

OCCASIONAL PAPERS

WORKING, BUT NOT WELL

**notes on the nature and extent
of employment problems
in Sub-Saharan Africa**

by Fred FLUITMAN*

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WORKING, BUT NOT WELL - notes on the nature and extent of employment problems in Sub-Saharan Africa

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TABLE OF CONTENTS

Executive Summary.....	1
Introduction	3
The Supply of Labour	6
The quality of supply, or the state of education and training.....	8
The Demand for Labour	15
Rural employment	17
Informal sector employment.....	18
Formal sector employment.....	20
Unemployment	22
Wages, Incomes, Poverty.....	24
Selected Issues	26
Gender issues.....	26
Child labour	27
Youth unemployment	28
People moving to other places.....	29
HIV/ AIDS.....	31
Concluding Remarks.....	36

EXECUTIVE SUMMARY

While the link between the work that people do and the income they earn, may appear obvious to common men and women, employment has hardly made it to the policy agendas of those who are said to be preoccupied with poverty reduction in developing countries.

In Sub-Saharan Africa, half the population is officially estimated to be poor: they live on less than one dollar per day. Yet, a large majority of the African labour force does work, even if unemployment rates are believed to be high in several countries. The present paper argues that it is the sort of work people do, and the manner in which they do it, that are at the roots of poverty. It presents, briefly, and admittedly handicapped by a serious lack of pertinent statistics, a variety of employment and labour market issues that may have to be addressed if poverty is to be alleviated.

The Sub-Saharan population and its labour force are growing at a rapid rate. Plausible estimates suggest that, on average, every single year of the current decade, between seven and ten million additional women and men would be looking for work and income in one of the multiple labour markets on the continent. Many of them, and of those already in the labour force, have only limited knowledge and skills of the sort that might be of help in making ends meet. The quality of the labour force is largely a reflection of what countries invest in education and training, and such investments, never massive, have come under severe pressure in recent years in many countries.

African labour markets are largely characterised by the fact that aggregate demand bears no relationship to what is, no doubt, a structural oversupply of labour. There are, by far, not enough wage-jobs for all currently un- or under-employed, or newly joining the labour market. In many African countries not more than ten per cent of the labour force are wage-employed, and their share appears to be shrinking where formal sector employers, including governments, have stopped hiring. Not being demanded by any employer, most people end up self-employed, or as unpaid family helpers, on mini farms, or in micro-enterprises of the informal sector variety. Almost all of them work at low levels of productivity, as low and declining income levels will testify.

Depending on the country, certain issues may be particularly significant in shaping labour market realities. Or they may represent major hurdles in tackling various employment problems. Thus, a wide range of structural constraints and inequities prevent African women from participating more fully and more efficiently in their country's labour markets. These include laws and cultural norms, concerning, for example, their access to land, credit, productive inputs, information, and health care. As regards education and training, considerable differences in literacy rates for men and women speak for themselves.

The “working poor” are likely to be underemployed where there is a lack of demand for their product. This may be due to the saturation of markets and people not knowing what else to produce, or to the fact that they are unable to meet certain quality standards. The working poor are likely to be over-employed where productivity is low because they lack the necessary skills, or the appropriate technology, or because of failing health, or because the land is exhausted, or in need of rain. These problems are made worse in countries where turmoil upsets the normal pace, where assets are destroyed, and where large numbers of people are forced to move; where health crises, notably malaria and HIV/AIDS, kill literally millions; where possible solutions are compromised by unbearable debt burdens, by inept governance, or by the erosion of education and training systems.

For labour markets to function properly, for more jobs to be created and for work to become more decent, or, in short, for poverty to be alleviated, social stability and employment-intensive economic growth are essential conditions. In this context, education and training assume critical proportions as part of whatever investment strategies may be considered appropriate. It is not so evident however, that more of the same is called for. As things stand, it is difficult to grasp, for example, why not more is done in targeting low and declining productivity, or unsafe practices, in agriculture, the sector in which most African people work, and African women in particular. And it is often far from clear why governments keep investing their scarce resources in pre-employment training for sectors that are not hiring, while people who have no choice but to create their own employment, pay dearly to private training providers that are not always up to the task. In as much as poverty reduction depends on growth as well as on income distribution, employment and training policies may represent options, namely for many to progress gradually, or for a few to progress a lot. And where markets of any kind, including training markets, are typically distorted, governments may have to step in to ensure efficiency as well as equity.

INTRODUCTION

The notion that poverty is a direct consequence of the fact that the work that people do does not result in sufficient income, or that poverty is closely associated with what may be wrong with work, is not usually made explicit in the development debate. Yet, decent income opportunities for all who are available for work, would appear to be a perfect panacea in poverty reduction strategies. Where such income opportunities are lacking in a big way, and Sub-Saharan Africa is a prime example, governments and their advisers should possibly pay more attention to understanding employment and labour market issues, and to pursuing pertinent policies. It should be appreciated, to begin with, that a large majority of the African labour force does work, even if unemployment rates are said to be high in several countries. It is the sort of work they do, and the manner in which they do it, that are at the roots of poverty.

The fact that half the population of Sub-Saharan Africa is estimated to live on less than a dollar a day, should be directly associated with a variety of employment problems. The present notes on the current nature and extent of such problems, are meant to illustrate their complexity and their seriousness. They have been drafted, admittedly, without the benefit of all the statistical evidence one would have liked to have, and, they should therefore, not be interpreted to mean that all is equally bleak everywhere. Surely, there exist considerable differences among African labour markets. However, on the basis of a variety of plausible signals not captured in figures, it should be safe to assume that the examples in this paper, drawn from a limited range of countries, also represent realities in other parts of the continent.

Most Sub-Saharan African countries know little about their labour markets, either because they do not have the statistics, or because the statistics they have are outdated, unreliable, incomparable, or otherwise of limited utility. In other words, it is more often than not, difficult to have a clear picture of the size and composition of labour markets, and their dynamics. Efforts to remedy the situation, such as by establishing “labour market observatories” in a number of countries, appear, so far, to have remained largely ineffective. This information constraint may be both a consequence of, and an explanation for the fact that Sub-Saharan African governments do not usually consider what happens in their labour markets of critical importance in meeting national aspirations. Indeed, labour market and employment policies often fail to make it to the policy agendas. With a few exceptions, such as South Africa, there appear to be precious few African governments pursuing comprehensive labour market and employment policies as a prime avenue in tackling inequity and poverty.

Standard labour market indicators that would allow one to arrive at solid conclusions about trends and issues, are, therefore, not usually available for Sub-Saharan African countries. The common sources for comparative purposes, such as the ILO Yearbook of Labour Statistics, will readily confirm the fact: the pertinent pages are empty. And when,

occasionally, it is possible to pinpoint bits and pieces of labour market information, it is their quality that may pose serious problems. Whatever figures may circulate, they often date back more than five years, or they concern different periods that should not be compared. Or the data might mainly concern two or three, not necessarily representative Sub-Saharan African countries, such as South Africa, Mauritius and Botswana. Moreover, fundamentally different definitions may have been used, rendering international comparison practically meaningless. For example, as regards the number of men and women working, one country may present all those employed, irrespective of their employment status or economic sector, whereas an other country may merely present the number of wage employees in modern sector manufacturing enterprises with more than five workers. Numerous definitions of unemployment are being used, between and even within countries. Wage and income data are notoriously difficult to compare over time, or between places. Education and, particularly, training systems may differ from country to country so that comparisons, for example of attainment levels, are essentially flawed. And so on and so forth.

