



Towards the socio-economic transformation of Africa

Report of the 6th African
Social Partners' Summit
Lagos, Nigeria

25 – 26 February 2020



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Introduction

The 6th African Social Partners' Summit took place in Lagos, Nigeria on 25 and 26 February 2020 as a joint undertaking of IOE and the Nigerian Employers' Consultative Association (NECA) on the theme: "Towards the socio-economic transformation of Africa". The Summit benefited from EU funding through the IOE-EU Partnership Project and was supported by Business Africa.

The Summit brought together more than 40 representatives¹ of employer and business-membership organizations (EBMOs), trade unions, national ministries and training institutions, ILO, and IOE, to explore the challenges and barriers, as well as some of the current and future actions that will set the continent on a path to more productive and sustainable enterprises and job creation.

Key references for the discussions were the outcomes from previous Social Partner Summits, such as the Blueprint for Jobs in Africa and the Tunis Action Plan, as well as regional and international frameworks, including the ILO Centenary Declaration for the Future of Work, the Abidjan Declaration emanating from the 14th African Regional Meeting (December 2019), and the African Continental Free Trade Agreement (AfCFTA) (May 2019).

Challenges cited by the participants and speakers included bridging the skills gap; resolving protracted, low and stagnant productivity; ensuring TVET systems meet the needs of the labour market; managing the impact of demographic trends on the labour market; eliminating deficiencies in social dialogue mechanisms; eradicating weaknesses in institutions and governance; decreasing high levels of informality; investing in transportation, energy and digital infrastructures; realising pro-employment macro-economic frameworks; boosting enterprise

¹ Participants List at annex

competitiveness; eliminating protectionism; ending reliance on too few sectors of the economy; capturing and disseminating reliable data for decision-making across a range of areas; ensuring responsible FDI; and more.

Challenges include resolving protracted, low and stagnant productivity rates in Africa.

But there were also encouraging examples of actions and measures that have already been taken to address some of these challenges, such as setting up observatories to gather data by sector and by region to capture and anticipate skills gaps and inform training policies and systems; establishing PPPs for enhanced TVET outcomes; institutionalising formal social dialogue; crafting specific development plans to diversify economies and create jobs; setting up GAN networks to promote work-based learning; and introducing policies to stimulate entrepreneurship, to name but a few.

Promising measures include establishing skills observatories, creating PPPs for enhanced TVET outcomes and diversifying economies.

And there were many ideas for future actions linked to the upcoming plan of action to implement the Abidjan Declaration, the follow-up to the ILO Declaration on the Future of Work, especially in terms of anticipating skills; and the catalytic effect of the AfCFTA, which has the potential to transform the African continent into a global player on the world stage.

Future actions should harness the catalytic potential of the African Continental Free Trade Area agreement.

The following report provides an overview of the deliberations.



Welcome remarks and keynote address



Mr. Taiwo Adeniyi, Ag. President, NECA

A formal welcome was delivered by Mr Taiwo Adeniyi, President and Chairman of the Governing Council of the Nigerian Employers' Consultative Association (NECA). Mr Adeniyi underlined that this Summit, the first to take place in English-speaking Africa, would focus on the common challenge of job creation in Africa, as highlighted by the data in the ILO's flagship World Employment & Social Outlook (WESO) Report: Trends 2020.

The aim was for this Summit to build on previous editions and to provide clear direction on the way forward for the social partners to address the urgent issues. Mr Adeniyi said that a global effort was needed to address the time-bomb which the unemployment situation represented. At national level, NECA was working with partners: the relevant government ministries, the central bank and the industrial training fund (ITF), as well as developing its own initiatives such as a recent jobs fair, attracting 2,600 participants, to connect employers to job seekers. While recognizing the government's efforts, Mr Adeniyi underlined that more action was needed to create an enabling environment for businesses to thrive. He closed his remarks by thanking IOE for choosing NECA as hosts for the event and wishing the participants fruitful deliberations.

IOE Secretary-General Roberto Suárez Santos acknowledged the longstanding relationship between NECA and IOE, and extended thanks to the participants and contributors to the programme, as well as to the EU for their support for this and previous Summits, enabling the participation of a critical mass of employers and other stakeholders.



IOE Secretary-General Roberto Suárez Santos

While underlining that ILO was central to the work of IOE, Mr Suárez added that IOE was deeply engaged across the wider UN system. Alluding to IOE's Centenary in 2020, the Secretary-General noted the significance of the event for IOE's commitment to Africa.

He called for the Summit to stimulate action by both IOE and the social partners in Africa alongside Business Africa. Even before the deliberations began, some of the priorities were already clear, such as the need for an enabling environment for business, which was a goal to which the trade unions could also contribute. As recognised in the ILO Centenary Declaration for the Future of Work, an enabling environment for business was a driver of growth.

The priorities are clear and recognized in the ILO Centenary Declaration: support the private sector as a driver of growth and anticipate skills needs for the future of work.

This hugely important component of the Declaration was accompanied by the need for ambition to anticipate skills. It would be important as partners to drive the skills agenda, including by arguing for the ILO Programme & Budget to allocate the adequate resources. An additional key reference for the deliberations would be the Abidjan Declaration, the outcome of the 14th African Regional Meeting (December 2019) as well as the African Continental Free Trade Agreement (AfCFTA), the opportunities of which had to be fully leveraged for their job creation potential, even if there would be challenges along the way.

Speaking on behalf of Business Africa, Secretary-General Jacqueline Mugo said that Lagos had been an obvious choice for such a Summit given Nigeria's prominent role on the continent. Ms Mugo firmly believed that Africa had the power to transform itself economically once its people had high quality, wage-paying jobs and occupations, or set themselves up as entrepreneurs. Informality remained a barrier to overcoming poverty, despite the many programmes and projects that had been put in place over many years. The absence of every village having water, reliable electricity supply, sanitation, jobs for the poor and vulnerable, and good schools, stood in the way of the transformation to which all Africans aspired.

Informality remains a barrier to overcoming poverty.

How to effect lasting change? This Summit provided a forum to engage as social partners and seek solutions on the ground, as well as to make progress towards the wider global goals enshrined in the 2030 Sustainable Development Agenda. Central to this Agenda was creating more, better and inclusive jobs but in order to do so, businesses needed to be able to perform well, to be productive and to be sustainable. It would be key to address the twin priorities of achieving profitable enterprises and addressing informality and poverty.

Productive and sustainable enterprises are key to more, better and inclusive jobs.

Ms Mugo proposed that the social partners had a critical role to play in improving productivity, competitiveness and efficiencies in Africa's enterprises in order to accelerate job creation. Despite growth, African Development Bank figures revealed that only one-third of African countries had achieved inclusive growth, and reduced poverty and inequality. The growth of the continent depended on the growth of enterprises through improved quality of output. Here, social dialogue played a role in addressing the issues hampering the improved performance necessary to grow jobs and improve livelihoods, which meant social dialogue expanding beyond the traditional labour and social agenda and engaging around matters of trade.

African Union-level discussions are needed around supporting home-grown enterprises to grow and join the world economy as global players.

The AfCFTA for example could contribute to the removal of non-tariff barriers that prevented Africa from exploiting the full potential of trading as one. Discussions on improving the business environment also had to take place at AU level, so that home-grown enterprises could thrive and grow, and join the world economy as global players.

Employers need skilled youth for today and tomorrow.

Other important elements of the transformation agenda were labour migration and skills development, a major priority for employers who needed the youth to be skilled appropriately for business today and into the future. While many TVET institutions were being revamped in terms of curricula, Ms Mugo underlined the urgent need for employers to help acquire the data that could reveal the skills gaps and orient curricula accordingly.

The next speaker in the opening session was Ms Cynthia Samuel-Olonjuwon, ILO Regional Director for Africa, herself a native Nigerian and former NECA's Assistant Director for Small Enterprise Development. Ms Samuel-Olonjuwon said that if Nigeria got it right, Africa would move in the right direction. By 2050, Nigeria was set to be the third largest country in the world and the question was whether this demographic profile could be transformed into a dividend.

Translating the Abidjan Declaration into concrete action will be key to realizing Africa's aspirations for growth and jobs.



Cynthia Samuel Olonjuwon

As mentioned earlier, the implementation of the Abidjan Declaration would be a key factor in realising this aspiration. This meant translating words into concrete action. Current conditions were potentially propitious: Africa was growing at a higher rate than the global average; six of the ten fastest growing economies were in Africa. This should be cause for celebration, until homing in on the poor drip-down effect of such growth on inclusiveness. According to trends identified in the WESO report, Africa's unemployment would increase from 34.1 million this year to 34.8 next year, with an increase of almost two million young people neither in education nor training (NEETS). The numbers for those in extreme working poverty were also bleak.

The right policy mix will play a decisive role in the creation of decent jobs by addressing conflict, crime, terrorism and corruption – all of which hamper development.

On the positive side, these concerns were reflected in the Abidjan Declaration, and the AfCFTA could be the key to improving quality of life and enhancing decent work on the continent. The right policies also had a role to play in supporting the creation of decent jobs by addressing conflict, crime, terrorism and corruption, all of which hampered development. Ms Samuel-Olonjuwon recalled that the discussions at the 14th AfRM had been firmly anchored in the ILO Centenary Declaration for the Future of Work (FoW), which called for a human-centred approach.

