The IOE is the largest network of the private sector in the world, with more than 150 business and employer organisation members. For almost 100 years, in social and employment policy debate taking place in the ILO, to which the IOE is the sole representative of business, and across the UN, G20 and other emerging forums, the IOE is recognised for its unique expertise, advocacy and influence as a powerful and balanced voice for business at the international level.
INTRODUCTION

The 5th Social Partners’ Summit on Employment in Africa was co-organised by the International Organisation of Employers (IOE) and IOE member, the General Confederation of Enterprises of Côte d’Ivoire (CGECI), at the latter’s “House of Business” headquarters in Abidjan on 13 and 14 September 2018.

The aim of the summit - the first edition to take place in sub-Saharan Africa - was to build on the momentum for action generated by previous social partners’ summits over the past five years.

The first Summit was held in Casablanca in November 2013 and concluded with the Casablanca Declaration.

The second Summit was again held in Casablanca, this time in December 2015, and led to the adoption of the Blueprint for Jobs in Africa, a multi-stakeholder guidance document unanimously adopted by all parties. The launch of the Blueprint was marked by a high-level discussion in 2016 on the transformation of African agriculture in order to create opportunities for young people. This event enjoyed the support of several partners including the Office Chérifien des Phosphates (OCP Morocco), The Coca-Cola Company and the Commission of the African Union, and it took place in the presence of several African employment ministers and ambassadors.

The third Social Partners’ Summit, which was held in Tunis in December 2016 was officially inaugurated by the Prime Minister of Tunisia, H.E. Mr Youssef Chahed, and by Nobel Peace Prize laureates Ms Wided Bouchamaoui of the Union of Tunisian Industry, Trade and Crafts (UTICA) and Mr Houcine Abassi of the General Tunisian Labour Union (UGTT) who advocated for social dialogue as a means of rising to the challenge of employment in Africa. This third Summit led to the adoption of the Tunis Action Plan, which anticipates a series of activities and programmes that governments can put in place at national level, in collaboration with social partners, to create employment and endow young people with the skills they need.

At the fourth Social Partners’ Summit on Jobs and Skills, which took place in Algiers in April 2017, African social partners agreed to launch a Call for Action on Employment, which was presented to the African Union Ministers of Labour and Employment during their 26 April 2017 sessions. The Algiers Call to Action reasserts social partners’ long-held argument for urgently transforming the demographic dividend represented by African youth into a competitive advantage that can contribute to inclusive growth, job creation, sustainable development and security on the continent.

The focus of the Abidjan Summit was on Developing, Implementing and Monitoring National Action Plans (NAPs) for Employment, signalling a move to concrete action in promoting an environment for businesses to start-up, flourish and grow, and transforming Africa’s large cohort of unemployed youth into a vital contributor to the sustainable development of the continent to the benefit of everyone.

Almost 50 delegates and guests, including representatives of employers’ organisations, workers’ organisations, private companies and government came together in a spirit of collaboration to address the issues and elaborate specific areas for urgent action.

The Summit was co-funded by CGECI, the IOE and the European Union, and enjoyed the support of Business Africa.

“Africa’s unemployed youth are a vital contributor to sustainable development.”

“It is time to build on the momentum for action generated by previous social partner summits.”
WELCOME & KEYNOTE ADDRESS

Observing all protocols, Mr Jean-Marie P. Ackah, President of CGECI, opened the Summit. Mr Ackah welcomed the participants to what he described as a “brainstorming session” on national action plans for employment, building on the outcomes of previous summits in Casablanca, Tunis and Algiers.

He expressed delight at the presence of high-level government officials, which “spoke volumes” as to the keen interest of the government in working together to deliver solutions. Mr Ackah thanked IOE Acting Secretary-General Roberto Suárez for his participation and for having selected CGECI as an organising partner for the Summit. He also commended the IOE for “leaving no stone unturned” in the pursuit of solutions, in collaboration with its members and Business Africa, to address the high youth unemployment rate, including in countries in Africa.

This work tied into the employer contribution to the Sustainable Development Goals (SDGs), and particularly the eradication of poverty, for which decent work was a precondition. Mr Ackah believed that the Decent Work deficit lay “at the heart of all our issues”. Promoting growth alone was insufficient to tackle the problem; promoting employment created the conditions for income generation. For CGECI, this summit signified a reaffirmation of commitment to contributing to the mitigation of poverty.

Mr Ackah took the opportunity to outline the services of CGECI and the contribution made by the organisation and its members to the national economy and society through the implementation of various programmes, including with the African Development Bank.

He went on to explain that the summit format would include three sectoral technical working committees. Mr Ackah underlined that CGECI, and the entire spectrum of social partners at this Summit, expected outcomes that were practical and pragmatic – this, he concluded, was the only way to build a better future for the youth of the continent on a note of hope and trust.

Next to take the floor was Roberto Suárez, who, after observing all protocols, highlighted the importance of the summit for the future of employment on the continent.

He recalled that this series of summits had been initiated and led by employers since 2013 with the aim of encouraging an enabling environment for sustainable enterprise, the development of youth, and youth employability. He added that outcomes of previous editions informed this fifth summit, which had to do with achieving growth and decent work, hence the valuable contribution of ILO.

Mr Suárez said that Africa’s youth dividend of 200 million between the ages of 15 and 24 (the youngest population in the world); 10 – 12 million entering the labour market every year; and high rates of informality and urbanisation presented shared challenges, despite diverse situations in the continent.

Despite these challenges, some countries had made progress; significant improvements had been recorded in education and skills development. The problem was not so much an absence of skills - 24 per cent of Africans were actually over-educated and taking jobs for which they were overqualified; the problem was a skills mismatch.

Mr Suárez pointed out that companies were investing in Africa and they needed qualified young people. There had been a period of growth in the last decade, and, despite slowing down, growth has started to rebound. However, as pointed out by Mr Ackah earlier, growth was not enough. The continent would need to create 150 million new jobs in the next 15 years, and action plans to adopt new technologies would be key in addressing this challenge.