The fact that there are not enough comparable statistics does, obviously, not mean that certain important labour market phenomena cannot be corroborated. Information of a qualitative nature may indeed be available and equally valid. Critical “on the ground” observers are bound to pick up multiple signals to arrive at reasoned opinions about particular developments affecting more than a few countries. Thus, it needs no prior approval by statisticians to suggest, for example, that, in most of Africa, formal sector employment has shrunk, as a consequence of reduced government expenditure, privatisation, persistent recession, or all of these factors combined. And if the available population and labour force participation estimates suggest a steady, net increase in labour supply, fewer jobs in the formal sector must then mean, either an increase in open unemployment, or an increase in alternative, informal sector wage- or self-employment. If poverty is widely seen to increase, one might conclude that economic growth is lagging population growth, and/or that income distribution is worsening. If outlays for education and training are subject to major reductions, it makes perfect sense to believe that school enrolments and/or the quality of learning will decline. And if staggering numbers of working age people are suffering from debilitating diseases, one may assume that labour productivity and output risk being affected as a result. Moreover, as regards important issues, certain country case studies, or micro-level data, are occasionally available and do provide insights that, with the necessary care (*ceteris paribus!*) may be seen to apply in other places.

Be that as it may, if employment problems, including education and training issues, are prodding African policy makers to act, they had better first improve their labour market information systems. Meanwhile, students of African labour markets should recognise the limitations to be observed in drawing conclusions, particularly if they are to be based on international comparison. In keeping with this admonition, the present paper will review, for Sub-Saharan African countries as a group, the supply of labour, and then discuss the demand for it, or rather the deployment of such labour. It will thereafter present, briefly, some issues of considerable concern to many African countries, namely gender issues, child labour, youth unemployment, various forms of labour mobility, and HIV/AIDS.

THE SUPPLY OF LABOUR

The Sub-Saharan African population is growing at a fast pace, estimated at almost three per cent per year. It is thus expected that their numbers will increase from 653 million in the year 2000, to 854 million by the year 2010¹. As a direct consequence, the Sub-Saharan labour force will also increase rapidly and, if current growth rates hold, double in 25 years. The ILO estimates the total labour force of the region at slightly over 273 million, in 1997, with 42 per cent of them women. Pertinent data for the largest countries in the region are included in table 1 below.

If the current labour force growth rate of 2.8 per cent per year would hold, the Sub-Saharan labour force would exceed 300 million in 2001, and 400 million by the year 2011. The magnitude of Africa's employment challenge may be appreciated by finding that, on average, every single year in the current decade, some 10 million additional people would be looking for work and income in one of Africa's multiple labour markets. Even if the Sub-Saharan labour force would, henceforth, increase at a somewhat lower pace, for example at 2.2 per cent during the decade², the region would have to cope with more than 7 million additional job seekers per year.

¹ See: ILO, *Jobs For Africa: A Policy Framework for an Employment-Intensive Growth Strategy*, ILO, Geneva, 1997. Other estimates, such as presented in various issues of the World Bank's annual World Development Report, may vary somewhat, but orders of magnitude remain the same.

² See, e.g.: World Bank, *2001 World Development Indicators*, table 2.2

Table 1: Labour force and labour force participation rates, selected Sub-Saharan African countries, by sex, 1980 and 1997.

Country / Year	Labour force		Labour force participation rates					
	Total ('000)	Annual growth	Total		Men		Women	
	1997	1980-97	1980	1997	1980	1997	1980	1997
Angola	5 298	2.5	49.4	45.8	53.3	49.7	45.7	41.9
Burkina Faso	5 541	2.3	54.6	50.0	57.7	53.5	51.6	46.5
Cameroon	5 650	2.7	41.8	40.5	53.6	50.8	30.4	30.4
Cote d'Ivoire	5 675	3.3	40.0	39.7	53.1	52.2	26.4	26.7
D.R.of Congo	20 074	3.1	44.5	41.8	50.4	47.7	38.8	36.0
Ethiopia	26 053	2.8	44.9	43.3	52.4	51.0	37.5	35.6
Ghana	8 632	3.1	47.4	47.1	46.8	46.8	47.9	47.3
Kenya	14 376	3.6	47.1	50.6	50.8	54.5	43.3	46.7
Madagascar	7 423	3.1	48.7	46.9	54.0	51.9	43.6	41.8
Mali	5 616	2.8	51.5	48.9	56.2	53.3	47.0	44.6
Mozambique	9 484	2.1	55.3	51.9	57.3	54.3	53.3	49.7
Nigeria	46 791	2.7	41.5	39.5	53.6	50.9	29.7	28.4
South Africa	17 035	2.6	37.5	39.3	48.9	49.4	26.2	29.4
Sudan	10 945	2.8	36.6	39.2	53.4	55.7	19.7	22.7
Tanzania	16 170	3.2	51.2	51.3	52.2	52.6	50.2	50.1
Uganda	10 309	2.5	51.7	49.6	54.3	52.2	49.1	47.0
Zimbabwe	5 383	3.1	44.9	46.1	50.4	51.6	39.5	40.6

Notes: Sub-Saharan Africa equals Africa minus Egypt, Libya, Tunisia, Algeria and Morocco. Countries in this table were selected for having a total labour force of more than 5 million each, in 1997. The labour force, or economically active population, is defined as all persons of either sex who furnished the supply of labour for the production of goods and services during a specified time reference period. The labour force participation rate is defined here as the ratio of the economically active population aged 10 years and over, by the population of all ages.

Source: ILO estimates and projections, included in: ILO, *World Employment Report 1998-99*.

Data on the size and growth of the labour force are among the few statistics available for all countries, because they are the outcome of a model which applies observed-or constructed- labour force participation rates, by sex and age, to population data that have their roots in censuses³. They should be treated with care, particularly in international comparison. This may be illustrated by considering female participation rates, which in most countries seem to be gradually decreasing over time (table 1). In fact, one is re-observing what the underlying model assumes, namely that in countries at low levels of development, with most people active in rural areas, female participation is usually high; it is seen to decline, however, as a consequence of rural to urban migration, in the context of which women, who follow their husbands to town, find it no longer possible to be economically active - as defined by labour statisticians. However, once they are well established, a number of them are seen to return to the labour market, eventually raising participation rates again. In reality, one may come across data suggesting that crises of different sorts have already led African women, increasingly, to join, or rejoin, the labour force. Which would, in turn, explain growing unemployment rates among women, or support the view that women represent a majority of the self-employed in subsistence farming, or in urban micro-enterprises (“the feminisation of the informal sector”). Suffice it to reiterate, that reliable labour market information is seriously wanting in virtually all Sub-Saharan African countries and that, in any event, what happened, at some place, at some time in the past, need not always and everywhere repeat itself.

The quality of supply, or the state of education and training

The quality of the growing labour force is in large measure an outcome of investment in the development of human resources, in particular in education and training. Data on education in Africa are, more often than not, far from complete, far from up-to-date, or for other reasons of limited utility. Meaningful data on training and skills development are virtually non-existent. That being noted, adult literacy rates may be considered a first, admittedly rough, indicator of the quality of labour supply. The available literacy statistics for Sub-Saharan Africa show four things clearly, namely (i) that literacy rates have gone up everywhere between 1985 and 1995; (ii) that there is, on the whole, still a long way to go; (iii) that there are major differences among countries in the region; and (iv) that women in all but a few countries score dramatically lower than men (table 2).