Achieving Africa's transformation means creating 26 million jobs each year until 2030.

She also said that achieving transformation meant that productive job creation would have to increase in Africa by 26 million each year until 2030. This would require improvement in productivity through country-specific strategies for structural transformation – meaning a move from low-paying unproductive occupations to productive jobs in the formal economy. The Abidjan Declaration identified core priorities for achieving this transformation.

- Make decent work a reality, particularly for Africa's youth and women
- Develop skills
- Enhance productivity, including by working with pan-African productivity centres
- Focus on decent work in the informal and rural economies
- Promote constructive social dialogue, and effective and inclusive tripartism in pursuit of common goals, such as reforms necessary to meet decent work challenges
- Strengthen the capacities of individuals
- Strengthen the institutions of work
- Promote inclusive and sustainable economic development
- Grow and strengthen synergies between ILO and institutions in Africa
- Promote a conducive environment for sustainable enterprises

Importantly, the 14th AfRM had requested ILO to prepare a plan of action for discussion at the March 2020 Governing Body² and Ms Samuel-Olonjuwon committed to ensuring that the resources earmarked for employers' activities at the continental level would be strategically deployed to support the implementation of this plan. She would also explore mobilizing additional resources, including through extra-budgetary means, to ensure the translation from words to action.

Mr Ayuba Wabba, President of the Nigeria Labour Congress (NLC) and International Trade Union Confederation (ITUC) contributed to the session on behalf of the Worker constituency.

He began by recognizing the role of business as the creators of work and jobs and commended the progress of the Summits from the first edition in Casablanca in 2015.

ITUC recognizes the role of business as creators of work and jobs and commends the Blueprint for Jobs in Africa.

Referring to figures included in the Blueprint for Jobs in Africa, adopted in Casablanca, he underlined the challenges of an 80% rate of informality in the region, as well as the fact that each month at least one million young people enter the job market in Africa.

The social partners must join forces to fight the common foe that youth unemployment represents.

While recognizing that the demographic dividend could represent a huge asset, he noted that failure to absorb young people into the labour market could be a disaster. This called for a concerted effort by the social partners, and others, to fight what he described as "the common foe". He commended the recommendations set out in the Blueprint, including the expansion of infrastructure,

the attraction of responsible investors, the development of health, education and training as key areas of action.

Given that the wages of workers drove economic growth, for Mr Wabba it was clear that Africa's working poor could not drive a level of economic growth that would ensure shared prosperity. Workers all over Africa demanded wage-justice, bearing in mind the wealth of the continent in terms of mineral, and other resources, and he congratulated the social partners in Nigeria for facilitating a new minimum wage.

Governments must fix and expand road, rail and electricity infrastructures, which are critical for productive industrialization.

On the need for an enabling environment for business to thrive, Mr Wabba called for governments to fix and expand road, rail and electricity infrastructures, which were critical for productive industrialization. He also called for efforts to clamp down on official corruption and unfair trade practices that undermined the region. In conclusion, he highlighted healthy trade conditions, progressive and productive tax regimes, and a formally organized informal sector as essential to the future success of the continent.

Mr Wabba also hailed the potential of the AfCFTA as a platform for economic growth and job creation, ensuring the enforcement of the rule of origin to avoid Africa being turned into a dumping ground for goods from other regions of the world.

The keynote address was given by Senator (Dr.) Chris Nwabueze Ngige, Honorable Minister of the Federal Ministry of Labour and Employment of Nigeria. Senator Ngige expressed his pride that Nigeria had been chosen to host the first English-speaking social partners' summit organised by IOE, before conveying the deep concern of the Nigerian government at the high levels of under- and unemployment on the continent. He assured the participants that his government was working with others at AU level to holistically address the intractable challenges through targeted interventions. He cited

² The March 2020 session of the ILO Governing Body was cancelled due to the COVID-19 pandemic.



Senator (Dr.) Chris Nwabueze Ngige, Honourable Minister
Federal Ministry of Labour and Employment

exponentially increasing population (youth population doubling by 2050), working poverty, skills mismatches and gender inequalities as areas requiring most urgent attention.

The Nigerian government is working with its counterparts at AU level to holistically address the intractable challenges through targeted interventions.

Nigeria is equipping its unemployed youth with market-driven skills.

Part of Nigeria's strategy was to equip unemployed youth with market-driven skills. Government initiated programmes had contributed to the nurturing of young entrepreneurs who employed themselves and others. The government's "Npower" programmes ("Npower Teach"/"Npower Agriculture") were also successfully absorbing the many young people who were leaving tertiary education with no jobs. Noteworthy was that the Npower Agriculture programme had stimulated agricultural production by diverting young people away from white-collar to green-collar jobs.

This was important in diversifying the economy away from over-reliance on oil. In line with the ILO's human-centred approach to the Future of Work, Senator Ngige agreed that labour was the most critical factor of production and must sit at the core of economic and social policies if a just, fair and egalitarian society were to be achieved in the future.

He alluded to training in the public sector as an additional means to developing capacity and advancing Nigeria's economy. Here, the focus was on institutionalizing and developing efficient, productive, incorruptible and citizen-centred civil servants.

The starting point is to ensure an explicitly pro-employment macro-economic framework.

In conclusion, Senator Ngige's starting point for addressing the challenges of mass unemployment and job creation in Africa was to ensure an explicitly pro-employment macro-economic framework.

Overview of national, regional and international developments impacting Africa's socio-economic transformation



Mr Timothy Olawale, Director General, NECA with Mr Samuel Asfaha, Senior Specialist, ILO

I: Outcomes of the 14th ILO African Regional Meeting (Abidjan, December 2019) and ILO activities for Employers

Moderated by Mr Samuel Asfaha, Senior Specialist for Africa, ILO (Geneva), with Ms Jacqueline Mugo, Secretary-General of Business Africa, and Mr El-Mahfoudh Megateli, IOE Regional Vice-President for Africa.

Mr Asfaha commended his two discussion partners on their active participation in the 14th AfRM, noting that they were well placed to describe the process leading to the important outcome Declaration, what it means for the social partners broadly, for social dialogue, for local realities, for young men and women, for SMEs, governments and the ILO. He would be asking his interlocuters what they thought could propel the Declaration from a “beautiful

document” into the corridors of policymaking and make a real difference.

Promote an enabling environment that favours entrepreneurship and sustainable enterprises, particularly small and micro-enterprises, as well as the social and solidarity economy.

Mr Megateli reported that it had been decided early in the process to focus on the decent work context, which meant that priorities would be based on the realization of decent work through decent productive employment, skills development, and with technology and productivity as essential tools for the improvement of work in Africa. There had also been a focus on transforming the rural economy, promoting social dialogue etc. (as outlined earlier by Ms Samuel-Olonjuwon). He reiterated the acknowledgement in the Declaration of the need to support the private sector as the primary source of economic growth, innovation and job creation through the promotion of an enabling environment that favours entrepreneurship, sustainable enterprises, and in particular small and micro enterprises, and the social and solidarity economy.

The Abidjan Declaration is robust, practical and actionable and, with the right support from ILO, it will inform the work of the constituents on the ground and address the stated priorities.

As a member of the drafting team, Ms Mugo talked about the drafting experience and the key takeaways for employers. The first was that the Employers had been highly active at an early stage in ensuring the constituency's priorities were enshrined in the Report that would form the basis of the discussion. The role of the drafting committee was to synthesize

the key takeaways from all the conversations, panel discussions, presentations etc. and to capture these in a document that would form the platform for the work of ILO in the region for the next four years. Her assessment was that the resulting Abidjan Declaration was robust, practical and actionable, in short, an outcome that would, with the right, enhanced support from ILO, inform work on the ground by the constituents, strengthen the capacity of the constituents, and help address the priorities outlined earlier (anticipating and developing skills, enhancing productivity, transitioning to formality etc.).

Mr Asfaha noted that ILO had always been in the business of capacity building, so how could this be enhanced? Ms Mugo said that it now needed to be incremental, less fragmented, more focussed and more generously resourced. Currently the social partners, both employers' and workers' organizations, were weak, and lacked representativeness and the capacity to provide the types of services that their affiliates, some of the world's largest corporates, needed.

ILO capacity building support must be less fragmented, more focussed and more generously resourced.

It was important to understand that ILO was not the implementor, that engagement was needed with the representative bodies on the ground when implementing community development projects. The priorities set out in the Abidjan Declaration had to be mainstreamed into the Decent Work Country Programmes, which themselves had to be owned by all the constituents. In short, there needed to be better cooperation and better understanding of roles, as well as capacity building, in order to deliver for ILO on the ground and to achieve the shared objectives.

One participant intervened to add that the action plan for implementation needed to be country specific; there could be “no one-size-fits-all”. In Ethiopia, for example, there were challenges related to enhancing productivity in the agriculture sector because of lack of reliable and comprehensive data.

While there are country-specific challenges, cross-cutting issues for EBMOs include lack of representativeness and independence; quality of services; and lack of formal social dialogue mechanisms.

Mr Asfaha agreed, noting that this was why ILO had country offices and Decent Work teams, working with the constituents and focussing on specific challenges. At the same time, there were cross-cutting challenges (representativeness, independence, quality of services, lack of social dialogue mechanisms) which could be addressed by documenting best practices to facilitate peer-to-peer learning.