He referred to the IOE’s activity on the Future of Work. Some had thought that the developing economies would not be affected, but the realities of the gig-, on-demand, and platform economies showed that all countries would continue to be impacted by the new world of work. The world of business was changing too: big companies no longer necessarily dominated the market, small companies had the means and agility to develop globally. However, such development needed the right infrastructure, and STEM-qualified young people.

Turning to the keynote of the day, he said that implementation of action plans (there were already about 30 NAPs for employment...
expressed her gratitude to the government of Côte d'Ivoire for hosting an ILO country office in cooperation with CGECI, which she described as a “gracious and effective host for decent work”. Ms. Samuel-Olonjuwon also commended the IOE for fulfilling the ILO’s expectations of a partner in having taken the lead on progressing the transformation agenda for the continent, which could have legitimately been done by any of the ILO’s three equal partners.

She began by characterising the summit as “business unusual”. By this, Ms Samuel-Olonjuwon meant that this was not about starting from scratch, but rather about building on the work already done over the past five years, which would be integrated into the outcomes. This was a summit for moving from talk to action.

Ms Samuel-Olonjuwon added that past milestones had been used to work strategically and incrementally and that it was important to recognise that what was being done was a key building block. She recalled that in 2015 African heads of state had adopted a plan of action and the number one thematic priority was employment creation with the face of a young person. This meant that the work of the Summit sat firmly within the framework of the continental agenda.

Ms Samuel-Olonjuwon presented a wealth of facts that underpinned the challenges: the first was that by 2050 the third most populous country in the world would be in the African continent: Nigeria (after China and India). There was also a gender dimension to the employment issue: the rate of unemployment for women was higher than for men; in North Africa, female unemployment sat at 19.5 per cent; for men it was 9.1 per cent. Africa’s employment was largely informal: there was 85.8 per cent informality in Africa and there was a youth dimension – in West Africa, youth employment in the informal sector was 98 per cent. The vulnerable unemployment rate sat at 65.9 percent, and was projected to rise. There were high levels of working poverty.

A key question was whether Africa should focus on creating jobs or on creating decent work, i.e. whether to multiply poverty (IOE fulfills ILO expectations as a partner - taking the lead on progressing the transformation agenda for the continent.)

Ms Samuel-Olonjuwon presented a wealth of facts that underpinned the challenges: the first was that by 2050 the third most populous country in the world would be in the African continent: Nigeria (after China and India). There was also a gender dimension to the employment issue: the rate of unemployment for women was higher than for men; in North Africa, female unemployment sat at 19.5 per cent; for men it was 9.1 per cent. Africa’s employment was largely informal: there was 85.8 per cent informality in Africa and there was a youth dimension – in West Africa, youth employment in the informal sector was 98 per cent. The vulnerable unemployment rate sat at 65.9 percent, and was projected to rise. There were high levels of working poverty.

A key question was whether Africa should focus on creating jobs or on creating decent work, i.e. whether to multiply poverty
Ms Samuel-Olonjuwon concluded with the following additional points:

- From next year, the ILO would produce a flagship report on the state of employment on the African continent and this would be done every two years; employers and workers would be part of the process.
- The ILO would be working closely with the social partners in Africa on marking the Organisation’s Centenary in 2019. There would be a continental event – a Youth Employment Summit.
- The November 2018 session of the ILO Governing Body would take the decision on the venue and dates for the 14th Africa Regional Meeting (2019); the government of Côte d’Ivoire had agreed to host it in December. Outcomes of the work of the summit would feed into the preparatory work for the regional meeting.
- This summit was not just a meeting, but an opportunity to shift the transformation of the continent of Africa.

Mr Mamadou Diallo, Deputy Secretary-General of the ITUC, added his opening remarks following the observation of all protocols. He thanked CGECI for the friendly welcome that had been extended to him since his landing on Ivorian soil. Mr Diallo emphasised that this summit was a common project and that the ITUC was honoured to be one of the active stakeholders since the outset in Casablanca. He considered this fifth summit to be an opportunity to take stock and come up with initiatives.

He noted that the view of the trade union movement was that employment allowed individuals to come out of poverty, conferred dignity and was the bedrock of development. Full employment remained the goal.

But there remained challenges, which included both a lack of investment, particularly in infrastructure, and the right policies. The ITUC’s view was that every policy had to take an inclusive approach that covered the spectrum of individuals. Social dialogue was key, and its development and practice would allow for a new paradigm that could bring benefits.

Mr Diallo tabled some ideas for reflection. He called for the African continent not to be consigned to a vicious cycle of under the guise of work. If the aim was for inclusive development, Africa had to focus on promoting decent work.

There were many NEETs in Africa; young people featured highly in the group of working poor. Informality was the norm, not the exception. There were high rates of vulnerable employment, working poverty was high, and increasing, and this affected youth disproportionately, meaning there was a high risk of missing out on the potential huge demographic divided...so what to do?

Ms Samuel-Olonjuwon set out some of the ILO’s action plans:

1. stimulate employment intensive growth: growth alone would no longer solve the problem; growth had to be employment intensive. Many struggled because of lack of opportunities, which forced them to engage in low quality work. Ms Samuel-Olonjuwon pointed out that Africa did not make optimal use of its labour resources. Employment concerns should be across all national action plans, at macro-economic level and at sectoral and value-chain levels.

2. promote decent work in the rural economy: rural employment had to be transformed from what was currently a “centre of misery” into a bedrock of social development that left no one behind. She noted that ILO would be working closely with FAO to effect this transformation and outcomes of this summit would feed into this work.

3. support skills development within the context of the future or work, robotics, digitalisation, AI: technology had to be deployed to enhance skills development and decent work. Plans for now and the future had to ensure that technology worked for and not against us.