³ For a useful technical discussion, see: ILO, *Key Indicators of the Labour Market 1999*, Chapter 1, ILO, Geneva, 1999. This global statistical compendium presents, in 18 indicators, important labour market data, by country, and over time; unfortunately, the pages set aside for data from African countries, remain almost entirely empty.

Table 2: Adult literacy rates for selected African countries, 1985 and 1995, male and female rates for 1995, percentages of the corresponding population, 15 years old and over

Year	1985	1995	1995	1995
Country	Total	Total	Male	Female
Botswana	63	73	70	75
Burkina Faso	13	20	29	11
Cameroon	55	70	77	62
Ethiopia	27	36	36	25
Ghana	51	65	75	55
Ivory Coast	28	40	49	30
Kenya	64	77	85	69
Mozambique	29	39	55	23
Nigeria	41	56	66	47
South Africa	79	83	84	82
Sudan	35	46	58	35
Tanzania	56	68	79	57
Uganda	51	61	73	50

Source: Based on Association for the Development of Education in Africa: www.adeanet.org/spessa99

A second “human capital” indicator concerns school enrolments. The World Bank presents for a number of countries, which had household surveys undertaken in the mid-1990s, “standardised welfare indicators”, including net primary and net secondary school enrolment rates⁴. These rates suggest that major differences exist in enrolment rates, and more so among countries, than between men and women (table 3). Rural enrolment rates (not shown here) tend to be lower than urban rates, somewhat so at the primary level, and considerably so at the secondary level⁵.

⁴ Net primary and net secondary school enrolment rates are defined as the number of children of primary school age (6 to 13 years) and secondary school age (14 to 18 years) respectively, enrolled as a proportion of the total number of children in these age groups.

⁵ To illustrate the problem of presenting plausible and comparable data, it may be noted that an other set of enrolment rates, also available from the World Bank, includes rather diverging percentages. The World Development Report 2000-2001, in its annex of Selected World Development Indicators (Table 6), had Cote d’Ivoire’s net primary rate for 1997 at 58 per cent, up from 55 per cent in 1980; the country’s net secondary enrolment rate is stated as 34 per cent in 1997, down from 39 per cent in 1980. In the case of Zambia, the net primary enrolment rate, reportedly, declined from 77 to 72 per cent over the 1980-1997 period, and the net secondary enrolment rate declined from 42 to 35 per cent.

Table 3: Net primary and net secondary enrolment rates for selected African countries, 1993-1997, by sex, percentages of total number of children in the corresponding age group

Country	Year	Net primary enrolment rate			Net secondary enrolment rate		
		Total	Male	Female	Total	Male	Female
Cote d'Ivoire	1995	38	40	35	18	22	14
Ethiopia	1995	19	22	16	9	9	9
Ghana	1997	63	64	62	38	41	36
Madagascar	1993	31	30	32	15	15	15
Mauritania	1995	39	40	37	10	11	9
Zambia	1996	65	65	65	19	21	17

Source: Based on data found on <http://www4.worldbank.org/afr/poverty/measuring/indicators/>

A third indicator reflects educational attainment. The data set including the above enrolment rates, also includes the education levels of heads of households. While data are not separately available for male and female household heads, it is safe to assume that in most cases, attainment rates for women are lower than those for men. Education levels of rural heads of households (not shown here) are, on average, much lower than education levels of urban household heads (table 4).

Table 4: Education levels of heads of households for selected African countries, 1993-1997, percentages of all heads of households

Country	Year	No education	Prim. not completed	Prim. compl. no sec.	Second. not compl.	Sec. compl./higher
Cote d'Ivoire	1995	60	5	14	11	10
Ethiopia	1995	75	14	2	6	4
Ghana	1997	41	6	3	36	13
Madagascar	1993	29	49	4	15	3
Mauritania	1995	85	6	2	2	5
Zambia	1996	18	28	19	20	14

Source: Based on data found on <http://www4.worldbank.org/afr/poverty/measuring/indicators/>

The 1997 Namibia Labour Force Survey shows that half of the total labour force had reached an education level higher than primary school completed. There were, naturally, variations in these rates for certain segments of the labour force, such as women, or the unemployed, but these seem relatively minor. Much as one would expect, the urban labour force was, on average, better educated than the rural labour force. And the educational profile of the unemployed suggests, both, that the unemployed were not necessarily less educated, and that the less educated were not necessarily more likely to be unemployed (table 5).

Table 5: Namibia , educational attainment for various labour force categories, 1997, percentages

Education level	total labour force	female labour force	the un-employed*	urban labour force
None	15.6	13.5	10.5	7.0
Primary	37.2	35.2	38.4	27.9
Junior secondary	25.4	28.9	33.8	32.0
Senior secondary	14.2	14.8	15.9	21.8
University	3.2	2.8	...	5.8
Total (numbers)	498,324	230,000	97,121	233,781

Source: Based on Namibia Labour Force Survey 1997, table A.12.

Note: * narrow definition

If, for whatever reason, one were to compare educational attainment in Namibia and Ethiopia, one would find, first, that the far smaller Namibian population is far better educated, on average, and that the gap between women and men is not as wide. However, a number of tendencies are the same for both countries, such as the stark difference between urban and rural figures (as implied in the difference between urban and total figures) and the suggestion that unemployment is not in the first place a matter of a lack of education (table 6).

Table 6: Ethiopia: education levels for various segments of the population age 10 and over, 1999, percentages

Education level	10+ population	female 10+ pop.	the unemployed	urban 10+ pop.
None	69.9	80.6	53.5	28.6
Primary	23.6	16.3	32.6	53.6
Secondary	1.8	1.4	9.2	9.5
Tertiary	0.9	0.5	1.5	4.9
Total (numbers)	36,293,450	18,558,040	2,198,800	5,883,270

Source: Based on Ethiopia Labour Force Survey 1999.

The state of education and training in Sub-Saharan Africa countries is, on the whole, deplorable, and this is bound to be reflected in labour market performance. As an illustration one may consider the case of Cameroon, a country whose formal education and training system is in bad shape as a consequence of years of under-funding and lack of proper management. Recovery is high on the policy agenda, but appears slow to materialise. The background section of a 1997 World Bank analysis carried out to make the case for a basic education improvement project⁶, summed up the situation by finding, inter alia, that: “learning results at both primary and secondary level have been very poor and are jeopardising human resource development. In almost all parts of the country, primary school enrolment rates have been falling over much of the past decade, and currently, the gross enrolment rate stands at 83 per cent compared with 114 per cent ten years ago. Between 1987/88 and 1996/97, there was almost no recruitment of primary school teachers and thus the system became increasingly dependent on teachers paid by parents⁷. Many teachers graduating from teacher training colleges (which were only reopened in 1995/96 after being closed for five years) still lack some of the skills needed for effective teaching. [...] The quality of the system has declined resulting in average repetition rates of 29 per cent”⁸. Enrolment rates do not, however, present the whole picture of exclusion from the education system. Significant proportions of pupils, initially enrolled, never

⁶ Report PID5206, found on the World Bank website: www.worldbank.org.

⁷ The Cameroon Ministry of Education estimates that it employed 17 433 primary school teachers (or one for every 82 pupils) in 1998, as compared to 25 185 teachers (or one for every 50 pupils) in 1988. There was a shortage, therefore, of some 15,000 primary school teachers in 1998, based on an average of 50 pupils per teacher.