Skills observatories need to be created to undertake data collection on the real needs of companies, to inform training and provide a skills directory, by country and by sector.

The next participant agreed on the need for data, both qualitative and quantitative, on the real needs of companies. He advocated for the creation of observatories to undertake data collection to inform training and employability programmes, as well as to inform a skills directory by country and by sector to include job descriptions and the skills needed for each occupation.

Ms Mugo pointed to the disconnect between words and action at other levels; despite governments discussing productivity, there was little evidence of concrete measures to address weak productivity.

Even where there were national productivity centres, many were dysfunctional (South Africa being an exception). There was an Africa-wide productivity association, but it was weak and poorly resourced.



Ms Jacqueline Mugo, Secretary-General of Business Africa with Celine Oni, Director, Learning & Development, NECA

Productivity had to be a real priority for African countries and for ILO support in terms of technical competence, capacity and skills – how to measure and maintain data on productivity?

Productivity has to be a real priority for African countries and for ILO technical support.

In terms of the implementation plan, Ms Mugo pointed to the need for quantifiable Outcomes which would facilitate budget allocation, and she was joined by Mr Megateli in enthusiastically supporting the call for an observatory as outlined above.

The Abidjan Declaration action plan needs to include quantifiable outcomes to guide budget allocation.

A delegate from Zambia had a concern regarding the push for employment policy reform without the appropriate involvement of the social partners, which in his country had backfired in the cases of enhancing maternity leave and health insurance, resulting in the financial burden being placed on the employer. This experience put the spotlight on the need for

enhanced social dialogue involving all government ministries because business viability and employment creation were impacted by the macro-economic policy environment.

Discussions on employment policy reforms must involve the social partners through enhanced social dialogue mechanisms.

Ms Mugo recommended developing clear plans for targeted advocacy that included costing and evaluating the potential impact on business of proposed employment policy reforms, and to give government some options, because simply saying “no” was not what was expected of business – solutions were expected.

II: Business Environment and Sustainable Enterprises for Job Creation

By Mr Emmanuel Julien, Deputy-Director,
Enterprise Department, ILO (Geneva)
Presentation may be downloaded here: [https://
www.ioe-emp.org/en/members-regions/africa/](https://www.ioe-emp.org/en/members-regions/africa/)

Mr Julien began by underlining the importance of the Abidjan Declaration, and specifically the need for “concrete and specific measures aimed at setting up a business environment which is favourable to sustainable enterprises” as the focus of his presentation.

For Mr Julien, the first step was to understand the world in which we live (the context); second was to identify actions that were relevant to this context, and third was to know what ILO was doing and could do further to stimulate these actions.

The context: world growth and trade growth were slowing down. Five global shifts in global value chains

(GVCs) had been identified by the McKinsey Global Institute: 1) local content was increasing; 2) services played a growing and undervalued role in GVCs; 3) trade based on labour costs was declining in several GVCs and mostly in highly labour intensive value chains; 4) VCs were becoming more knowledge-intensive (skills component); 5) VCs were becoming less global and more regional.

5 key factors are reshaping global value chains: local content, services, labour costs, knowledge/skills component, and a regional focus.

In short, the world we live in was becoming more regional, contrary to popular perception. Africa, as the least integrated continent, lagged behind and therefore had the most potential to grow. It was clear that the AfCFTA, with a focus on structural transformation and competitiveness, would be a major catalyst in increasing the participation of Africa in its own value chains.

ILO ENTERPRISE identifies four critical areas for action: infrastructure, education and capacity building, access to technology and the regulatory burden.

Moving to step two, how to identify the right policy mix to address deficiencies in the environment for business development? ILO ENTERPRISE had conducted a review of the interventions and programmes focussing on productivity in Africa on the basis of an exhaustive survey. Four critical areas had emerged as targets for action to improve productivity:

1. Infrastructure development and maintenance
2. Education and capacity building
3. Access to technology, including green
4. Regulatory burden and institutions

Governments must understand the importance of productivity for development... lack of data is a barrier to addressing the problem.

The resulting report concluded that governments had to understand the importance of productivity for development, as lack of this understanding to date had resulted in the absence of the right frameworks. It also acknowledged that while many companies had tried to address weak productivity, such efforts could not easily be scaled up. Addressing productivity gaps also had to happen at national and sectoral levels.

Lack of data was also a barrier to addressing the problem (as outlined by Ethiopia) Governments should favour foreign investment in priority sectors over generic investment and build pockets of excellence, which would foster a productive ecosystem.

Productivity policy must include a sectoral strategy that favours endogenous growth and the right kind of investment, and have skills policy at its heart.

In terms of ILO support, the view was that a national productivity policy must be twofold, based on a selection of sectors, and a sectoral strategy that favours endogenous growth and the right kind of investment. Then, there needs to be an ecosystem policy encompassing, micro-, meso- and macro levels that takes into account both internal and external factors. Skills policy must be at the heart of this and it must recognize that both apprenticeships and university have a role to play.

ILO capacity building must move from one-off trainings sessions and take a long-term approach.

Turning to the matter of ILO support for capacity building, Mr Julien noted that this had to move from one-off training sessions and be more collective and long-term. ILO ENTERPRISE had four priority outputs for this biennium (with related work in more than 50 countries): 1) increasing the capacity of member states to create an enabling environment for entrepreneurship and sustainable enterprises (assessing the regulatory framework, making recommendations etc.); 2) strengthening the capacity of member states to adopt new business models, technology, and techniques to enhance productivity and sustainability (working on value chain analysis, SME training through the ILO SCORE programme, building the “ecosystem” mentioned above in pilot countries; 3) increasing the capacity of member states to develop policies, legislation and other measures aimed at transitioning enterprises to formality; 4) increasing the capacity of member states to develop policies, legislation and other measures that promote decent work through a responsible business/human-centred approach.

Mr Julien gave examples of several ILO ENTERPRISE projects, which highlighted his department’s strong commitment to Africa, and in particular to growing the productivity ecosystem.

During the Q&A session, Mr Asfaha wondered how to tackle the lack of awareness within government of the importance of productivity at the macro-economic policy level, and not just at the enterprise level. One participant emphasized the need to diversify economies in the pursuit of job creation, which she felt had not been adequately addressed. How to stimulate governments in this regard?

The productivity ecosystem needs a diverse economy to thrive.

Mr Julien responded that, although indeed he had not used the word “diversification” per se, he had implied it in talking about market systems and sectoral analysis. Any country with an economy dominated by one sector did not take the macro-economic approach he had advocated; an ecosystem was implicitly a diverse environment.

The industrialization of Africa must take into account the increasing value of services.

Mr Julien added that diversification was also a focus of ILO work with UNIDO on the industrialization of Africa, which he said needed to take into account the increasing value of services. He cautioned against taking an overly restrictive view of industrialization in the Africa context.

III: ITF-NECA Technical Skills Development Project – a model that works

By Mr Zachariah J. Piwuna, Director of Research & Curriculum Development, Industrial Training Fund (ITF) on behalf of Sir Joseph Ari, Director General, ITF



Mr Zachariah J. Piwuna, Director of Research & Curriculum Development, Industrial

Mr Piwuna provided a wealth of statistics on the Nigerian context. For him, skills development called for partnerships and the ITF, an agency of the federal government, was an example of the state coming together with the private sector to share expertise and resources to add value and create jobs.

Nigeria's Industrial Training Fund provides an example of a successful PPP for skills development that is based on shared experience, expertise and resources.

The ITF model looked to the short, medium and long terms, but focussed primarily on the short and medium term given the urgency to deliver relevant knowledge, practical skills, and attitude for employment and entrepreneurship.

The ITF was mandated to provide, promote and encourage the acquisition of skills within the public and private sectors and set training standards in all sectors of the economy, to monitor adherence and evaluate the acquired skills. Collaboration with NECA involved a PPP initiative for vocational and technical skills. Mr Piwuna noted that the entrepreneurship package used by the ITF was the ILO's Start & Improve your Business programme. Participating enterprises were drawn from NECA's membership pool, some of which had their own training facilities which provided additional resources when necessary. The project also identified four to six technical colleges a year for support in terms of providing equipment, tools and materials to be able to scale up. Trainees were provided with a stipend and were engaged across 25 areas ranging from agricultural equipment maintenance, culinary skills, to mechanical maintenance in line with the needs in the economy.

With the project now 10 years' old, it was possible to evaluate the success. By the end of the programme, 80% of graduates had secured a job with participating organizations (NECA members); 15% had gone on to become entrepreneurs; and 5% had decided either to pursue additional education or to be otherwise occupied.

80% of ITF graduates secure a job, 15% become entrepreneurs, and 5% pursue more education or a different path.

Mr Piwuna set out some of the challenges, first among which was funding because TVET was expensive to deliver and there were negative perceptions to overcome. Nevertheless, he believed that this was a good model that could be adapted to other countries and concluded by reminding the assembled participants that skills constituted the universal currency of the 21st century.

TVET is expensive to deliver and suffers from negative perceptions, but good models can overcome these challenges.

There were several questions from the floor regarding certification, funding, placements, training the trainers (a big challenge).