4. social security systems: 2017 figures for Africa showed that only 17.8 per cent were covered by social security, but it could and should play an important role.

5. ensure that employment promotion was not just left to governments - the IOE initiative contributed to this effort.

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3 Not in employment, education or training
consuming goods made my others; it must add value to its plentiful resources. He noted that the private sector had a right to a good business environment in compliance with the rights of workers. Another imperative to development was continental integration and he urged the social partners to strive towards that goal; isolation would continue to have a negative impact on economies.

Speaking on behalf of the Organisation of African Trade Union Unity (OATUU), Mr Abdoulaye Diallo also provided opening remarks on behalf of his constituency.

He underlined the importance of the meeting for bringing together the key actors, including from his own organisation, and expressed his delight at the strong interest in the gathering, which would ensure continuation of the work already done.

Mr Abdoulaye Diallo expressed his pride in Mr Ousseine Diallo of FOPAO1 for getting the ILO bureau back to Abidjan. He highlighted the great progress made with regard to African-country membership of the ILO: in 1919 there had been only three ILO member countries in Africa, and today there were more than 50. This meant that African countries had a role and responsibility to play in the functioning of the ILO.

He insisted on further points: the first was that the participants had to move beyond speechmaking and take stock of what had been done since Casablanca because addressing the issues around employment today was crucial. He hoped the recommendations from the summit would include incentives to get youth into employment, so that Africa’s youth did not feel compelled to go into exile. Mr Diallo proposed that the African Development Bank in Abidjan could cooperate in this regard.

Mr Abdoulaye Diallo pointed out the changing nature of the world in which we find ourselves; it was a world we did not know 20 or 30 years ago featuring digitalisation of work, robotics, automation. There was a need for training for young people to embrace these changes in order to increase the productivity and competitiveness of enterprise.

The high-level presence of the trade unions demonstrates unity in action… parties working in synergy.”

He noted that the history of these summits commanded a lot of respect and commended CGECI for ensuring the high-level presence of the trade unions, which demonstrated unity in action and that the parties were working in synergy. He cautioned that where there was conflict, investors would never come and, in conclusion, exhorted the participants to make a difference – “to work hand in hand to create good news”.

Taking the floor to deliver the keynote address on behalf of Mr Pascal Abinan Kouakou, Minister of Employment and Social Protection of Côte d’Ivoire, Chief of Staff Mr Jean-Jacques Kanga conveyed the apologies of the Minister whose very busy schedule prevented him from attending.

Mr Kanga acknowledged the previous work undertaken, which provided a foundation for this summit. He asserted that issues of employment constituted the backbone of development and said he viewed a key goal of this summit as being to promote collaboration in implementing the decided action, as it was “the combined work of the various stakeholders” that would make the necessary transformation possible. For the government of Côte d’Ivoire, and that of most African countries, he affirmed that the matter of employment was a top priority and that policies needed to be fine-tuned.

Mr Kanga said that promoting employment was not just a social imperative, but an economic one for achieving strong and inclusive growth that would generate income. The main challenges, he proposed, lay in the areas of training and capacity building.

In conclusion, he called on everyone to work together to offer the best welfare for Africa’s citizens, which meant working together to create quality employment. He expressed confidence that the summit would result in the streamlining of NAPs for their implementation.

Mr Mamadou Touré, Minister for Youth Employment and Youth Promotion of Côte d’Ivoire observed all protocols and recognised the IOE and CGECI for hosting this 5th summit, expressing his delight at welcoming the visitors and bidding them “akwaba” (welcome).

Mr Touré highlighted the large number of young people entering the labour market in Côte d’Ivoire, on average one million annually, and that there was too much informality. However, the country

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1 FOPAO is the Fédération des Organisations Patronales d’Afrique de l’Ouest (Federation of West African Employers’ Organisations)
had made a lot of effort to tackle the issues of employment in the context of improving the business environment. This was a daunting challenge and he called on the participants to find tangible and concrete solutions to build a future of hope for the youth. With this, Mr Touré solemnly declared the Summit open.

The agenda moved to the overview of previous summits, the outcomes of which would serve as a springboard for creating action points going forward. Mr Koffi N’Dri (CGECI) moderated this session and Ms Rose Karikari Anang (IOE) presented the overview.

Mr N’Dri underlined that if issues of youth employment were not adequately addressed, they would constitute a threat to social peace and stability. He cited previous outcomes: the Casablanca Declarations, employer task force/working group, interim high-level discussion on agricultural transformation in June 2016, Tunis 2016 and Algiers 2017. The aim for the summit was to plan concrete action.

Rose Anang’s presentation may be downloaded at www.ioe-emp.org.

Ms Anang captured the tone, insisting that ongoing work be premised on previous outcomes. She recalled the work begun in Casablanca with Business Africa in 2013, noting that it had involved the other economic actors, such as young entrepreneurs and other international partners.

She set out the data which had provided the impetus for this series of summits, including on growth, employment and employability, productivity and the trade deficit. It was clear that the youth dividend represented both an advantage and a threat; it was indeed time for action.

Ms Anang recalled that the 2013 meeting in Casablanca had resulted in the Declaration, calling on governments to take action along sectoral lines. However, it still remained the task of employers’ organisations (EOs) to go to the table and advocate for an enabling environment. Enhanced capacity building was still necessary for this to happen more effectively. She added that the Employers had called on the Workers to collaborate on creating a climate of confidence. But this was not just about the Employers and the Workers; now it was a matter of all the social partners coming together. The Casablanca meeting had also been the venue for the creation of the Employers’ Task Force to keep job creation for Africa at the top of the agenda.

“It is key to look to sectors where there is potential for job creation and productivity growth.”

OVERVIEW OF FOUR SOCIAL PARTNERS SUMMITS AND REGIONAL ACTIONS
the Task Force had organised Casablanca II, which had included the trade unions and, together, they had created the Blueprint for Jobs in Africa.