⁸ Other sources cite a gross enrolment rate of 75 per cent in 1995/96. It is not uncommon for gross enrolment rates to exceed 100 per cent, because they relate actual enrolments, for example in a 6-year primary school system, to the number of children in a corresponding 6-year age group (e.g. all children 6-11 years of age). And, obviously, there are many 12- and 13- and even 16-year old children enrolled in the primary schools of Cameroon. Gross enrolment rates are, therefore, necessarily, high in countries which, for one reason or another, have many late starters and/or high repeater rates. With a reported gross enrolment rate of 83 per cent, and a repeater rate of 29 per cent, it is more than likely that almost half of all school-age children in Cameroon are not enrolled. Finally, it should be recognised that enrolment data do not necessarily match actual attendance in schools.

complete their primary education. For example, in 1998/99 there were, on average, 48 girls per 100 pupils in the first grade, and 39 girls per 100 pupils in the sixth grade of primary school. The World Bank report goes on to say that “technical colleges are not providing meaningful job-oriented practical training due to a lack of teacher motivation, poor planning of the disciplines that are taught, resource constraints, and a complete separation between the colleges and the world of work”. And that “no education statistics were collected between 1988 and 1995, and few if any other data sets have been available. The Ministry has thus lacked the information needed to rationally plan the use of increasingly scarce resources for the system.”

Cameroon is certainly not the only country of the sort. In Benin, with a population of just over six million, some 40 per cent of children never make it to school. More than 840,000 children were enrolled in primary schools in 1997-98, 38 per cent of them female. Of every 1000 children who start in primary, 319 reach grade six, and only 164 succeed in obtaining a primary school certificate. Similar rates of dropout and failure (of the system, one is tempted to add) are seen at the secondary level, which enrolled almost 170,000 students, 31 per cent of them female.⁹

If basic education in Africa is facing untold challenges, subsequent vocational training, and other modes of skills development, are not faring any better, either in terms of coverage or quality. Typically, very few school leavers, anywhere, have access to government-supported institutions that offer pre-employment training. And those who do, will often find that these programmes, if not aimed at non-existing jobs, are hardly appreciated by employers. Increasingly, private providers, be they commercial or not-for-profit institutions, have entered the training market, and some of them have solid reputations. On the whole, however, their impact appears to be limited. Other training agents include relatively few, medium and large-scale private sector enterprises that are running their own training facilities. However, such firms absorb only a minute fraction of the labour force of African countries. Most working people, therefore, acquire the skills they use, however inadequate these may be, by trial and error, on the job, or through some form of organised learning such as traditional apprenticeship.

In Tanzania, a country of more than 30 million inhabitants, the labour force currently increases by more than 600,000 people per year. However, in 1998 only 33,000 wage sector jobs were created. As regards education and training, about one third of all Tanzanian children do not attend primary school, and only five per cent attend secondary school. While, in 1997, some 226,000 pupils were enrolled in public or private secondary schools, some 45,000 trainees were enrolled in 446 registered vocational education and training centres. Just over one third of the trainees were in “private-for-profit” training centres, somewhat less than one third were in mission schools, one in five in company training centres and the

⁹ See: République du Bénin, Ministère de la Fonction Publique, du Travail et de la Réforme Administrative, *Politique Nationale de Formation Professionnelle Continue*, Cotonou, 1998.

remainder in government training centres. Of those attending the government's VETA centres in 1996, 14 per cent found work upon completing their training¹⁰.

A recent survey of skills and work in the informal sector of Yaoundé, the capital of Cameroon, illustrates how those who operate various micro-enterprises have reached their current position along different pathways, including, usually, periods of varying duration in school, in training centres, as apprentices, and otherwise as learners "on the job"¹¹. The 682 entrepreneurs in the sample, involved in one of twelve selected economic activities other than commerce, had passed, on average, eleven years in school. Half of them had obtained a diploma better than completing primary school, including six per cent with a university diploma. Leatherworkers were, relatively speaking, the least educated, having had an average of 8 years of schooling; 22 per cent of them did not complete primary school. Those involved in informal secretarial services and cyber cafés were the most educated, with an average of 17 years of schooling, and with 30 per cent of them having obtained a university diploma. The relatively more educated entrepreneurs were, on average, a few years younger than the less educated, much more likely to have grown up in a family of wage employees, and more likely, in addition to their general or vocational education, to have had a period of vocational training. Indeed, almost one in two entrepreneurs had, at some stage, been enrolled in some form of pre-employment vocational training. The duration of such training varied by activity, but may also have been a function of cost. Seventy two per cent of those trained had paid for it, and fifty eight per cent were trained in a private-for-profit institution. In addition to whatever education and training they might have had, two-thirds of the sample entrepreneurs had also been apprentices, usually between two and three years. And to complete the picture, half of the respondents had themselves one or more apprentices and another 20 per cent had had apprentices in the past. Only in the case of restaurants, apprentices appeared to be an exception rather than the rule. They were almost invariably part of the workforce in garages and in the workshops of dressmakers. Fewer than one in ten car mechanics had never had any apprentices.

It is hard to underestimate the importance of traditional apprenticeship, particularly in cities throughout West Africa. Literally hundreds of thousands of young people, men and women, typically between 18 and 21 years of age, and most of them holding a primary school certificate, or better, are thus being trained, on the job, in a broad range of micro-enterprises. They usually conclude contracts for the purpose, and pay for their training in cash or in kind. Their "hidden training world" is well ingrained in local custom, largely self-regulating, and subject to effective social control. Surely, masters transfer only what little they themselves know, and some of them may be seen to exploit their apprentices. But the system works in that most former apprentices appear to succeed, upon

¹⁰ See: United Nations Development Programme, *Tanzania Human Development Report 1999*, at www.undp.org

¹¹ Fluitman, Fred, and Joseph Momo, *Skills and Work in the Informal Sector: Evidence from Yaoundé, Cameroon* (draft), International Training Centre of the ILO, Turin, 2001.

being “liberated”, in creating their own micro-enterprise. Which is more than can be said for most government-sponsored vocational training institutions¹².

THE DEMAND FOR LABOUR

African labour markets are largely characterised by the fact that aggregate demand bears no relationship to what is, no doubt, a structural oversupply of labour. In other words, there are, by far, not enough wage jobs for all who are currently un- or under employed, or newly joining the labour market. This situation has been around for a long time, and is likely to last for years to come. Indeed, in many African countries it is said to have grown worse in recent years, in the wake of recession and structural adjustment. Since the sort of wage labour most economists think of when discussing labour demand represents a relatively small proportion in African employment, it should, in order to keep the gap of unmet supply from widening, grow at what seem to be unachievable rates, and continuously so. In reality, wage employment is hardly increasing anywhere, either because economic growth is lacking, or because such growth is in no need of extra labour (“jobless growth”). Other reasons may be seen in institutional weaknesses and human capital deficiencies. It is not uncommon, for example, to find that, in spite of the glut, certain vacancies persist that may compel employers to recruit abroad. There is little evidence, however, to suggest that demand for labour is depressed as a result of rigidities (read excessive wages) that are a consequence of inappropriate labour market regulation. Indeed, few if any new jobs appear to have been added in countries where real wages have declined.

Most of Africa’s current labour force may not have been demanded by any employer, but is nonetheless working. Most of those working may not receive wages, but they do, often with great difficulty, succeed in making ends meet. While relatively few are unemployed, many are underemployed, measurably, in that they are working part-time, against their will, or invisibly, in that they work well below their level of competence. A majority of those at work, are self-employed or unpaid family helpers. Almost all of them work at low levels of productivity, as per capita income data will testify. And many fail to fit into the formal framework of how things should be done: they are said to work in the informal sector.