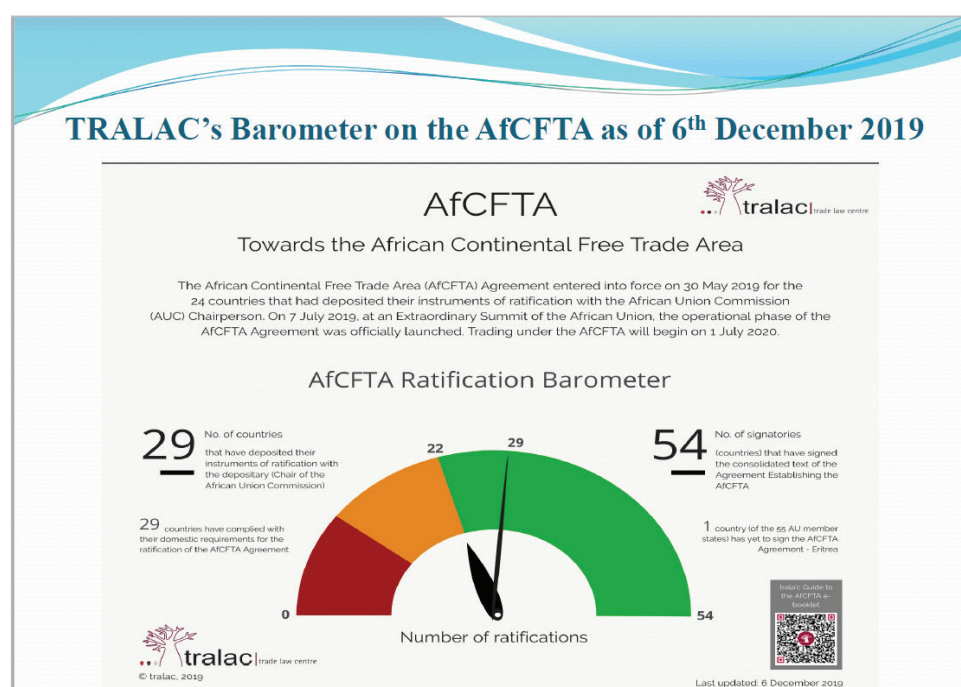
Skills constitute the universal currency of the 21st century.

Mr Piwuna said that the ITF did issue certification of various kinds, including City & Guilds and national skills qualifications. Placements were largely assured because of NECA's key role as a partner, which meant access to their members. Funding came from the private sector (a levy) and those government agencies with an enterprise remit.

Companies that took care of their own training could apply for reimbursement of the levy paid, on the condition that the training encompassed all levels of staff and not just managers. Quality assurance was in place to assess trainers and, where there were gaps, experts were enlisted (such as ILO).

IV: Africa Continental Free Trade Agreement (AfCFTA) – what is it and what are the potential benefits?

By Mr Mokom Marcel Young, Procurement Officer, Ministry of Public Contracts, Cameroon
Presentation may be downloaded here: <https://www.ioe-emp.org/en/members-regions/africa/>



Mr Young gave a comprehensive overview of the multilateral trade agreement (AfCFTA) reached between the 55 member States of the African Union, creating a single market of 1.2 billion people.

The AfCFTA Secretariat is now open in Accra, Ghana.

The free trade area Agreement is a product of both the Abuja treaty of 1991 establishing the African Economic Community and the Lagos Plan of Action of 1980 for the economic development of Africa. It emanated from the 10th Extraordinary Summit of the AU Assembly on 21 March 2018 in Kigali, Rwanda and entered into force on 30 May 2019. It is framed within WTO rules on regional trade agreements. Mr Young described the governance structure (please refer to the details in the presentation). Of note was that the Secretariat had been opened in Accra, Ghana a couple of weeks prior to the present Summit and that H.E. Wamkele Mene of South Africa had been appointed as its first Secretary-General.

Among its many potential benefits, the AfCFTA will stimulate production through the development of regional value chains.

Among the many benefits, the AfCFTA will increase African self-sufficiency, and the maximizing of Africa's resources for industrialization; it will create the largest free trade area since the creation of the WTO; increase trade among African countries; stimulate production through the development of regional value chains (as highlighted by Mr Julien earlier); dismantle non-tariff barriers and progressively eliminate tariffs; institute a pan-African payment settlement system to ensure timely payment in local currencies; pave the way for Africa's integration into the global economy as a player of considerable scale; create competition among African companies and in doing so boost quality; ease technology transfer; and support the

implementation of other AU flagship programmes, such as an integrated high-speed rail project, the African passport, free movement of people etc.

In response to a comment about risks, Mr Young advocated a focus on the opportunities that will arise from implementation. It was also important to note that this was a gradual process, with Phase I negotiations on goods and services nearing completion. He felt sure that the governance structure was well designed and that the eight existing economic communities would successfully negotiate the details.

V: Informality, Productivity, and Jobs in Africa – what are the challenges preventing advancement?

By Mr Samuel Asfaha, Senior Specialist for Africa, ILO (Geneva)

Presentation may be downloaded here: <https://www.ioe-emp.org/en/members-regions/africa/>

Mr Asfaha began by asserting that the root cause of low wages, low incomes and living standards could be traced back to protracted periods of low productivity, despite Africa's history of resilience, tenacity and an extraordinary capacity to adapt.

Protracted periods of low productivity have resulted in low wages and low living standards.

For Mr Asfaha, Africa had demonstrated the ability to innovate, but for survival rather than commercial purposes. Having said that, the matter was complex and did not have a simple solution. However, by focusing on enhancing productivity through a conducive business environment, the Abidjan Declaration took a step in the right direction.

Enhancing productivity through a conducive business environment is a step in the right direction.

Mr Asfaha had issues with the term “jobless growth”, which he did not believe to be a fair reflection of the impact of recent growth in Africa. Indeed, no single metric could be used to measure the impact of growth.

No single factor, including job creation, can be used to measure the impact of growth.

In fact, working poverty had declined sharply as a result of economic growth and real wages had grown by 19% over the past ten years – this meant that economic growth had actually had an extraordinarily positive effect. To illustrate his point, Mr Asfaha showed how increased productivity, in India, had resulted in increased household income and more unemployment, because the unemployed did not have to rush out and take the first job on offer; he or she could wait until the right opportunity came along because survival was not an issue.

Referring to his slides, Mr Asfaha showed how in the 1960s Africa and Asia were recording equal levels of productivity, yet today Asia was 40 times more productive.

Productivity growth is the main driver of long-term per capita income growth and living standards.

Another issue related to Africa’s sectoral composition. For example, the extractive industry recorded high rates of productivity because it was highly capital intensive. He underlined that there was growing consensus among economists that productivity growth was the main driver of long-term per capita income

growth and living standards. Productivity was, he went on, the central element of macro-economic issues, such as trade openness, human capital development, institutional factors.

Productivity is the central element of macro-economic issues, such as trade openness, capital development and institutional factors.

Mr Asfaha agreed that country-specific approaches were needed and, even if there was no magic bullet, skills development and putting the right infrastructures in place were essential to productivity growth.

One issue in Africa has been macro-economic instability. If governments were investing excessively in infrastructure development, this might result in crowding out the private sector because of high tax rates or heavy borrowing resulting in high interest rates and lack of private sector access to capital.

Governments must aim for balanced public spending on much-needed infrastructure investment and, at the same time, create the conditions for private sector growth.

This meant it was important to aim for balanced public spending on much needed infrastructure investment and at the same time create the conditions for the private sector to grow, adapt, innovate and expand. Currency instability and overvaluation were additional factors contributing to a turbulent environment.

Mr Asfaha asserted that macro-economic management, trade openness and FDI contributed alongside supportive policy frameworks to productivity growth because they facilitated technology transfer and diffusion, economies of scale and competitiveness.

Trade- and non-trade barriers have a negative impact on productivity growth.

There were trade and non-trade barriers impacting productivity growth, as well as the quality of labour (inadequate skills), which pointed to deficits in education and training systems. Institutional deficits also had a deleterious impact – the World Bank Doing Business report illustrated this shortcoming in many African countries.

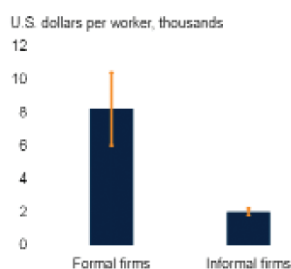
The sectoral composition of the African economy was problematic, with 70% of the labour force caught

up in agriculture, which had low productivity levels. Between 1960 and 2010, the population of Africa had almost doubled, but productivity growth remained close to zero, because the additional population had been absorbed into agriculture. Latin America proved an interesting example of people moving from agricultural into other, more productive, sectors.

Informality was a by-product of low productivity growth in Africa, with 60% of the workforce self-employed. The continent had fallen prey to a vicious cycle of low productivity and high informality. Mr Asfaha's graph showed a strong correlation between economic growth, productivity growth and a decline in informality.

