AN ENABLING ENVIRONMENT FOR THE IMPLEMENTATION OF AGENDA 2030: THE PRIVATE SECTOR SHARES INITIATIVES

October 2016
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The **International Organisation of Employers (IOE)** is the largest network of the private sector in the world, with more than 150 business and employers’ organisations as members. The IOE represents the worldwide business community, making it the Global Voice of Business.

- The IOE has 43 members in Africa and works closely with **BusinessAfrica**. Many of our members are in countries that are beneficiaries of EU development assistance.
Agenda 2030 explicitly calls on business to apply its creativity and innovation to solving sustainable development goals.

Why is this? This is because the goals recognise that private companies produce goods and services that people need, as well as provide jobs and income that support workers and their families.

Although the private sector has as distinct role in SDG 8, which recognises the priority of sustainable economic growth and links it to employment and decent work, the importance of the private sector can be seen across all the goals.
For example SDG 4 calls for quality education. This is important for business because there are large percentages of unemployed youth, yet vacancies in the private sector exist.

- This points to a mismatch between education & training and the needs of enterprises.

- There needs to be better preparation of labour within education and training systems, and institutions must listen to the needs of business in increasing human capital, monitoring skills gaps and anticipating future shortages.
- Another example is SDG 7, which calls for access to affordable and reliable energy for all.

- The lack of reliable electricity supply and constant blackouts in many African countries hurts development.
  - Perishable items go to waste in the event of a blackout and business has difficulty functioning and providing services.
  - Technological development and services are also stifled, including internet access and telecommunication services.
  - Barriers for business to invest in R&D related to sustainable energy services should be reduced and incentives be given to introduce new technologies.
These examples show that the private sector can contribute a lot to achieving the SDGs, but the counterpoint is that business cannot succeed in societies that fail. In order to be successful, the private sector requires:

- A conducive environment for enterprise creation and development
- Stable macro-economic conditions that facilitate access to finance and that guarantee fair competition
- Political stability
- Economic predictability
- Infrastructure (road, rail, water & sanitation, airports, seaports, ICT)
- Reduced red tape and bureaucratic obstacles
- Policy coherence in economy, finance, trade & investment
- Incentives for domestic and foreign direct investment
- Investments in job rich sectors such as agriculture
These requirements are not mere hypotheticals. The absence or presence of these requirements can have disastrous consequences for a society.

For example, the reduction in world oil prices coupled with a lack of economic diversification has made economic predictability a lot more difficult and led to economic shocks in countries like Nigeria, Angola, Algeria and DR Congo.

In Nigeria alone, the fall in oil prices has caused currency devaluation, incomes have fallen by 17%, important investments have halted, and the country is heading into a recession.
Furthermore, socioeconomic stability is a necessary requirement for society and business to thrive.

- We see how Boko Haram in Nigeria and Cameroon, Al Qaeda in the Magreb, Al Shabaab in Somalia, rebel groups in DRC Congo and conflicts in South Sudan have destabilised societies and have stifled the private sector and job creation.

Overall in Africa

- 63% of the population is less than 25 years old,
- every month, 1 million young people enter the job market
- 80% of jobs are in the informal economy
So how can business contribute to preventing failure or bring back society from failure?

The role of the private sector, particularly SMEs, is critical
- for example, EU initiatives such as Agrifi and Electrifi have played important roles as catalysts in improving agriculture and expanding electrification, particularly in rural areas in Africa, and have provided jobs and services.

Having a sustainable climate requires strong institutions, and in business this means having strong employers organisations
- Employers’ organisations are institutions of social dialogue which help to promote accountability and good governance.
The IOE has partnered with the EU to strengthen the capacity of employers’ organisations, particularly in LDCs, so they can become strong advocates and work with their government to create an enabling environment for business.

The IOE African Employers have also launched a Blueprint for Jobs in Africa, which is intended to serve as a continent wide baseline operational framework for the creation of decent jobs and improve employability.
Based on the recommendations of the Blueprint, African Employers will soon launch a Jobs for Africa Foundation, aimed at creating opportunities for the millions of youth entering the job market in Africa rather than risking their lives by crossing the Mediterranean to look for opportunities in Europe.

The IOE has also supported the creation of the Global Apprenticeships Network (GAN) which supports work based training/apprenticeships for youth in partnership with major companies to give them that first job opportunity. GAN has launched in Turkey, Malawi, and Tanzania.
Employers encourage for there to be more flexibility for business to provide on the job/in-company training and active labour market programmes.

Additionally, there should be more emphasis placed on the development of entrepreneurial culture.

- We have seen how beneficial this has been in Kenya, with the creation of M-Pesa, a mobile financial service which has aided in the financial inclusion of millions of people and through which up to 45% of Kenya’s GDP passes.

Focus and priority should to be given to local investment and private sector processes.
The IOE thanks the European Commission for providing the private sector with the opportunity and the space to engage more deeply in dialogue.
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