The concept of cooperation had been intrinsic to the Blueprint, putting an end to old rivalries between the groups while respecting each other’s mandate. There was a new enemy: unemployment. Enhanced social dialogue lay at the very heart of the solution. The Blueprint also called on governments to make employment a national priority.

Ms Anang recalled the ten recommendations captured in the Blueprint, underlining that this had to be about decent and productive jobs. The recommendations called, inter alia, for the formalisation of social dialogue, the promotion of entrepreneurship; training; an employability observatory. (Ms Anang welcomed Ms Olonjuwon’s announcement of an ILO publication which responded to this recommendation.)

Now the discussion turned to how the Employers and Workers could identify job-intensive areas and build their capacity as social partners to advocate for the uptake of their recommendations by governments. The Blueprint was “the Bible for going forward”.

The issue remained at the forefront when in June 2016 the Task Force took advantage of the ILC to host a conference on agricultural transformation, linking to the McKinsey Global Institute report which held that despite Africa holding 52 per cent of the world’s arable land, it remained a net importer of food. The agricultural sector was underperforming, and the conference had highlighted the need to keep the issues front and centre. Ms Anang pointed out that agriculture was the mainstay of most African economies, and that farmers were informally smuggling produce over borders. There was therefore a clear need to facilitate cross-border agricultural trade. As previously mentioned by Ms Olonjuwon, there was also a need to redress the negative perception of rural/agricultural employment to stem the flow of young people to the cities.

The next milestone had been the Tunis Action Plan, which would be useful for the elaboration of input to NAPs. The Algiers Call for Action provided additional guidance.

In addition to pan-African action, good work had also been taking place at the sub-regional level, e.g. at the meeting in early 2017 in Namibia of the East, Central and Southern Africa Employers’ Organisations. The Walvis Bay Declaration had made renewed commitment to promoting the Blueprint’s recommendations. The 2018 follow-up meeting in Kampala had revealed that employers’ organisations were doing many good things, but it was difficult to know about them. This pointed to the need to document actions that were suitable for replication, such as the labour law compendium being developed in southern Africa.

Other matters to address were how Employers could advocate for labour migration policies to address skills shortages; how to formalise internships to expose young people directly to the world of work; how to assess skills availability and needs; and how to work with the Global Apprenticeships Network (GAN), which provided useful tools for developing apprenticeships networks at national level.

Ms Anang reiterated that employment was not created by decree, asking again how the social partners could better advocate for policies that created decent jobs and respected labour rights.

She urged the participants to reflect on all these questions for the discussion in the afternoon.

Mr N’Dri proposed that the breakout technical sessions consider the mechanisms needed for job intensive growth to take place. Lessons from previous summits had pointed to the need for enhanced social dialogue and the promotion of entrepreneurship; for a focus on agriculture; for the replication of best practices; for skills development policies; and regional integration policies.

**Q & A SESSION**

One young participant asked why there were not more young people at the summit.

Mr Mamadou Diallo (ITUC) asked if it was possible to identify the barriers to action to date.

Mr Beyani Munthali (ECAM, Malawi) encouraged colleagues to share best practices so that successful initiatives could be replicated at national level.

“**The negative perception of rural/agricultural employment must be redressed.**"
Speaking on behalf of ILO ACT/EMP, Mr Samuel Asfaha referred to the need expressed for structural transformation in agriculture. He asserted that structural transformation had happened, but that it had been the wrong type. Some sectors had been reducing employee numbers, but the agriculture sector had actually been taking more people on, thus reducing productivity and increasing poverty. The question to ask was: what is the right type of structural transformation so that businesses can take more people on? It was key to look to sectors where there was productivity potential and to work out how to link structural transformation and productivity growth.

Mr Touzani Mohammed, representing CGEM (Morocco), asserted that action had to start somewhere. One approach could be to work first with those countries with the highest unemployment rates. He proposed the idea of building a database of unemployment rates in various African countries and assessing the capacity to take quick action for quick wins. This approach would provide tangible examples of best practices. Countries that needed more time could benefit from the experiences.

Ms Nadia Aimé of SheLeadsDigital said that there were some inspiring strategies being rolled out to digitalise youth, e.g. by the Rockefeller Foundation. Lessons could be drawn from programmes already in place.

Rose Anang agreed that digitalisation was exactly the kind of measure that was needed and should be a key takeaway, and that there were programmes already operating that could be identified and replicated.

She said that the idea of an employment database was a good one, recalling the Blueprint recommendation for an employment “observatory” to collect this type of data. The idea of focusing on situations where quick wins could be achieved was also appealing.

There was widespread support for documenting best practices.

In response to Mr Mamadou Diallo, Ms Anang said that lack of funding had at times proven to be a barrier, but that it was important to consider adopting measures that did not need huge amounts of funding.

Regarding the lack of young participants, it was underlined that involving all the stakeholders would be key going forward.

Another participant asked how the summit could realise a call to tripartite action when, he believed, there was a lack of tripartism at the summit.

Mr Khalid Benghanem of CGEM (Morocco) agreed that this was an important; each country had its own specificities and these matters were not only of concern to the employer constituency. This was a national issue for all three main constituents (employers, workers and governments).

Mr N’Dri confirmed that all stakeholders were represented at the summit, not only employers.

Mr Jean-Jacques Samba (Unicongo) recalled that developing “action plans” was the aim of the summit. He recalled that some countries were struggling politically, some were practically at war – it was expedient to be clear on what had been done and to share experiences so that countries could learn from each other.

Mr Samba proposed developing a compendium of best practices. In this regard, he reported that the ILO in Kinshasa had plans to collect data in all central African countries. According to the ILO, an observatory of this kind would already be in place in Mali by the end of October. The project would be funded by the World Bank through their youth employability work-stream.

Mr Abdellah Djedid, an Algerian entrepreneur, underlined the need to embrace digitalisation to transform the way we work. What mattered was training and access to technology.