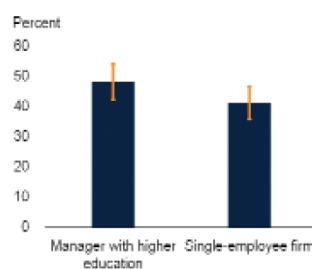
Productivity and Informality

A. Average productivity in formal and informal firms

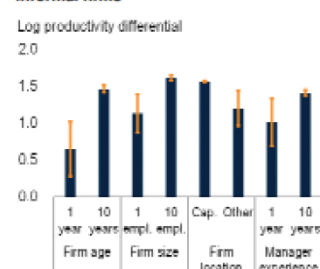


Source: World Bank.

B. Productivity differential between different types of informal firms



C. Productivity differential between formal and informal firms, by type of informal firms



World Bank, 2019, *Global Economic Prospects, A flagship report*

Africa is in a vicious cycle of low productivity and high informality.

This meant that one effective way to address informality was to address productivity growth. His data showed that informality was almost the norm in Africa and that informal firms were only a quarter as productive as formal enterprises. Although the formal sector was small, it was the only engine for productivity growth at this time and its existence was under threat because of unfair competition created by the informal sector.

The formal sector is the only engine for productivity growth.

Mr Asfaha noted that many enterprises were in the informal sector because they had been pushed into it for lack of a conducive environment for sustainable enterprise. However, some companies simply wanted to avoid taxation, social security costs and compliance with labour standards. This unfair competition did have an upside, which was that often it sparked innovation and higher productivity in the formal sector because this was the only way for formal firms to survive.

A question from the floor asked how to turn jobs in agriculture into more productive jobs. A point was made regarding leveraging technology to move jobs from informal to somewhat formal. A delegate from Burkina Faso made the point that in comparing Africa to other continents in terms of productivity, it was only fair to look at factors such as school enrolment, education and training – the continents had not been equal in that regard. A representative of the African Youth Commission said that without an adequate minimum wage, young people would leave their country or find an occupation that brought more financial gain, even criminal activity. Another asked how to combat the dumping of cheap goods from Asia into the informal market for distribution, which encourages informality.

Significant contributors to informality include demographics, social and political instability, inadequate education systems and bureaucracy and tax burdens.

Mr Megateli agreed that demographics was a significant factor in creating informality, the second was social and political instability, the third was the education system, and then came bureaucracy and tax. When it came to education, it was not a problem of enrolment, which was practically 100% in his country; it was that the system was not adapted to the needs of the labour market.

More rounded development policy can promote a progressive shift out of the unproductive agricultural sector and into more productive sectors.

Mr Asfaha said that a change of mentality could go some way to addressing the challenges. It was unlikely that productivity could be improved in the agriculture sector without moving some of the 70% of the underemployed workforce into another sector (which he believed would have no significant impact on agricultural output). Practically, it would not be possible to do this so the evolution had to be progressive and enabled by a more rounded development policy that took into account the rural economy, while allowing other sectors to expand and grow to be able to productively absorb some of the agricultural workers. Development policy needed to pay huge attention to the formal, productive sector with a view to this absorption. Such a structural shift was fundamental to economic and productivity growth in Africa.

VI: The Future of Work and Digitalization: what do they mean for Africa?

Moderated by Mr Mohammed Touzani, CGEM (Morocco), with Mr Amadou Fall Sako, CNP-Guinea and Ms Nadia Aimée, Founder and CEO, SheLeadsDigital

Mr Touzani began by proposing that the Future of Work (FoW) meant several things: artificial intelligence (AI), robots replacing humans, remote employees, climate change and other disruptors, and digitalization/digitization which would touch every sector, every day.

Addressing the future of work from a policy perspective means anticipating the changing nature of work, skills for the future and the governance of work.

Mr Sako commended IOE for having the FoW as a policy priority based on three pillars: the changing nature of work, skills for the future, and the governance of work. As a moderator of a panel at IOE's recent FoW Summit in Kuala Lumpur, Mr Sako shared the key takeaways from that event, chief among which was that employer and business-membership organizations (EBMOs) had to take active leadership in conducting forceful lobbying to bring all the stakeholders together to discuss the future of work.

EBMOs must exercise active leadership in advocating for and participating in multi-stakeholder discussions on future-of-work policies.

EBMOs had to collect the relevant data and present it to the governments on the relevant core and specific skills for each sector. There had been general

agreement that creativity was a core skill for the FoW. Third, EBMOs had to strengthen partnerships with government and the public sector and establish commitment to ongoing and inclusive social dialogue. Fourth, EBMOs should work to influence governments and education providers to find a balance between an academic and business-oriented mindset, marrying soft and practical skills, and finally, EBMOs had to take leadership in identifying and mapping best FoW preparedness practices from around the world so that they can be adapted to national contexts. He added that employers in Africa had to change their attitudes towards teleworking, which was still something of a taboo on the continent.

Digitalization is already everywhere – we all have a smart phone.

Ms Aimée told her own personal story, from finding herself homeless as a teenager, dropping out of school prematurely and finding at 18 that it was difficult to get work because of her non-traditional journey. By chance, an employer had encouraged her to learn to code in the company's IT department, which she had complemented with YouTube tutorials (she was certified in cyber-security). Ms Aimée had created SheLeadsDigital as a means to reach out to young people who had found themselves in unusual circumstances and wanted to learn and make a living.

YouTube and other online platforms provide training and certification opportunities in the digital field.

She noted that everyone at the Summit had a smartphone; proof that digitalization was already everywhere. Ms Aimée said that SheLeadsDigital would soon open a centre in Kinshasa to extend a helping hand to young people there and to train them for the jobs of tomorrow.

One participant asked whether technology should be viewed as a skill in itself or as an enabler.

Technology is both a skill in its own right as well as an enabler.

The delegate from the Namibian Employers' Federation said that often EBMOs did not have the technology and equipment necessary, but nevertheless people could learn new skills via YouTube or be inspired through Ted Talks. EBMOs had to learn to integrate new ways of learning into their operations.

In response to the question regarding enabling, a participant from Nigeria noted that NECA had conducted a survey of tech companies and found that they were not creating jobs in large numbers, but that they served as an engine of growth, and opened up opportunities and new platforms for others. However, the survey had also shown that the tech sector was not getting enough support from government. Few countries in Africa – Rwanda was a notable exception – were doing enough in this area. IT offered opportunities, but it would be important to have the right policies in place to promote further development.

The example of Kenya (mobile money) was raised to show that once a business case was proven, it was easier to get support. A delegate from the AYC raised the issue of African data being stored outside the continent. He also asked whether AI should be viewed as a threat to employment.

Ms Aimée illustrated that tech was at once an enabler and a job creator. As an enabler, it had allowed one of her clients who was setting up an e-shop to better predict what type of product would be most popular. She believed that Africa should be able to store its own data – often tech used in Africa had been developed outside. Apps needed to be built in Africa to meet Africa's needs. Tech created jobs because software developers, UNIX designers, project managers, cyber security experts etc were all needed. Mr Sako gave an example of an app being built in Guinea that used an individual's mobile payment history to create a scorecard so that individuals in the informal sector could apply for bank loans.

HR professionals must change their mindset regarding hiring individuals who have taken a less-traditional route to learning and certification.

Finally, Ms Aimée called on HR professionals to change their mindsets when recruiting, and to keep in mind that skills could be acquired in a myriad of ways. Tech skills could be formally validated and certified by Microsoft, Google etc., which also offered short courses that could be more useful than longer ones, given that tech skills had a short shelf-life.

Jobs in Africa: the work and voices of the social partners

VII: Work-based learning in Africa: how can we further expand TVET to develop skills for the labour market?

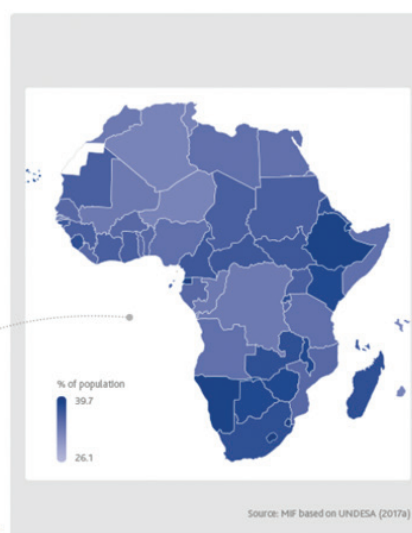
By Ms Nazrene Mannie, Executive Director, Global Apprenticeships Network (GAN) (Remotely from GAN HQ in Geneva)
Presentation may be downloaded here: <https://www.ioe-emp.org/en/members-regions/africa/>.

Building on the Youth Bulge- a benefit to the continent!

African countries: youth population
(aged 15-34) (2019)

Population aged 15-34 in 2019 (%)
Africa: 33.9
Europe: 23.6

Change in population aged 15-34 (%)
(2019-2100):
Africa: +181.4
Europe: -21.4



<https://medium.com/@MolbrahimFoundation/africas-first-challenge-the-youth-bulge-stuck-in-waithood-b37103c1e427>

GAN
GLOBAL

Ms Mannie began by giving some background on GAN, which had been founded as an independent, business-led body five years previously to focus on “skills for business and jobs for youth”. Since then, it had shifted strategy in response to business needs to skill, upskill and reskill across generations in the workforce. GAN approached work-based learning from a policy and practice perspective.

Skills development is not just for the youth. Businesses need to skill, upskill and reskill across generations in the workforce.