In Ghana, in 1997, out of all those employed, 89 per cent were classified as working, mostly self-employed, in the informal sector, seven per cent were public or semi-public sector workers, and four per cent worked in private, formal sector enterprises¹³. The example of Uganda illustrates clearly the minor share of wage-employees in the labour force, as well as important differences in employment status between men and women. Almost two thirds

¹² See for more detail e.g.: Fluitman, Fred, *Africa: Traditional Apprenticeship*, in: Husén, T. and T.N.Postlethwaite (eds.), *The International Encyclopedia of Education*, Second Edition, Pergamon Press, Oxford, 1995.

¹³ Ghana, Ministry of Employment and Social Welfare, Statistics and Research Division, *Labour Market Skills Newsletter*, no.2, January, 1999

of the country's working age population, estimated at 14 million in 1997, were found to participate in the labour force. Finding that women were in the majority (52.8 per cent)¹⁴ is explained, no doubt, by the large number of rural women classified as helpers in household enterprises.

Table 7: Uganda, Employment status of the labour force, by sex, 1997, percentages

Employment status	Men	Women	Total
Own account workers / employers	57.2	40.7	48.5
Wage employees	18.4	5.7	11.7
Helpers in household enterprises	17.7	45.6	32.5
Unemployed	6.7	8.0	7.4
Total	100.0	100.0	100.0

Source: Based on: Uganda Bureau of Statistics, *1997 Labour Force Pilot Survey Report*, www.ubos.org

The measurement of work done by women represents a well known problem for statisticians and analysts alike, particularly if such work does not result in cash income. In conditions such as prevail in most Sub-Saharan African countries, it should be recognised, therefore, that current definitions, and, therefore, the data presented in this paper, are likely to underestimate, by wide margins, both the numbers of women working and their contribution to the national product. A detailed time-use survey of household members aged 6 to 65, undertaken in Benin, in the context of drafting the UNDP's 1998 Human Development Report for that country, brings out that while slightly more women than men are involved in economic activities, as strictly defined, the average number of hours that women are able to devote to such activities is somewhat less than that of men. However, the deficit is more than compensated for by time spent by women on non-marketed economic activities. If, in addition, domestic chores are taken into account, women, in urban and rural areas alike, are shown, on average, to work 43 per cent more hours per day than men do (table 8).

¹⁴ This is somewhat remarkable if compared to results of labour force surveys in other countries. In fact, most of these other surveys underestimate the economic significance of women's work in the household.

Table 8: Benin: average time use, women and men, aged 6-65, in urban and rural areas, 1998, as a percentage of a 24 hour day (one percentage point = 15 minutes).

Description of activity	Women		Men	
	Urban	Rural	Urban	Rural
Marketed economic activities	13.9	10.5	15.3	11.9
Non-marketed economic activities	2.4	10.6	1.1	7.8
Domestic activity	13.5	13.6	4.3	4.5
Total Work	29.8	34.7	20.7	24.2
Total Work and Non-Work	100.0	100.0	100.0	100.0

Source: United Nations Development Programme, *Rapport sur le Développement humain au Bénin 1998*, PNUD, Cotonou, 1998.

Rural employment

As is borne out by data on labour force structure (table 9), the agricultural sector is still, by far, Africa's most important employer. Except in South Africa, with its per capita income at six times the Sub-Saharan average, and, for reasons not altogether clear, in Nigeria, between two-thirds and four-fifths of the economically active population are dependent for work and income on the primary sector. Although shares are gradually declining in all countries, labour force growth is such that, in most countries, the rural labour force keeps growing in absolute numbers. By far most of Africa's agricultural workers are self-employed or unpaid family helpers on household farms; many of them produce exclusively for domestic consumption.

The important role of Africa's rural sector in economic growth, employment generation and poverty reduction, is not always readily recognised. For example, national training systems, admittedly small and ineffective, are almost everywhere focused on industrial and service occupations, as if skills were not of critical importance in agricultural and related activities. In fact, agriculture accounts for more than half of GNP in many African countries, as well as for the lion's share of foreign exchange earnings; but most agricultural labour is deployed in small-holdings, at subsistence levels of productivity.

Table 9: Labour force structure, by major economic sector, selected African countries, 1980 and 1997 (percentages)

Country	Agriculture		Industry		Services	
	1980	1997	1980	1997	1980	1997
D.R.of Congo	72	66	12	14	16	20
Ethiopia	89	84	2	2	9	14
Ghana	62	58	13	13	25	29
Kenya	82	78	6	8	12	14
Madagascar	82	76	6	7	13	17
Mozambique	84	82	8	9	8	10
Nigeria	54	36	8	6	38	58
South Africa	17	11	35	30	48	59
Sudan	72	68	8	9	20	24
Tanzania	86	84	5	5	10	11
Uganda	87	83	4	5	9	12

Source: ILO, *World Employment Report 1998-99*, table 3, ILO, Geneva, 1998

Available macro-economic data suggest that, over the years, the growth of output in rural Africa fell far short of what was necessary to provide employment to a growing rural labour force at either constant productivity or at constant income. In other words, while rural populations kept increasing, Sub-Saharan Africa has experienced a steady decline in labour productivity in agriculture, and hence, an increase in rural poverty.

Various labour force surveys confirm that households in rural Africa, as in most agrarian societies, often have multiple income sources, including farm operating surplus, wage labour, trade and other non-farm activities, and urban-rural remittances. According to a Ghana Living Standards Survey, about 46 per cent of all who were employed in that country, said that agriculture constituted a second job, in addition to their primary, non-agricultural occupation, while about 45 per cent of all rural households was involved in at least one non-farm economic activity¹⁵.

¹⁵ ILO, *Jobs For Africa: a Policy Framework for an Employment-Intensive Growth Strategy*, ILO, Geneva, 1997.

Informal sector employment

Many in search of work and income, eventually create their own employment. That is, they start a micro enterprise, usually in an urban area, in which they will work alone, or with one or two others, possibly apprentices. The multitude of unincorporated, household-based, small ventures, that are typically unregistered, and, at least initially, overlooked by public authorities, such as tax people, are hard to miss in the teeming cities of Sub-Saharan Africa. Unsophisticated perhaps, they are producers and traders providing essential goods and services to large numbers of customers, in markets, along major boulevards, and where their peers have their homes. They sell whatever sells. They dress the nation and they keep the cars on the road. They make pots and pans. They paint signs and they dye cloth. They run mobile restaurants, open-air barber shops, and, increasingly, cyber cafés. They produce and distribute medicine. And so on and so forth. They are the working poor in what is now widely known as the urban informal sector¹⁶. In rural areas, likewise, those involved as a household in subsistence activities, as opposed to working for wages on large commercial farms or plantations, may be considered part of the informal sector of the economy.

A 1997 nation-wide household survey, undertaken with World Bank assistance in Ghana, found that 87 per cent of people employed in that country were working in the informal sector; it was the case for 92 per cent of those in rural areas, and 77 per cent in urban areas¹⁷. Official estimates for Cameroon, found that in that country some 4.2 million people were working in 1996, with 15 per cent of them in the formal sector, and 85 per cent in the informal sector (table 10). While almost equal numbers of women and men were employed, more women than men were found to be working in the informal sector; formal sector employment was largely a male domain¹⁸.