Mr Ibrahim Abrar, an OATUU representative from Ghana, agreed that countries had their own specificities – that was why they had their own national employment policies - but it was important to try to capitalise on these.

Ms Anang recalled that national employment policies had either been adopted or already implemented in about 30 countries in Africa. Of note was that the discussion today was not taking place in a vacuum; it would build on previous discussions and experiences. The employer preoccupation should centre on
their contribution at national level; assuming a spearheading role in collaboration with the workers – putting pressure on governments together; asking what they could take back to advocate for and implement; learning about what was working somewhere that could work in their own country?

Mr N’Dri concluded the session by saying that the outcomes needed to ensure the transition to action.

Mr Edouard Ladouyou (CGECI) and Ms Rose Anang introduced the afternoon session. Mr Ladouyou clarified that the aim of the meeting was not to develop NAPs, but to look at countries’ situations, to learn from the discussions and experiences of others in the breakout sessions, and consider what could be taken back home to implement.

Ms Anang said it was also about employers building their capacity to advocate together with the workers, with a view to achieving solidarity in numbers as a means to more effectively push for employment-creation policies.

Three presentations followed in advance of the technical committee sessions.

**SME ACCESS TO FINANCE - MS YOUSRAM HAMED, SOCIAL FINANCE PROGRAMME, INTERNATIONAL LABOUR OFFICE (ILO).**

Ms Hamed delivered a PowerPoint presentation, which may be downloaded at www.ioe-emp.org.

Ms Hamed began by citing the objectives of the ILO Social Finance Programme: to contribute to an enabling environment by equipping policymakers to promote a sustainable and equitable financial system and to establish innovative partnerships; to encourage impactful financial service providers by supporting banks, insurers, credit unions, investors and others to test new approaches, and to replicate successful products and processes; to enable productive enterprises to use financial services to support their growth while creating more and better jobs; to enhance the capacity of the ILO’s social partners to facilitate and/or provide financial services for their members, and influence financial sector policies; and to promote resilient and thriving communities, households and individuals by providing support...
to take informed decisions to manage risks and benefit from financial services.

Ms Hamed reported that Africa’s more than 50 million MSMEs, 69% of which were in the informal sector, contributed 58% of total employment and 33% of the continent’s GDP. A recent IFC study showed that in low income countries the contribution of MSEs to employment was higher than the contributions of medium and large enterprises. In short, SMES were critical to Africa’s socio-economic growth.

Crucially, there was compelling evidence of a clear link between SME access to finance and company performance: lack of access to finance negatively impacted a company’s growth, while firms that were not credit-constrained experienced faster growth, with a consequent impact on employment growth (between 1 and 3 percentage points greater in firms with access to credit). These findings had policy implications for tailoring interventions to produce job growth in MSMEs through increased availability of financing. In 71% of countries worldwide, SMEs cited access to finance as the main barrier to growth; in Africa, 72% of SMEs experienced financial constraints.

Ms Hamed explored the role of EOs in helping their SME members to access financing (please refer to the presentation for various case studies). The first way was by advocating for an easing of lending conditions and lobbying on conditions/levels/substitutes for collateral for SME lending; and organising capacity building for banks and entrepreneurs as well as easier access to guarantee schemes. EOs could also promote SME formalisation, or establish a guarantee fund or a micro-financing institution in conjunction with partners.

The ILO Social Finance Programme also worked to empower trade unions to improve access to finance for their members and potential members, either by managing financial institutions, by creating partnerships or through advocacy towards existing specialised service providers.

**TECHNICAL SKILLS DEVELOPMENT IN THE AVIATION SECTOR - MR DAVID ANDERSON, AAR CORP**

Mr Anderson delivered a PowerPoint presentation, which may be downloaded at www.ioe-emp.org.

He introduced AAR Corp, an independent provider of aviation and expeditionary services to the global commercial, government and defence aviation industries. It is a US$ 2 billion company, with 6,500 direct and 20,000 indirect employees. AAR Corp works with many airlines in the African continent.

Mr Anderson went on to describe the significant economic impact of Africa liberating its skies in 12 countries over the next ten years, which would generate in excess of 150,000 jobs and increase GDP in those countries by an average of 0.07%.

However, he reported that globally there was a huge specialised technical skills gap, which also affected Africa. The total aviation market in Africa currently employed 7 million people; the average age of an aircraft was 21 years’ old; in the next seven years, the country would have 3,000 aircraft and mechanics are retiring faster than they can be replaced (30 % of the workforce is close to retirement age and only 2% are coming into this multi-trillion dollar industry). The range of maintenance and related skills required was wide, but could be obtained by anyone looking to get trained in the field and this would give them a global skill.

So what was the answer? For too long, young people had been pushed into academic education, despite there being many technical job opportunities around the world. The US had, in the past year, passed the Strengthening Career and Technical Education for the 21st Century Act, which had allowed for more funding to flow into vocational training.

AAR Corp was in partnership with local schools and colleges (it could hire 450 people today). It was building a programme with the local college to hire 300 young people at the end of a six-month training period on a US$ 45,000 salary, rising to US$70,000 after three years’ experience.

This was a concrete example that a direct pipeline could be created for youth employment with the right policies, including tax incentives for companies working with underserved populations.

“Young people are pushed into academic education despite the availability of technical job opportunities.”
Aviation was a high growth industry everywhere, including in Africa and there was a shortage of technicians, mechanics and engineers. For example, the skills shortage in this area in Nigeria meant that talent had to be imported from the Middle East and China.

There were practical solutions to the youth unemployment crisis: identify industries where skills were in demand, create partnerships between training schools and companies, and immediately those young people could step into a job, with a technical career and a global skill set that lasted a lifetime.

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**RURAL SKILLS DEVELOPMENT – MS ILCA WEBSTER, ILO SKILLS DEPT. (DAKAR)**

Ms Webster delivered a PowerPoint presentation which may be downloaded at www.ioe-emp.org.