When it came to TVET in Africa, there was only a 6% enrolment rate, which showed there was a long way to go to ensure TVET was recognized, adopted and seen to be a worthwhile pathway. The school-university-TVET pyramid currently had TVET at the top; it should be school-TVET-university and people who underwent TVET should be respected as much as university graduates.

TVET must be recognized, adopted and seen as a worthwhile pathway to employment fulfilment.

Often governments did not invest in TVET and EBMOs had a role to play in advocating for better budgeting in this regard.

EBMOs need to lobby governments for more investment in TVET.

Ms Elizabeth Nouses, Training Liaison Officer at the Namibian Employers' Federation, reported that their GAN national network was working well alongside the national training authority, which helped employers with incentives.

A participant from the Nigerian ITF said that their dual system was similar to Germany's (20% theory and 80% practice), but there remained a perception problem which was slowly changing because of the lack of white-collar jobs. He agreed that governments had to be encouraged regarding funding, because TVET was expensive to deliver.

Mr Megateli noted that despite the system in Algeria being based on the experiences of Germany and the Netherlands, they still had not managed to match the output with the needs of business.

TVET output must match the needs of business locally – successful systems cannot simply be transplanted from one country to another.

Zambia stimulates interest in TVET from Grade 5 and 6 in primary school.

In Zambia, they had taken a different, holistic approach and applied the dual-training system all the way from primary school, with Grade 5 and 6 children being taken through TVET. From Grade 8, there were two streams, with some pupils following technical-oriented courses and others following an academic path. The aim was to capture interest in TVET from an early age. In Burkina Faso, 8,000 young people had been trained in targeted sectors through a Swiss-style TVET system.

In Liberia, TVET is taken into the community, and even into households.

In Liberia, efforts were being made to take TVET to the community and even household level to combat

the stigma attached to wearing a TVET uniform. For example, families were being trained in their homes to make soap.

In response to members' needs, CNP Togo had requested support from the World Bank to create a training centre for the industrial skills that were lacking locally.

In Togo, a training centre has been established with support from the World Bank to ensure the supply of industrial skills that are lacking locally.

Ms Aimée made the point that regardless of how many young people were trained, it was still important for employers to keep an open mind regarding the various learning pathways that could be taken.

The next participant said that the problem was that governments continued to believe that they were responsible for training. Businesses had to be involved in defining training needs when it came to TVET and should also contribute to the financing.

Business has to be involved in defining training needs and should contribute alongside government to the financing.

Ms Asfaha raised the point that in Germany the private sector participates in the governance of TVET systems and their needs are automatically reflected in the training that is delivered.

The private sector needs to participate in the governance of TVET systems to ensure automatic delivery of their skills needs.

Ms Aimée said that her company went directly to enterprises to ask what they needed in terms of skills.

Ms Ninelle Bassouka Nbila mentioned that in Congo, employers turned to the unions for advice as to training needs to avoid a situation where training did not match the skills needed.

Another speaker said that in his country they were using the mandatory year of service to one's country as a platform for upskilling graduates to make them more employable.

In Congo, employers work alongside trade unions to identify the skills gap and inform training accordingly.

They were trying to link up with sectoral skills councils because these bodies knew what skills were needed. They were also identifying which sectors did not have skills councils that could capture the sector's skills needs.

Social media can be used by influential figures in the community to portray a positive image of TVET.

A representative of AYC said that social media could be used by influential people in the community to promote a more positive image of TVET. The point was also made regarding the usefulness of promoting TVET directly in high schools.

It was agreed that there needed to be a specific TVET policy and an emphasis on STEM skills. Individual, isolated efforts would not necessarily solve the problem – a holistic approach involved the sectors, enterprises, labour, institutions, universities, colleges around a common goal.

There needs to be a specific TVET policy with an emphasis on STEM skills and the involvement of sectors, enterprises, labour, institutions, universities and colleges around a common goal.

Ms Mannie raised the need for strong data-based advocacy with governments, saying that EBMOs were well placed to establish such an evidence base in collaboration with the sectors themselves.

EBMOs are well placed to establish an evidence base of skills needs and to engage in data-based advocacy with government.

VIII: Skills and vocational education

By Ms Akustina Morni, Adviser, International Organisation of Employers (IOE)
(Remotely from IOE in Geneva) With Ms Salematou Sako, Secretary-General, National Council of Employers of Guinea (CNP-Guinée)
Presentation may be downloaded here: <https://www.ioe-emp.org/en/members-regions/africa/>

Evolution of soft skills needed in the workplace



Top 10 skills

in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgment and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

Ms Morni began by underlining the importance of skills development in a constantly evolving work environment and explaining the difference between hard and soft skills, illustrated in the example that reading a map was a hard skills and making a decision on the basis of the reading was a soft skill. Her slide showed the top ten skills needed this year as identified by the World Economic Forum (WEF). According to LinkedIn, there were at least 50,000 professional skills in the world today and those most sought by companies were: creativity, adaptability, persuasion, collaboration, and time management.

For the region, Ms Morni listed the seven skills identified by WEF that are needed by young Africans today:

1. Communication skills (spoken and written)
2. People management (relate well to those in your same company or organization)
3. STEM knowledge
4. Strategy skills
5. Analysis and problem-solving skills
6. 'Glocal' understand worldwide trends as well as contextual knowledge in a regional territory or local market.
7. Finance understand money and how finance works.

Referring to the IOE-ACT/EMP report of 2019 on the five megatrends impacting business, Ms Morni highlighted that all regions of the world had reported a shortage of the right skills.

All regions of the world report a shortage of the right skills.

Echoing previous speakers, she underlined the need for a coordinated approach to skills development across government, institutions, national statistics departments, employment services, the private sector as well as the need to review regularly the performance of training institutions.

There needs to be a coordinated approach to skills development involving government, institutions, national statistics departments, employment services and the private sector.

Social dialogue had a key role to play in building trust among stakeholders in shaping the learning agenda. She also underlined the need for the ILO to play a role in encouraging governments in the development of digital skills, taking into account stages of development and infrastructure. In parallel, it was important to instil the right mindset and attitude in terms of embracing new technology and innovation, because training alone would not be enough.

Training alone is not enough – it is important to instil the right mindset in individuals. In Guinea, the employers' organization supports entrepreneurship by providing workshops, information and mentoring by larger companies to small start-ups.

Ms Morni encouraged EBMOs to take advantage of the data published by ILO, World Bank and others and to join with IOE in urging ILO to invest adequate resources in skills anticipation.

Participants proposed that initiative, autonomy and entrepreneurial skills were also highly needed on the basis of member surveys they had conducted.

Speaking on the case of Guinea, Ms Sako said that there was a policy in place to promote locally produced goods, but that there was a lack of the skills needed to produce them. There was also, as everywhere, a mismatch between training offers and labour market, and the involvement of the private sector was not happening as it should. While a company could easily

be set up in Guinea (in less than 24 hours), people did not have the skills to run a business and turned to CNP for support.

In Guinea, the employers' organization supports entrepreneurship by providing workshops, information and mentoring by larger companies to small start-ups.

It was therefore a challenge for the EBMO to support start-ups that were not really ready. In response, CNP had put in place a "Salon des Entrepreneurs" (entrepreneurs trade fair), including workshops to provide information, draw up an annual plan, and connect the start-up to a bigger company that might give them a contract. She agreed that a change of mentality was needed with regard to TVET.

Mr Abdallah Djedid recounted his personal experience as an entrepreneur. His Swiss-based company, Helvetia Nuts, was a foodtech specializing in fair trade, premium cashew nuts. He agreed that work in agriculture suffered from a lack of positive recognition and advocated for better marketing and promotion in the sector. His business involved sourcing nuts from farmers in Côte d'Ivoire, and dates from farmers in Algeria, and adding European know-how to create products that are premium and fair. This had had a direct impact on the living conditions of farmers because he worked directly with the cooperatives and supported them to improve their techniques. Two in three companies set up in Africa failed for lack of knowledge and support, so this needed to be addressed. Mr Djedid advocated for a platform dedicated to young entrepreneurs for exchanging skills and knowledge.

A dedicated platform for young entrepreneurs is needed as a space to exchange skills and knowledge.

Mr Gerard Aka, a representative of FOPAO (Federation of West African Employers' Organizations), wondered whether the African labour market was as densely stratified as in Europe and called for work to be undertaken to list all the skills that were needed, and bring these into a formal framework for governments to create structures to address them.

Mr Toufik Cherradi, a delegate from CGEM Morocco, reported that an observatory had been created in his country to this end. It was financed by the vocational training system, which itself is funded by a levy on employers. This had allowed for 10 research projects to be launched on the needs of different enterprises by region and by sector, which provided practically all the necessary data for training purposes.

Morocco has established a TVET-system funded skills observatory to gather data on skills that are available and those that are missing and provides practically all the data necessary for training purposes.

Each sector needed scores of skills. Evaluation was built in, so that the trainee was ready for the workplace at the end of the training. Taking up the point that TVET is expensive, this speaker said that they had introduced VR to allow the trainee to practice on, for example, a virtual building site before graduating to a real workplace. This was the future of technical training.

Côte d'Ivoire had conducted a similar exercise, having structured the economy into 15 professional sectors, they had skills profiles for the relevant jobs. The private sector's involvement in the governance of the training was assured by decree and big companies, such as Nestlé, were becoming increasingly involved. Nestlé had its own training centre, which could be used by other companies in the agri-food sector.

