productivity within the African economy, and have contributed in no small measure, to the growing incidence of poverty, the precipitous declines in income and the brain drain. The employment crisis is intricately woven into the other factors that have brought about the persistent socio-economic crisis in Africa. Resolving the problems of unemployment and underemployment would therefore constitute an important frontal attack on the causes of the African socio-economic crisis.

Accordingly, the Declaration commits African Governments to the pursuit of certain policy measures designed to achieve such an objective. The following actions are being proposed for consideration as ways of implementing the recommendations of the Declaration.

1. Measures to increase GDP growth rates to at least 5 per cent per annum so as to sufficiently stimulate the labour demand and increase employment.

(i) Land reform

In cases where land tenure systems have proven to constitute a constraint on greater agricultural land use such as that too many agricultural producers are denied reasonable access to land, there would clearly be a need for land reform to be undertaken with a view to increasing opportunities for agricultural production, to increasing rural productivity and reducing underemployment, and to shifting unemployed labour from urban to rural areas, where it could be gainfully employed.

(ii) Increased public investment in agriculture

At least 20 to 25 per cent of all public investments should be directed to the agricultural sector. These investments should in the medium to long term aim at productivity increases in agriculture, expanding areas under cultivation, increasing the use of science and improved technology in production and raising agricultural and non-farm skill levels. These investments should also seek to improve the support infrastructures for productivity to be increased through measures such as the erection of more efficient water supply systems, more supportive civil works programmes, transport, storage and better marketing facilities.

(iii) Extension of credit and banking services to the rural areas

Credit support for small holder farmers and rural entrepreneurs would greatly enhance private initiatives in agriculture and related sectors in ways that would raise productivity levels and create more employment in the rural areas. In this regard, special programmes targeted at women would significantly improve their productivity, especially in the food sector.

(iv) Agricultural pricing policy

A guaranteed minimum price for food crops and their strategic management through a food storage and reserves system would assure a steady minimum income for farmers and stimulate the labour demand in the agro-industry sub-sector, in transport, services and trade.

(v) Restoring growth in the industrial sector

Special action measures should be intituled to rehabilitate installed productive and infrastructural capacity, to improve maintenance systems, create and strengthen the linkages between the industrial sector and the natural resource base, decrease the dependence on imported inputs for industrial production and promote small and micro enterprises in the informal sector to stimulate the growth of

small- and medium-scale manufacturing activities.

(vi) Conservation of financial resources

Measures should be intensified to reduce capital flight from African economies, limit debt service payments to reasonable proportions of export earnings, negotiate more realistic prices for Africa's export commodities and significantly reduce defence spending so that more financial resources could be conserved for investment within the domestic economy to revive growth and development.

2. Measures to ensure that development becomes human-centered considering that the human being is the mentor and custodian of development and that the human condition is the only final measure of socio-economic development.

(i) Meeting basic human needs

It is important to ensure that Africa's present and future workforce have the minimum acceptable conditions of living that would guarantee their being or becoming self-reliant and productive in meeting their basic human needs. Therefore action is required to significantly improve the health, nutrition, sanitation and environmental conditions among Africans, particularly children, women and rural communities, bearing in mind that a well-fed and healthy work force is a more

productive worker and that the living and working environment is essential for high productivity. To this end, national programmes must be strengthened in areas of primary, maternal and child health, environmental conservation and food production.

(ii) Improving technology and skills and making them more relevant

Extension services, vocational and technical training programmes, and basic education and functional literacy skills are the pillars on which production for self-reliance among the unemployed and underemployed as well as the disadvantaged in

the African economy are built. It is therefore important to increase and strengthen these services and programmes so that the skills base for employment generation and productivity increases would be reinforced. Equally, it is necessary to review curricula in the formal education system with a view to aligning them to needs in the world of work. Education must also strive to inculcate the virtues of self-reliance and self-confidence so that the poor are better equipped to confront their problems of low productivity and solve them.

(iii) Oftentime, government regulations, fiscal and financial policies prove too stifling for entrepreneurship development. Action must be taken to create the appropriate enabling environment that would encourage people to participate freely in the production of goods and services while benefitting directly through income earnings or through their own consumption, from such participation.

(iv) It is important to be more selective in the choice of technology for development. Particularly in the industrial sector, but also in mining, agriculture and fishery, technology is increasingly being applied, that displaces labour. Employment maximization should be the principal criterion for the choice of technology in development activities.

3. Resource mobilization and allocation

(i) In far too many cases, development resources are concentrated in those sectors that generate the least employment. The biggest employers of labour in the African economy are to be found in the agricultural and informal sectors. Investing in agricultural production inputs and infrastructure and management support would yield much greater returns in terms of employment and productivity increases. Returns would also be high on investments in micro- and small enterprises in the informal sector whose employment growth

potential is tenfold that of the formal sector.

- (ii) Experience in other regions of the world shows that the operation of an employment fund could greatly contribute to halting and actually reversing the growth of unemployment. African governments should seriously consider mobilizing resources through innovative fiscal measures, grants and other forms of financial support from the international community, to create such a fund. It could then be used to provide credit, loans, training, inputs etc., to stimulate self employment and productivity increases.

4. Measures for special groups

- (i) The majority of Africa's unemployed are youths. With the youthful age structure of the African population and the current and projected labour force growth trends, it is to be expected that youth unemployment will reach alarming proportions between now and the end of the decade. Special measures therefore need to be embarked upon to anticipate this eventuality and to forestall it. Youth employment programmes, youth employment training villages and loan schemes are all avenues that could be explored in a bid to arrest the growth of youth unemployment.
- (ii) Women constitute the bulk of the labour force. They are Africa's food producers and

homemakers. As a group of producers they are plagued with problems of low productivity and low incomes caused, in the main, by difficulty of access to technology and capital, and illiteracy. Programmes have to be designed for this group within the framework of the Arusha Forward-Looking Strategies for Women which African governments have collectively, adopted.

5. Regional cooperation and integration

- (i) At the national level, governments should strive to be more tolerant of foreign African nationals who may wish to participate in their labour markets. Collectively, they should endeavour to work out strategies of developing sub-regional labour markets within the framework of the Treaty of the African Economic Community.

- (ii) Equally, efforts should be intensified to encourage a better sharing of expertise among African countries, in order to maximize the utilization of African middle and high level manpower, reduce the brain-drain from the regional economy and lessen the continent's present dependence on outside expertise. To this end, greater use should be made of ECA's Return of Skills Programme for Africa and support should be given to the proposed