She began by setting out the facts and challenges associated with rural employment, including that three quarters of the world’s poor lived in rural areas; there were weak labour market institutions; inadequate infrastructure; fewer educational opportunities and underinvestment; low rural incomes etc. There were both financial and non-financial barriers to attending training programmes (such as high transport costs and poor infrastructure); high levels of illiteracy and low levels of basic education; unqualified teachers and inadequate equipment; and prevalent gender roles that discouraged women and girls from accessing education, such as childcare responsibilities and detachment from employers’ needs leading to a mismatch between skills supply and labour market demand.

Ms Webster set out the ILO’s response to these facts and challenges through the TREE methodology (Training for Rural Economic Empowerment), which had been implemented in several countries, including in Africa: Benin, Burkina Faso, Madagascar, Niger and Zimbabwe.

TREE was not a training programme, but rather a methodology for identifying economic opportunities and training needs in order to develop and implement training programmes. It was specifically focused on disadvantaged social and economic sectors in marginalised communities that were not reached or served by formal or non-formal training systems. TREE’s main objective was to help reduce poverty in the countryside and minimise rural to urban migration by increasing income opportunities in the rural informal economy.

In terms of approach, the methodology followed a systems approach of participatory needs assessment, training design and delivery, and organising post-training support mechanisms. This approach involved a community appraisal, including an assessment of the availability of local raw materials, natural resources, infrastructure, local companies etc. Local participation of workers, employers and government was a pre-requisite to the implementation of programmes. This resulted in tailor-made training proposals to be delivered by training providers in the communities, vocational training centres, small enterprises and larger firms.

The assessment tools and instruments were simple, practical and designed to empower the target groups to use them with the (initial) facilitation of local partners. TREE had a community-based enterprise development component which included business advisory services.

**Q & A SESSION**

Mr Beyani Munthali’s question related to the cost of finance in the countries mentioned by Ms Hamed, because the risk associated with financing SMEs was a real challenge.

Another participant felt that SMEs/MSMEs did not often belong to employers’ organisations, so how could the latter represent them well when it came to accessing finance?

Mr Mamadou Diallo had a question on alternative sources of financing to banks.

Ms Hamed responded that while the cost of finance was an issue, it was rarely the first problem. She agreed that employers’ and workers’ organisations did face a representation issue when it came to SMEs, but if they did not have a strategy to attract and retain SMEs, they were neglecting a big chunk of the economy. In response to Mr Diallo, she agreed that there were alternatives to the banks, e.g. crowd-funding. There were many innovative solutions and workarounds.
Elaborating on the TREE programme, Ms Webster underlined the importance of employer and worker participation – employer participation avoided skills mismatch and workers were involved in the training aspect.

The participants broke off into groups for the parallel technical working committees on Rural Employment /Agribusiness, STEM & ICT and Access to Finance, bearing in mind cross-cutting issues of SME development, skills development, youth entrepreneurship and employability.

Ms Anang opened the session for the presentation of the technical working committees, recalling that the aim was to identify ideas for collaborative employer and worker advocacy to influence policy, as well as experiences that could be taken up for action at national level, to contribute to employment creation and an enabling environment for SMEs to grow and develop.

She added that the IOE and Business Africa would be following up on the action undertaken in various countries as well as identifying areas where support could be provided.

**TECHNICAL WORKING COMMITTEE ON RURAL EMPLOYMENT AND AGRIBUSINESS**

Chair: Mr Beyani Munthali

The Committee rapporteur delivered a PowerPoint presentation, which may be downloaded at www.ioe-emp.org.

He reported that the group of 25 members had an intense discussion, and that the presentation provided only a summary.

**Rural Employment:** the first point to be made was that employment-creation opportunities did exist in the rural areas, but there were many challenges to their realisation. Infrastructure in most rural areas was at best poor, and rural life was harsh and risky. There was an absence of decentralised structures and poor access to information, hence the exodus of rural youth to urban areas.

In terms of what could be done to bring down these barriers, it would be necessary to build confidence in rural communities and investors. There had to be proper decentralisation of decision-making to allow rural populations to have a say in the development of their communities; employment-intensive infrastructure building had to happen (roads, warehousing, housing, dams, water systems, health and education etc.) to make rural life comfortable and link rural communities to urban centres. State agencies had to be brought closer to rural communities (e.g. for building permit applications) and to work with rural people in creating alternative livelihoods. There had to be a robust assessment of geographic needs, revisiting town planning and...
adapting it to current and future needs, as well as assessment of economic potential. Policies and regulations needed to be crafted to meet the needs of rural communities and to re-dress the issue of urban bias. It was also key to bring education and training to urban areas.

Agribusiness: in the main, agriculture was not seen as a business. An abundance of land was not enough in itself to achieve food security, which had an impact on security itself. Challenges included land tenure; over-reliance on the weather; and poor agronomic practices.

Some solutions included making food security and food sovereignty national objectives; raising national investment in agriculture; investing more in agricultural research; implementing land reforms; providing markets for local agricultural products through effective regional integration; providing infrastructure to link agricultural centres to markets.

There also needed to be proper mapping of the agriculture value chain, and help to build businesses along this chain; strengthened partnerships among stakeholders; proactive climate change policies and programmes; an end to the heavy taxation of agriculture and rural communities (urban bias); capacity-building; monitoring and evaluation systems to understand what could be implemented and what the challenges were.

Mr Munthali underlined the need to strengthen social partner frameworks, which was important in rural communities. This was a matter for concerted joint action by the social partners.

Q & A SESSION

Mr Daniel Opio (FUE, Uganda) noted that rural development faced so many issues; his particular concern was with the inclusion of persons with disabilities in the rural areas.