Côte d'Ivoire has established skills profiles for 15 professional sectors to inform training courses.

There were multiple channels of financing, including from development partners. Regarding instilling an entrepreneurial mindset/attitude in young people, CGECI had launched a competition to choose 50 young people each year to be supported via an incubator within the federation. Big companies supported the young start-ups with management skills.

IX: Youth employment and social peace in Africa

By Ms Saïda Neghza, President of the General Confederation of Algerian Enterprises (CGEA), and of Business Africa



Ms Saïda Neghza, President of the General Confederation of Algerian Enterprises (CGEA), and of Business Africa with Mr Timothy Olawale, Director General of NECA

After thanking all those concerned for organizing the Summit and for the warm welcome to Lagos, Ms Neghza began by setting out the challenges to ensuring a brighter future for the continent, which included a lack of basic infrastructure, lagging behind digitally, protectionism, demographics etc. Efforts had

to be stepped up in terms of ensuring good governance and transparency and eliminating corruption.

Efforts must be stepped up to ensure good governance and transparency.

While noting that the youth bulge could be an asset, Ms Neghza cautioned that it could also lead to social ills (drug abuse, violence, perilous migration) if the right measures were not put in place to absorb young people into the labour market. She pointed to the many educated and skilled young Africans who were having to take jobs below their skills level, to work in the informal economy or in miserable conditions because of the lack of opportunity. She underlined that the ingredients for success were there in terms of resources (oil, gas, diamonds, rich agricultural land, a large young workforce).

The right measures need to be put in place to transform the youth bulge into an asset for the continent.

What was needed was an environment that was more supportive of young people to innovate and create small companies. Business Africa had a key role to play as a focal point for information and economic data, and as an advocator of responsible investment accompanied by technical knowhow and tech transfer.

Business Africa has a key role to play as a focal point for economic data and an advocator of responsible investment.

Ms Neghza insisted in the strongest terms that Business Africa step up its efforts to make a difference by acting in solidarity and speaking with one voice for business in Africa and called for a meeting of Presidents of Business Africa member federations to get down to concrete action.

Sub-regional review groups



Ms Anetha Awuku (IOE) introduced this session by recalling the recommendations for action as set out in the Blueprint for Jobs in Africa (2015) and the Tunis Action Plan (2017). The latter had proposed a timeline for implementation, as well as indicators regarding who should take the lead on specific actions. She set out the basic requirements for the private sector to be the engine for growth that it needed to be to boost productivity and job creation in the formal sector: political stability, economic predictability, skilled labour, adequate infrastructure and policy coherence, among others.

To fulfil its potential as an engine of growth, the private sector needs political stability, economic predictability, skilled labour, adequate infrastructure and policy coherence.

The delegates formed regional groups to showcase and exchange their country experiences of implementation and reported back to the Summit.

North Africa/Sahel

Rapporteur: Mr Mohammed Touzani, CGEM (Morocco)

Mr Touzani began with an overview, reporting a high unemployment rate in the region of around 10.5%, which was a bit higher for young people and women. Job-rich sectors included construction, public works, services, agro-food and tourism.

Weak economic growth, demographics, skills mismatch, lack of mechanisms to match skills with needs, and structural unemployment are hampering the growth of the labour market.

The group had identified five main factors hampering the growth of the labour market: weak economic growth, demographics (many young people and increasing numbers of women entering the labour market over the past 20 years), mismatch of skills and labour market needs, lack of a “bridge” between enterprises and skills providers, structural (long-term) unemployment.

Decrease bureaucracy and corruption, increase access to finance for young start-ups, establish sectoral strategies and regional development plans, encourage entrepreneurship.

Measures needed to redress the situation included: decreasing bureaucracy and corruption; increasing access to finance/credit for young start-ups; promoting the solidarity and social economy (especially for women-led business); putting in place sectoral strategies and regional plans; encouraging entrepreneurship.

Addressing the skills issue requires the direct involvement of the private sector in the TVET system.

Specifically, to address the skills issue, the private sector had to be directly involved by providing information to the State regarding which skills are needed. While VET had a key role to play, there were problems with the quality of trainers. There were also problems validating the professional skills of people who may have, say, 25 years' experience, to allow them to progress to the next level.

National, institutionalized and organized mechanisms of social dialogue are needed.

Mr Touzani also pointed to the need to replace the current periodic and informal approaches to social dialogue with national, institutionalized, and organized social dialogue systems that included specific numbers of meetings per year, agendas, and an annual programme.

EBMOs will continue to reinforce advocacy and have their voice heard.

From the EBMO side, efforts would continue to reinforce lobbying activity, keep up advocacy and be tenacious in having their voice heard. Some of the countries in this group had national employment policies in place and were waiting for first assessments on the impact on the labour market. For Mr Touzani, employment policies should be targeted to sectors and regions rather than attempt to address issues from a national perspective.

West Africa (anglophone countries)

Rapporteur: Mr Zachariah J Piwuna (ITF, Nigeria)

The rapporteur said that the unemployment rate in the region was also high, at 23%, with job-rich sectors similar to those in North Africa: agriculture, services, ICT, hospitality, tourism, construction, and manufacturing.

Challenges include poor infrastructure and policy change and inconsistency.

Challenges included a dearth of infrastructure, which Nigeria was tackling through an executive order, which ensured it was given emergency attention. Others included energy, policy inconsistency (frequently changing governments), lack of political will, etc.

Nigeria and Ghana have one-stop shops to register a business and access to capital has been stepped up.

However, steps had been taken to improve the environment for business. Nigeria and Ghana both had “one-stop shops” to register a business. Access to finance and capital had been stepped up, especially for SMEs, though some of the more traditional banks still maintained less-friendly criteria. A number of West African countries were enhancing their legal frameworks, which would create confidence and encourage investment.

Enhanced legal frameworks create confidence and encourage investment.

PPPs were being promoted, because governments had realized they could not do everything on their own.

Strengthen the institutions that are mandated to develop skills, which are an enabler of economic and social development.

Further steps in the right direction would involve setting up an overreaching body to discuss and promote skills and TVET; this would also involve strengthening the institutions that were mandated to develop skills. Most of the West African countries had identified skills as an enabler for economic and social development. Countries also had national recovery plans in place.

Establish Sectoral Skills Councils as key influencers of government on resourcing skills development.

There were national development plans which set out strategies, including for skills development. In terms of advocacy for job creation and skills development, the group highlighted the need for sectoral skills councils to be established, which would be in a strong position to influence government decisions on resourcing

skills development, which would pave the way for economic growth. In the case of Nigeria, there was a “national industrial revolution plan” and also NEDEP. For Nigeria, issues of infrastructure and human capital development were core to economic recovery.

Unlike the previous region, West Africa had formal mechanisms for social dialogue, but these could be improved by increased engagement. It would also be important to improve in areas of accountability and transparency.

East Africa

Rapporteur: Mr Dawit (David) Moges, Ethiopia Employers' Federation

EBMOs lack advocacy capacity and reliable data for decision-making.

Challenges for Ethiopia included a lack of advocacy capacity at the employers' organization, high levels of informality, weak structural institutional capacity, and lack of reliable data to make decisions and inform policy.

Employers and workers have a common agenda to promote industrial peace in Ethiopia.

However, on the positive side, the prime minister was young and pro-business, which allowed the private sector to be closer to the government. Social dialogue was therefore quite good, though it could be more regular. The employers and workers had a common agenda to promote industrial peace in the country.

The government is creating an attractive environment for investment by the diaspora.

In recent times, access to finance and transportation infrastructure had been improved, and the government was building industrial parks.

In general, the government was creating an environment to encourage the diaspora to invest in the local market. A shortage of foreign exchange meant that any enterprise in the export business was being heavily supported by the government in terms of utility and land accessibility.

Regarding inclusiveness, it was noted that marginal groups (women and disabled) were well represented in parliament and were being encouraged into education and the workplace.

A job creation commission has been established that involves the private sector.

TVET was one of the topics under discussion with the government and the private sector was being encouraged to invest in the education institutions. (There were more than 100 private higher education institutions in the country.) Quality, however, was an issue and the scope of TVET limited. As in other areas, there was a skills mismatch and a job creation commission had been recently established in which the employers' organization was involved. In advocating for skills development policies, there was a focus on the textile sector for its capacity to employ lots of labour and for its export potential.

Southern Africa

Rapporteur: Mr Hilary Hazele, Zambia Employers' Federation

Mr Hazele reported that many of his group's answers were similar to those from the other regions, but he nevertheless had some points to emphasize.

He began by noting that much of the recent labour legislation adopted in the SADC region was at

loggerheads with private sector development. In many countries it was so expensive to terminate employment that employers were more inclined to keep unproductive employees than to let them go.

Challenges include legal barriers to labour migration.

As in the other regions, there was a skills mismatch, and also significant legal barriers to labour migration, with laws in place that penalized employers for employing non-Zambians without informing the authorities, even if the employer could not find the skills they needed at home.

The region suffered high costs of financing. In Malawi and Zambia, interest rates for commercial loans were around 42-45% and there were other factors negatively impacting the ease of doing business as seen in the World Bank Doing Business report.