Table 10: Cameroon's employed population, by sex, formal and informal sector, 1996

	Male		Female		Total	
	No.	%	No.	%	No.	%
Formal sector	517 205	12.2	111 337	2.6	628 542	14.8
Informal sector	1 666 329	39.4	1 937 222	45.8	3 603 551	85.2
Total	2 183 534	51.6	2 048 559	48.4	4 232 093	100.0

Source: DSCN, *Cameroon Household Survey*, 1996

¹⁶ Any reference to the concept is likely to trigger a debate on definition (as if it is abundantly clear what is meant, for example, by the term rural sector). In fact, there are many definitions used in the many surveys that have been undertaken, over the years and worldwide, to put the phenomenon on the map. In order to clarify matters, the Fifteenth International Conference of Labour Statisticians (Geneva, January, 1993) adopted a "Resolution concerning statistics of employment in the informal sector". For details see: <http://www.ilo.org/public/english/bureau/stat/res/infsec.htm>

¹⁷ See: <http://www4.worldbank.org/afr/poverty/measuring/indicators/>

¹⁸ Fluitman and Momo, op.cit.

A major, nation-wide survey of micro and small enterprises (MSE) in Zimbabwe¹⁹, undertaken in 1998, found that some 860,000 such enterprises in manufacturing, commerce and services, employed some 1.6 million people, including working proprietors (65 per cent) and unpaid family workers (15 per cent). More than half of the workers were women (57 per cent) and two per cent were under 15 years of age. Less than ten per cent of workers was said to work part-time. With the average size at 1.9, including the entrepreneur, and 95 per cent of the enterprises having less than five workers, it is clear that almost all enterprises fit into the micro category. Most would also otherwise easily obtain the informal sector label. While the survey excluded subsistence agriculture, it also counted 442,000 MSE in agriculture and mining, employing 2.2 million people, that is, an average of five workers per enterprise. This all adds up to 3.8 million Zimbabweans, employed in 1.3 million micro and small enterprises, and representing some 70 per cent of an estimated labour force of 5.5 million. Levels of educational attainment of proprietors, i.e. owner/operators of micro and small enterprises were somewhat higher, it appears, in manufacturing, commerce and services, than in agriculture and mining, presumably reflecting generally lower average educational attainment for those who live and work in rural areas.

The South African October Household Survey of 1997, estimated total employment in the country at 7.5 million, including 1.8 million (24 per cent) informal sector workers. Included in the category is an important proportion (43 per cent) of domestic servants, mostly women. Unlike in other African countries, the proportion of the self employed appears to be lower than that of wage employees (23 and 34 per cent respectively)²⁰.

A remarkably constructive policy paper by local authorities on the informal sector in the Durban metropolitan area²¹, recognises the sector's contribution to job creation. It found that in 1996, there were about 20,000 street traders in the area, 60 per cent of them women. Thousands more people worked from their homes involved in various activities including child minding, cooking, manufacturing and repair work. An unknown people were moving around as garbage pickers and cardboard recyclers. Many were casual labourers, such as those waiting at street sides for daily employment in the construction industry. Many of the workers, such as the street traders, themselves generated work along a chain of supply and distribution. For example, some 14,000 jobs in Durban are associated with the indigenous medicine (muthi) trade: 1,500 healers, who create jobs for 3,750 assistants and 7,500 gatherers, and 1,200 street traders²².

¹⁹ PriceWaterhouseCoopers, *Zimbabwe: A Third Nationwide Survey of Micro and Small Enterprises*, USAID/Zimbabwe, September 1998.

²⁰ See: Statistics South Africa, *Unemployment and Employment in South Africa*, Pretoria, 1998.

²¹ See: Durban's Informal Economy Policy, approved and adopted by the Joint Executive Committee – North Central and South Central Local Councils, October 2000.

²² Mander, M., *Marketing of Indigenous Medicinal Plants in South Africa: A case Study in KwaZulu-Natal: Summary of Findings*, FAO, Rome, 1999.

The 1999 Ethiopia labour force survey reported total employment at around 6.6 million people, almost two-thirds of them in rural areas. Three out of four workers were found to be working in the informal sector, defined as small enterprises without book-keeping, and without a formal business licence (table 11). It appeared, *inter alia*, that informal sector employment was largely (70 per cent) carried out by women.

Table 11: Informal sector employment in Ethiopia, urban and rural, by sex, 1999, percentages

	Male	Female	Total
Urban Informal	19.8	17.8	18.6
Rural Informal	36.8	67.9	55.7
Total Informal	56.5	85.7	74.6
Total Employment	100.0	100.0	100.0

Source: Ethiopia Labour Force Survey, 1999, Central Statistical Authority

Formal sector employment

As is evident, and illustrated in some of the data already presented, varying proportions, but not usually more than twenty per cent of the labour force in African countries, are wage-employed in the formal sector. This should mean, *inter alia*, that unlike informal sector workers, they may benefit from certain social security entitlements. Government is often among the largest formal sector employers, and among civil servants a majority tend to be teachers and health workers. Military and other security personnel are in some countries also important from an employment point of view. Depending on the country, various para-statal companies may be major employers, but many of these have meanwhile been privatised. There are only a few countries, such as South Africa, where formal private sector enterprises of all sorts provide the bulk of employment. In Zimbabwe, formal sector employment absorbs currently less than a quarter of the labour force, down from a third in 1980. In other countries, there might be only a handful of big employers, such as “the mines” in Zambia, or a single large textile mill, or a car assembly plant, or a limited number of large commercial farms, such as in Kenya, or the Ivory Coast. And in all countries but a few, one would find, at least, the usual range of medium-sized employers: commercial banks, accountancy and law firms, car dealerships, construction companies, airlines, four-star hotels, supermarkets, breweries, *et cetera*.

Whether they are many or few, the limited data available suggest that, on balance, these employers are not hiring. Indeed, many of them have been laying off workers in recent years. For example, in South Africa, employment in the non-agricultural, formal business sector dropped by 245,000 workers between 1994 and 1997. While the mining,

manufacturing, and construction sectors, together, lost more than 250,000 jobs, only some 60,000 new jobs were created over the same period, in commerce and financial services²³. Mines in other Southern African countries, such as in Zambia, have also been reducing the number of their employees. In Kenya, total, formal sector wage employment increased by half a million between 1982 and 1996, that is, from just over 1 million to 1.6 million. However, over the same period, the country's labour force grew by around half a million people per year. According to the country's Economic Survey, measured informal sector employment increased dramatically from 185,000 in 1982 to 2,707,000, or 63 per cent of all registered employment in 1996. The share of public sector in all registered employment in Kenya dropped from 36 per cent in the mid-1970s to 16 per cent in 1996. Total numbers in public sector jobs remained stable, however, at just under 700,000 for most of the 1990s, because while jobs in central government and para-statal bodies gradually declined, the number of teachers gradually increased²⁴.

Data published by Afristat suggest that in 1997, in Cote d'Ivoire, only around five per cent of the labour force was wage-employed in the formal sector, and that 43 per cent of these wage workers were employed by the public sector²⁵. The same source suggests that, in Gabon, 19 per cent of the 1997 labour force was employed in the formal sector, almost half of them (49 per cent) by the public sector. Data for Eastern and Southern African countries point at similar rates, Zimbabwe being an exception (table 12).

Table 12 : Formal sector wage employment as a percentage of the labour force (FS/LF), and total public sector employment as a percentage of formal sector wage employment (PS/FS), selected countries, 1980-1990-1994/5

Country	FS/LF			PS/FS		
	1980	1990	1994/5	1980	1990	1994/5
Kenya	17.6	18.0	16.9	46.9	49.5	45.8
Tanzania	7.4	9.2	8.1	73.3	53.6	50.5
Uganda	—	17.2	13.3	—	37.1	30.5
Zambia	29.4	—	18.0	58.4	—	59.7
Zimbabwe	34.1	30.3	25.3	12.4	18.6	17.9

Source: Van der Geest, W. and R. van der Hoeven (eds.), *Adjustment, Employment & Missing Institutions in Africa – the experience in Eastern and Southern Africa*, ILO, Geneva, 1999

²³ Statistics South Africa, op.cit.