Mr Edouard Ladouyou (CGECI, Côte d’Ivoire) underlined that the economies of most African countries were agriculture-driven. However, there was a problem regarding return on investment, which was a sine qua non. Governments had to encourage companies to establish in rural areas to stem the flow of young people to the urban areas. There needed to be hospitals, schools, high schools in rural areas - currently the children of farmers had to travel long distances to school. Non-agriculture related professions had to be promoted in the rural areas, such as painters, carpenters and bricklayers, catering companies - all of which were needed to complete an enabling environment for business. He advocated for bringing together all the rural stakeholders to get organised to meet the needs of overseas investors - many initiatives could happen at local level and the government needed to build the necessary roads.

One participant added there was a need for Africa to permanently address self-sufficiency in food; population growth was an important factor. Innovation was necessary and farmers needed to be supported to transition smoothly to more industrialised farming.

Mr Munthali took up Mr Ladouyou’s point that where there was demand from an external investor, everyone should be involved, from the national investment agencies, to the employers’ organisations, to the ministries of labour (to respond to the skills needs). In response to Mr Opio, he added that national employment policies must cover vulnerable groups: youth, women and persons with disabilities.

One participant related the experience of Côte d’Ivoire concerning the merging of the many youth integration agencies into one Youth Employment body, which forged partnerships with the Ivorian investment hub. All incoming investors referred to this agency for human resources needs. The agency was also in touch with CGECI and a department was being set up to monitor investment and the rate of employment creation. This initiative was currently being documented and could be replicated once it was fully off the ground. Mr Ladouyou added that the goal was to create 5,000 internships through a joint programme with the labour ministry. The new labour code was to require compulsory internships and skills development internships and CGECI was working with the labour ministry to roll out the programme.

Mr Munthali agreed that business must take a leading role, such as had been the case in Malawi with the Global Apprenticeship National Network (GNN). The programme now had 83 employers needing interns. With the support of the
GAN, ECAM had created two important documents: a work-readiness programme toolkit, and a code of practice to show how to administer internship programmes, including a model contract. These initiatives that the EOs could use to show government what support they needed.

The UTICA (Tunisia) representative in this committee explained how, in Tunisia, companies were being incentivised to take on a young person for one year (the government paid part of the salary). He felt that vocational training was the business of the companies, because they knew what skills they needed. In terms of youth employment in the rural areas, he echoed the need for the identification of value chains – it was not necessary to wait for a big investor, local people had to be incentivised and supported to create their own companies. There was a big difference between being an employee and being a shareholder in terms of motivation – motivation could prevent exodus. It would be important to encourage and support young people to be entrepreneurial.

Another member of this group made the point that the employers’ and workers’ organisations could not build roads; there needed to be more government officials at the summit. Ms Anang reiterated that there were government representatives present and that the summit was a venue for learning from others and using these learnings to improve advocacy with governments.

**TECHNICAL WORKING COMMITTEE ON SME ACCESS TO FINANCE**

Chair and rapporteur: Ms Achaiso Ambali, Journalist and Entrepreneur

Ms Ambali provided a PowerPoint presentation which may be downloaded at www.ioe-emp.org.

She began by underlining the huge potential of the growing youth population on the African continent, but cautioned that, if this remained unharnessed, it would present significant social problems.

The current situation and challenges were summed up as follows. Accessing finance remained a major challenge in the African continent; finance providers, understandably, invested where they were likely to achieve the highest returns; traditional commercial banks were profit-driven and had to respond to shareholders’ expectations, whose interests differed; banks that had been involved in micro-financing had made little contribution to youth employment because most of these institutions had deviated from their primary goals.

However, some countries had implemented successful initiatives. Togo had launched a fund to finance youth start-ups (FAIEJ) once rigorous screening of the business plan and training had taken place; Zimbabwe had established the Empower Bank for youth and women; Malawi had established a Jobs for Youth project, which included access to finance; Mali facilitated multilateral support in cooperation with the World Bank and the Government of Denmark; Tunisian banks had special programmes to support small businesses; and there were several notable programmes in Nigeria, including the YouWinProject, the Bank of Industry Intervention, the CBN Real Sector Support Fund and the employers’ organisation NECA’s Network of Entrepreneur Women Microfinance Bank.

Some of the ideas on the table from the working committee included creating guarantee funds by employers’ organisations through member-companies and governments; exploring other sources of finance, such as cooperatives and micro-financing; encouraging impact financing and reaching out to business angels (Mo Ibrahim, Tony Elumelu Foundation, etc.); educating the young on becoming entrepreneurs/establishing start-ups.

The committee had the following proposals for action. Employers’ organisations should embark on evidence-based advocacy for financial policies targeting youth start-ups; there should be better synergy between social partners and other stakeholders to ensure the continuity and sustainability of current initiatives; trust needed to be built between finance-providing institutions and youth entrepreneurs through training and mentoring of youths, and there needed to be more engagement with global financial institutions and support groups (World Bank, IMF, AfDB, etc.).

The committee’s findings also pointed to the need for employers’ organisations’ advocacy for friendly financial regulations such as low interest rates and long moratoriums for youth entrepreneurs and start-ups; for incentives for finance-providers and institutions (tax holidays, etc.); facilitation of effective monitoring and evaluation processes and a reporting /action-taken structure.

“Encourage and support young people to be entrepreneurial.”

“Evidence-based advocacy is needed for financial policies targeting youth start-ups.”
where EOs could give feedback on actions taken and technical support needed. There needed in addition to be agreement on implementing a time-line and all the social partners had to make a personal and organisational commitment to ACTION.

Ms Candide Luguede (CNP, Togo) wished to add that there was a national agency for funding SMEs and SMIs that provided funding for Togolese entrepreneurs and that there was also an agriculture-related fund, which the government was using to boost the agriculture sectors through PPPs, allowing farmers to scale up.

Mr Hilary Hazele from Zambia underlined that governments and employers needed to be aligned on measures needed for employment creation. How to work with the government regarding reducing interest rates?

Ms Anang underlined that working together in a spirit of trust was key to making an impact.

A trade union participant added that trust could not be taken for granted; employers and workers had to work together to put pressure on their governments to do something different.