The region suffers high costs of financing.

He considered the “Aid for Construction – Aid for Development” schemes as an emerging problem, whereby countries were receiving development aid (for example from China) linked to construction projects with specific conditions, such as sourcing raw materials from China-based companies. This caused local companies to suffer.

West Africa and Central Africa

(francophone countries)

Rapporteur: Felix Yenan, CGECI, Côte d'Ivoire

Mr Felix Yenan reported an unemployment rate in the region of between 27% and 40%, with high incidences of under-employment and precarious employment.

Employment rich sectors were agriculture, and in some countries oil.

In West Africa, barriers to job creation are the same as in other regions, but there are good experiences of social dialogue.

Barriers to job creation were the same as those reported in other regions. However, when it came to social dialogue, there were good experiences to report, such as in Côte d'Ivoire, where social dialogue had been institutionalized through a National Council for Social Dialogue, which brought together all the major parties. The employers' organization had tried to establish the Independent Permanent Consultation Commission to deal with matters linked to social reforms, but the government had made promises (on minimum wage, pension age) which the employers could not keep.

CGECI has developed its own vision for the nation: Côte d'Ivoire 2040, which has a big impact on the development debate in the country and provides leverage with global institutions.

In terms of influencing the National Development Plan, one of the best ways – even before advocacy took place – was for the private sector to undertake studies to have its own vision for the country's development to serve as a compass. This had resulted in the Côte d'Ivoire 2040 vision, which was being promoted to the World Bank and the IMF. This had a big impact on the debate.

Ms Awuku invited other countries, as well as the African Youth Commission, and the trade unions, to submit their case studies directly to be compiled into national and sub-regional experiences that could be shared.

Closing Remarks

IOE supports capacity building for EBMOs to address informality, skills deficits and low productivity.

IOE Secretary-General Roberto Suárez kicked off the closing remarks. He underlined that the Summit had been a very useful networking and learning experience for understanding the specific needs of members on the continent, particularly in terms of support to address informality, skills deficits and low productivity. As a defender of the interests of employers, IOE was pushing hard, and particularly in the ILO, to ensure that advancing the skills and productivity agenda, which were especially important for Africa, was properly resourced.

Mr Suárez also noted the need for capacity building of EBMOs in the region, and he committed to discussing delivery further with ILO ACT/EMP. In terms of IOE follow-up from the meeting, Mr Suárez also committed to involving the Africa region in the current skills

project being undertaken jointly with Deloitte, and a second specific project on global supply chains and responsible business conduct. He concluded by thanking everyone who had been involved in organizing and making a success of the Summit.

This Summit should be a catalyst for action and implementation of measures to address the challenges set out.

As President of Business Africa, Ms Saïda Neghza added her words of gratitude.

Secretary-General of Business Africa, Ms Jacqueline Mugo, also thanked everyone concerned and expressed her hope that the Summit would be the anticipated catalyst for action and implementation of measures to address the priorities and challenges that had been set out.

Ms Mugo was confident that the participants were aware of the potential and the capacity of Africa, and the resource that they themselves represented. To make the most of these, she proposed better managing – and signing better contracts with – partners and others who invested Africa, and to have strong institutions at national, sub-regional and continental level. She also called for better streamlining the various sources of financing and resources to improve impact in terms of services to members.

Business Africa needs more investment of time and resources from the various stakeholders, and to have clarity of priorities and an implementation plan.

In order to have a strong continental body – a strong Business Africa – more investment of time and resources were required (from IOE, ILO and from the members themselves), as well as a Secretariat, to be able to do the kind of work Ms Neghza had referred to – in order to be effective advocates at AU, EU and other forums. The first priority would be having clarity of priorities, then a very clear implementation plan, then a commitment from Business Africa members to invest. The priorities had already been set out: Enhancing the productivity of African enterprises, developing hard and soft skills, building responsive

and quality TVET institutions, addressing informality, and taking social dialogue beyond the traditional labour and social affairs agenda.

EBMOs at this Summit have to take the learnings back home to their federations and work on implementation.



Dr Timothy Olawale, Director General of NECA

Dr Timothy Olawale, Director General of NECA, had the final word and recapitulated the months of planning and hard work that had gone into the organization and hosting of the Summit. He thanked all those concerned. For him, a key question now centred on the next steps arising from the many hours of debate and discussion. He asserted that the problem in Africa was not a lack of rich designs, but of implementation. His hope was that, this time, it would be different. He encouraged the participants to reflect on the proceedings. As government ministries of labour and finance, and training institutions, how, as critical partners, to support the private sector? As employers, be sure to present the learnings from this Summit to federations back home and work on implementation.

Dr Olawale extended his heartfelt thanks to everyone involved in the organization of the event, and to Mr Suárez for the duly noted follow-up commitments he had made on behalf of IOE.

6th African Social Partners' Summit

Participants

1. ABATAN, Matthew O.	African Union, HRST, Addis Ababa
2. ABOTSI, Adjoyo Kekeli	CNP-Togo (Togo national employers' organisation)
3. ABRAR, Ibrahim	Organisation for African Trade Union Unity (OATUU)
4. AHMED, Zeituna Abdella	Ethiopian Employers' Federation
5. AIME, Nadia	SheLeadsDigital
6. AKA, Gerard Assoma	FOPAO (Federation of west African employers' organisations)
7. AKPABIO, Thompson	Nigeria Employers' Consultative Association (NECA)
8. ALEMU, Dawit Moges	Ethiopian Employers' Federation
9. ALLI, Joke	Fidson Healthcare plc
10. AMUAH, Joseph Kingsley	Ghana Employers' Association
11. ASFAHA, Samuel G	International Labour Organization (ILO)
12. AWUKU, Anetha	International Organisation of Employers (IOE)
13. AYIBIOWU, Richard	Pivot Engineering Company Limited
14. AYODELE, Olusola	Nigeria Employers' Consultative Association (NECA)
15. BALIKUNGERI, Caroline	International Organisation of Employers (IOE)
16. BANKOLE, Debola	Nigeria Employers' Consultative Association (NECA)
17. BASSOUKA-MBILA, Ninelle	UNICONGO (Republic of Congo)
18. BATUKERA, Carole	Fédération des entreprises du Congo (DRC)
19. DJEDID, Abdallah	Helvetia Nuts
20. DRABO, Anderson	National Confederation of Workers of Burkina Faso (CNTB)
21. EDORE, Peter	Intercontinental Distillers Ltd.
22. ELUCHE, Azwica	Nigerian AGIP Oil
23. EZIEKE, Nkiruka	Nigeria Employers' Consultative Association (NECA)
24. FATAI, Razaq Adewale	ONE Campaign (Nigeria)
25. GUEYE, Ismaël	CNP-Sénégal (Senegal national employers' organisation)

26. HAZELE, Hilary C.	Zambia Employers' Federation
27. HAROUNA, Togoyeni	CNPB (Burkina Faso national employers' organisation)
28. IGWE, Dr Israel	Federal Ministry of Finance of Nigeria
29. JONES, Adewale	Association of Foods Beverages and Tobacco Employers' of Nigeria
30. JULIEN, Emmanuel	International Labour Organization (ILO)
31. KUBSA, Abdurahiman	Ethiopian Employers' Federation
32. LAWAL, Damola	NECA's Global Certification Limited (NGCL)
33. MAIMO, Flomo M.	African Youth Commission
34. MEGATELI, El Mahfoud	General Council of Employers of Algeria (CGEA)
35. MODIBO, Tolo	CNP-Mali (Mali national employers' organisation)
36. MUGO, Jacqueline	Federation of Kenya Employers/Business Africa
37. NEGHZA, Saïda	General Council of Employers of Algeria (CGEA)
38. NOUSES, Elizabeth	Namibian Employers' Federation
39. OLALEYE, Quadri	Trade Union Congress of Nigeria
40. OLAWALE, Timothy	Nigeria Employers' Consultative Association (NECA)
41. OSUNTUYI, Olubunmi	ICC Nigeria
42. OYERINDE, Wale-Smatt	Nigeria Employers' Consultative Association (NECA)
43. PIWUNA, Zachariah J.	Industrial Training Fund of Nigeria
44. POPOOLA, Sheriff	9 Mobile Nigeria
45. SAKO, Amadou	CNP-Guinée (Guinea national employers' organisation)
46. SAKO, Salématou	CNP-Guinée (Guinea national employers' organisation)
47. SAMUEL OLONJUWON, C.	International Labour Organization (ILO)
48. SILLAH, Kawsu	African Youth Commission
49. STRAUSS, Daan	Namibian Employers' Federation
50. TOTOYI, Gbenga	Chartered Institute of Personnel Management of Nigeria
51. TOUFIK, Cherradi	CGEM (Morocco national employers' organisation)
52. TOUZANI, Mohammed	CGEM (Morocco national employers' organisation)
53. VAUGHAN, Kemi	Jobberman Nigeria
54. WABBA, Ayuba	ITUC/NLC
55. YENAN, Felix	National Confederation of Enterprises of Côte d'Ivoire (CGECI)
56. YOUNG, Mokom Marcel	TRALAC
57. ZARE, Abdoul Kader	CNPB (Burkina Faso national employers' organisation)
58. ZULU, Dennis	International Labour Organization

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