²⁴ See: ILO, Eastern Africa Multidisciplinary Advisory Team, *Kenya: Meeting the Employment Challenges of the 21st Century*, ILO, Addis Abeba, 1999

²⁵ Data for 1997 collected and published by Afristat (www.afristat.org) for formal, public and private sector wage-employment, as a proportion of labour force estimates included in the ILO's *World Employment Report 1998-99*, op.cit.

Since the early 1990s, public sector employment declined, both in relative and absolute terms, in several African countries, particularly as a result of structural adjustment programmes. For example, in Benin, the number of civil servants dropped from almost 40,000 in 1990 to just under 35,000 in 1993, and further to below 30,000 in 1999 (table 13). Because the private (formal) sector did not at the same time succeed in creating enough new jobs, the share of formal sector wage employment in the labour force declined, even in countries generally considered to rank among the better performers, such as Uganda.

Table 13: Public sector wage-employment, selected African countries, 1993-1999

Country	1993	1994	1995	1996	1997	1998	1999
Benin	34 966	34 449	32 241	32 283	32 019	30 619	28 000*
Cote d'Ivoire	123 900	120 700	118 700	116 200	117 400	110 100	113 200
Gabon	44 794	45 694	47 247	47 386	49 476	53 620	52 886
Mauritania		18 471	19 288	20 093	20 819	22 425	22 950
Senegal		66 733	67 168	67 130	65 949	66 341	66 518
Togo	34 130	34 736	34 467	33 855	32 931	29 753	32 093

Source: www.afristat.org (*from the UNDP's Report on Human Development in Benin, 2000)

Unemployment

In discussing the situation in African labour markets, one is likely to encounter two, supposedly conflicting views about unemployment, however defined. The first view, with some data to illustrate it, is that unemployment, as defined by the ILO, is generally low, because most people cannot afford, without any social safety net, to be without any income for long periods. People are seriously underemployed, instead, or seasonally unemployed in agriculture, waiting for casual work to come their way, or idling in their shops, for lack of customers. The other view, also with some statistics to back it up, is that unemployment is very high, particularly among certain groups. Indeed, it appears, as elaborated in later section of this paper, that, in particular young people have unemployment rates that are much higher than national averages.

The 1999 Ethiopia Labour Force Survey, reported that 8.1 per cent of the country's labour force, 10 years of age and over, were "currently" unemployed, meaning working less than four hours in the survey week. The rate was 12.5 per cent for women and 4.4 per cent for men. Having also asked people whether they had been mostly unemployed during the last twelve months, resulted in an alternative rate of 2.0 per cent of the labour force being "usually" unemployed, 2.6 per cent for women and 1.4 per cent for men.

In Ghana, with a labour force of well over 8 million in 1997 and increasing by some 230,000 per year, overall unemployment for that year was reported to be only 3.9 percent,

or 4.7 per cent for men, and 3.2 per cent for women²⁶. In Cameroon, in 1996, the proportion of unemployed in the labour force was estimated, at 8 per cent; it was lower, at half that rate, in most rural areas, and as much as 25 per cent, or more, in some urban areas, including Yaoundé. In Madagascar, one of the poorest African countries, unemployment had almost doubled between 1993 and 1997, from 1.8 to 3.2 per cent. In urban areas it was said to be 8.1 per cent²⁷.

In the case of South Africa, total employment declined during most of the 1990s and unemployment rates were exceedingly high, at 23 per cent in 1997²⁸. Unemployment rates varied considerably according to population group and sex. They were highest for African people, and lowest for white people (29 and 4 per cent respectively); in all population groups they were lower for men than for women (19 and 28 per cent). Urban unemployment rates were found to be somewhat lower than non-urban rates (22 and 27 per cent). The relationship between education and unemployment was said to be “curvilinear”, i.e. unemployment was highest (25 per cent) for those with an intermediate amount of education, and lower for those with none (19 per cent) or with “matric” or higher qualifications (18 per cent).

The 1997 Namibia Labour Force Survey reports a broad unemployment rate of 34.5 per cent, and a rate of 19.5 per cent if a strict definition were adopted. Some 55 per cent of the unemployed were said to have been without work for more than a year, and 40 per cent for more than two years.

WAGES, INCOMES, POVERTY

Labour market analysis in countries where most people are working for wages, and where pertinent data are abundant, is, naturally, much concerned with wage levels, and with differences in wages, notably between occupations and over time. In the case of Sub-Saharan Africa, there are, as mentioned, very few countries where more than one in four workers is earning a wage or a salary. And besides South Africa, there are even fewer countries for which adequate wage data are available. A discussion as to whether or not structural adjustment measures in the region increased or decreased real wages, is therefore, necessarily, academic. There are, no doubt, countries where wages went up, and countries where they went down, and these could be the same countries, depending on

²⁶ Ghana, Ministry of Employment and Social Welfare, Statistics and Research Division, *Labour Market Skills Newsletter*, no. 2, January, 1999

²⁷ Source: ILO, draft country report

²⁸ Statistics South Africa, having first used a broader definition, has now adopted a narrow definition of unemployment namely people who are not working, but available for work, and actively seeking it. Under the broader definition, still published, people who do not actively seek work are also included. The broader unemployment rate was 38 per cent in 1997. See: Statistics South Africa, *Unemployment and Employment in South Africa*, Pretoria, 1998 (www.statssa.gov.za).

the time period selected. For example, in 1993, civil servants in Cameroon saw their salaries cut in half. While the ones that are still employed are unlikely to have recovered from the shock, there may well have been a year or two, in the mean time, when real wages went up. Likewise, people who have not been retrenched from para-statal or private sector companies may have benefited, literally, at the expense of those who had to leave.

The real issue is, of course, whether or not income from work increased for most African people, most of the time. And if GNP per capita data are anything to go by, it did not. In fact, the absence of sustained per capita income growth is the main explanation for, if not by definition the same as worsening poverty in Africa. GNP per capita in Sub-Saharan Africa decreased by 0.9 per cent during 1975-1990, and by 0.4 per cent during 1990-1998²⁹. Private consumption per capita in the region decreased by 1.2 per cent per year over the 1980-1998 period³⁰.

Whether measured in terms of income, or in other terms, such as education or health, Sub-Saharan Africa is the poorest region in the world. Its GNP stood at US\$ 321 billion in 1999, which represents a mere 1.1 per cent of global GNP. Average per capita income was US\$ 500. Out of a total population of around 600 million, some 500 million African people are estimated by the World Bank to live on less than \$2 a day, including some 300 million who live below the \$1 a day poverty line. Throughout the 1990s, both the number and proportion of the poor increased in the region as a whole.

According to the World Bank³¹, in Nigeria, which now accounts for nearly one-fourth of Sub-Saharan Africa's poor, the number of people living in extreme poverty rose steeply over the last decade, reaching an estimated 66 per cent of the population; owing to massive migration from rural areas, urban poverty has grown faster than, and now matches rural poverty. By contrast, the rural poverty rate fell in Ethiopia, Sub-Saharan Africa's second most populous country. In countries like Burkina Faso (between 1994 and 1998), Ghana (between 1988 and 1992) and Zambia (between 1991 and 1996) the percentage of people living below the national poverty line is believed to have decreased in rural areas while at the same time increasing in urban areas.