A government participant cited the example of Agricom loans in Senegal and the agreement of the government not to allow imports of certain produce during local harvest times so that the local farmers could sell their produce and pay back their loans.

Mr Gift Lora, a government representative, noted that a lot had been said about the role of government, but that governments were often under pressure. The government introduced policies; it was the role of employers’ organisations to advocate for transparent financial systems because failures in this area caused problems. If governments provided financing, what would happen to the financial services sector? Financial services providers were often members of employers’ organisations, so the EO could encourage their members to be transparent. EOs also had to help governments to ensure the financial services sector responded to the needs of business. Providing money for youth projects was good PR, but it was challenging to talk about the effectiveness of such programmes.

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TECHNICAL WORKING COMMITTEE ON ICT AND STEM

Co-chairs: Mr David Anderson, AAR Corp and Ms Nadia Aimé, who was also the rapporteur for the group.

The Committee prepared a PowerPoint which may be downloaded at www.ioe-emp.org. Ms Aimé began by underlining the importance of empowering Africa through ICT, digitalising the population, beginning with governments.

She recognised that in Africa, and around the world, many governments had started to use technology to streamline processes within the public sector and to bring the government closer to its citizens and businesses.

In order to achieve a digitalised population, the governments should lead by example. However, there were challenges, notably to convince the governments that ICT adoption did not necessarily mean a reduction in jobs, but rather a transformation of current ways of working. It could be a driver in helping entrepreneurs, including young people and women, to set up their businesses more quickly and to have better market access. In Rwanda it took four days to create a company, but in Algeria and South Africa it could take between 25 and 61 days.

Technology eased transactions for existing businesses and could reduce their turnaround time; help governments to start reducing corruption by increasing transparency; and increase revenue collection for governments.

Adopting ICT to the fullest however required access to affordable, high-quality internet. This would be a good investment because it would start reducing the cost of doing business, especially for SMEs; improve access to education and to ICT programmes; promote studying ICT & STEAM-related programmes and start creating jobs and opportunities.
Ms Aimé advocated for policy that encouraged every player in the high-tech industry (Amazon, Facebook, and Twitter) who have the resources, the manpower and the capabilities to make internet accessible to all so that a certain quota of their services could be offered to rural communities across Africa.

Policies should focus on the skills of the future, because these were global skills – coding was the same wherever you were located.

Mr Munthali raised the issue of some governments (Malawi, Uganda and Zambia) introducing an internet tax, which would be a barrier to business. In Zambia, because WhatsApp calls were free, the government was now taxing them.

Ms Aimé proposed holding a weekend event in Africa for tech companies to get together and come up with an innovative solution to persuade governments to “go digital” and that this was an opportunity and not something to fear.

A participant mentioned how M-Pesa had been good for farmers in Kenya; and that tech centres in rural India allowed farmers to access market data that helped them to fix the best price for their produce.

Mr Mamadou Diallo noted that the presentation failed to mention the investment digitalisation would require, and well as the skills. He was not convinced that all African states could support such investment. Perhaps joint venture could be envisaged?

It was proposed that the private sector speak to the ministries of higher education to design the references for technical skills.

Country presentations of National Employment Plans and/or employment-creation initiatives may be downloaded at www.ioe-emp.org for Congo Brazzaville (French only), Ghana, Nigeria, Tanzania, and Zambia.

Next Steps

It was agreed that the IOE would provide a report of the meeting, including links to the presentations and the ideas and strategies arising from the Technical Working Committees. The outcomes would provide a basis for employers’ organisations and organised labour to work together to influence government policies.

Mr Munthali noted that governments, employers’ and workers’ organisations had to work together as strategic partners.

Mr Ladouyou was convinced that the employers’ organisations in Africa were already rolling out important initiatives, but that these had never been collected into one compendium. This documentation needed to be done in conjunction with Business Africa and ILO ACT/EMP.
Ms Jacqueline Mugo, Secretary-General of Business Africa, joined with Dr Vaflahi Meite, Executive Director of CGECI, to provide the closing remarks.

Ms Mugo began by thanking CGECI for their gracious hosting of the two-day summit, as well as the IOE and EU for their organisation and support. She noted that her role as Secretary-General of Business Africa was a voluntary one which she undertook for the love of the continent, in addition to her position as Executive Director of the Federation of Kenya Employers. Business Africa had 42 employer organisation members and the organisation was recognised at the highest level of the African Union.

Ms Mugo talked about some of the many initiatives Business Africa had led as the voice of business on the continent. A major role was to look at the climate for doing business on the continent, and how to come up with National Action Plans that addressed the needs of EO members.

She believed that EOs had to play a stronger advocacy role in policy formulation in the areas of ICT, social protection, and industrial relations. Key to the success of such activity was to be armed with the data, which would carry influence. Despite business levies, none of this contribution was used to support the EOs. Might it be possible to have businesses contribute to EOs, not necessarily as members, but to make a contribution to support their advocacy - along the lines of trade union levies?

“Employers’ organisations have to play a stronger advocacy role in policy formulation.”

It was agreed that the IOE would produce a newsletter outlining successful employment creation initiatives initiated by African EOs.

Mr Megateli agreed that a think tank needed to be created in 2019 to gather information on what has been done and what not, including lessons learned, in efforts to create employment, particularly for Africa’s youth.

It was important for EOs to provide good value for membership, to be ICT driven and set an example.

Dr Meite said that it was a pleasure to close the summit on behalf of CGECI President, Mr Jean-Marie Ackah. He thanked the IOE for the confidence placed in CGECI to host the event. The Côte d’Ivoire had employment at the top of its agenda: there were two ministries in charge of employment and also one for youth employment. At the level of CGECI, there was a youth employment committee, which also covered women’s employment.

Dr Meite welcomed the actions that would be taken as an outcome of the summit, and called for the initiatives to undergo evaluation to monitor achievement of the objectives and lessons learned.