Malawi, with a population of some 11 million, had a per capita GNP of US\$ 190 in 1999, ranking the country among the world's poorest. Ninety per cent of the people are living in rural areas, almost all of them involved in subsistence agriculture; however, the country's agricultural sector contributes only around 45 per cent of GDP. A poverty monitoring system, part of the government's poverty alleviation programme, has produced an elaborate poverty analysis, based on the results of an integrated household survey. Using different poverty lines for distinct areas of the country and distinct per capita consumption levels, it was estimated that 65 per cent of the population were living in poverty, in

²⁹ UNDP, Human Development Report 2000, Human Development Indicators, table 13.

³⁰ World Bank, World Development Indicators 2000/2001, World Development Indicators, table 1.

³¹ See: www.worldbank.org/poverty/data/trends/regional.htm

1998, meaning that they were unable to meet their basic needs. In rural areas the figure was 67 per cent, and in urban areas 55 per cent. The aggregate consumption shortfall from the poverty line amounted to US\$ 345 million per year, in 2000 prices, or 20 per cent of GDP. It was further found that poor households were larger than non-poor households, and that they had more dependants for every worker in the household. It appeared, for the country as a whole, that the proportion of non-poor households having at least one member earning an income was 74 per cent, compared to around 65 per cent in the poor households. The value of home production consumed, accounted for the largest component of rural income (both cash and non-cash), but more so in poor households (64 per cent) than in non-poor households (59 per cent). Wages or salaries were a source of income in 13 per cent of the poor as compared to 17 per cent of the non-poor households. Poor households in urban areas derived their income mainly from wages (69 per cent) or home production consumed (12 per cent). In contrast, urban non-poor households depended less on wages as a source of income (54 per cent) or on home production consumed (3 per cent), and more on net business revenues (24 per cent, compared to 8 per cent of the urban poor households).

SELECTED ISSUES

Depending on the country, certain issues may be particularly significant in shaping labour market realities. Or they may represent major constraints in tackling various employment problems. Indeed, some of these, like gender issues, are squarely affecting labour markets, that is, who has access to income, in all countries of the world. Child labour and youth unemployment are social ills of concern to many governments, including those in Africa. And examples of problems that appear to be exceedingly severe in several corners of the continent include the plight of large numbers of people, economic or political refugees, who are moving long distances in search of work and income, if not survival. Finally, and without ignoring the labour market impact of other killer diseases, such as malaria, the evidence is growing to suggest that HIV/AIDS, if unchecked, is bound to have devastating consequences in all spheres of life, including the world of work, in most of Sub-Saharan Africa.

Gender Issues

Labour force participation rates, calculated by using internationally recognised definitions, are typically a lot lower for women than for men. It is well recognised, however, that labour force surveys greatly under-report women's non-marketed and subsistence-level economic activities, and, hence, both their role in the world of work and their contribution to national product. That being said, African women appear less likely than men to have regular wage-jobs, and the increasing number of households headed by

women, or heavily dependent on a women's income for survival, are, therefore, more likely to be among the poorest.

With regard to formal sector wage-employment, statistics are inadequate for most countries, and not all countries disaggregate these data by sex. However, it is safe to assume that such employment, including in the public and para-statal sub-sectors, has always been dominated by men. Given limited opportunities, self-employment in micro businesses has become, next to agriculture, the most common form of women's labour force participation. In many African towns and cities, women represent a large portion, if not a majority of the self-employed in the informal sector. While women are omni-present in retail activities, they are also engaged, often in large numbers, in tailoring, handicrafts, food processing, hairdressing, and various other industries and services.

A wide range of structural constraints and inequities prevent African women from participating more fully and more efficiently in their country's labour markets. These include laws and cultural norms, concerning, for example, their access to land, credit, productive inputs, information, and health care. As regards education and training, considerable differences in literacy rates for men and women speak for themselves. In spite of improvements in many countries, gender differentials usually persist at all levels of education, and the gap typically widens at higher levels. As regards training, far fewer women than men are enrolled, and women are still almost exclusively channeled into home crafts and traditionally "feminine" skills. Finally, African women are often burdened with so many household tasks and other "traditional" duties, that they simply lack the time, or the energy, to compete with men in labour markets for the best of jobs.

Child Labour

Although meaningful statistics on child labour are extremely scarce, the ILO has in recent years made certain global estimates, and undertaken a number of studies on the subject. Child labour is, for obvious reasons, particularly widespread in developing countries, and more so in rural than in urban areas. In relative terms, Africa comes first as concerns the share of 5-14 year old children who are economically active. The labour force participation rate of African children is estimated at just over 40 per cent, or twice as high as the corresponding rate for Asia, which comes, however, first in absolute terms. The child participation rate in Africa is 45 per cent for boys and 37 per cent for girls. It has furthermore been estimated that almost half of the working children in the world are full-time workers, whereas the others combine work and school. It may be assumed that these rates apply to Sub-Saharan Africa, particularly where access to schooling is limited. Although precise evidence is lacking, many working children are believed to be involved in hazardous, including life threatening economic activities. Other "worst forms" of child labour prevalent in the region are known to include sizeable numbers of young girls forced into prostitution, and young boys recruited as child soldiers.

A study in Kenya estimated that children constituted between 20 and 30 per cent of the casual labour force on all types of plantations. On coffee plantations during the peak harvest seasons, as many as 30 per cent of the coffee pickers were below 15 years of age. In some rice schemes, up to 90 per cent of the workers engaged in transplanting were children. The study identified two distinct types of child labour: family (non-wage) work, defined as children working without pay on family farms, and child wage labour, meaning paid work other than on the family. The latter form of child labour is found predominantly on commercial agricultural plantations.

A study in Tanzania found significant numbers of young children involved in seasonal labour on clove plantations; some had been doing so since they were five years old when they accompanied their parents. On one plantation, where child workers constituted just under 30 per cent of the total work force, one-sixth of the children were school drop-outs, eight out of ten were both working and attending school, and only some 3 per cent had never attended school. The children, engaged in picking, destalking and drying the cloves, receive piece-rate pay equal to that of adults, but since they may not work at the same speed, or as many hours, their total pay is bound to be less than that of the adult workers³².

Youth Unemployment

The un- and under-employment of youth is considered a serious problem in most of Africa, if only because there are, relatively speaking, more youth, and fewer jobs on offer, than in the rest of the world. As young people represent a clear majority of new labour force entrants, they are bound to discover in large numbers how difficult it is to find any sort of work, regardless of their level of schooling. Although statistics are, again, often unavailable or incomparable, unemployment in the 15-24 year age group is generally believed, by far, to exceed the rate for the Sub-Saharan labour force as a whole. And, indeed, for various reasons, many a government minister appears more worried about unemployed school leavers, than about a high incidence of child labour, or about abject poverty among those in their thirties or forties.

The 1999 Ethiopia Labour Force Survey reported a current unemployment rate for the national labour force as a whole, of 8.1 per cent. As is illustrated in table 14, rates for young people, particularly in urban areas, tend to be a multiple of national averages.

³² See: Kebebew Ashagrie, *Statistics on Working Children and Hazardous Child Labour in brief*, ILO, International Programme on the Elimination of Child Labour (IPEC), Geneva, 1998; and, IPEC, *Child Labour and Commercial Agriculture in Africa: a situation analysis*, ILO, Geneva, 1997.

Table 14: Youth unemployment rates, Ethiopia, 1999, 15-24 years old men and women, by location

	Urban	Rural	Total
Men	29.4	3.4	6.9
Women	43.7	11.5	17.3
Total	37.5	7.2	12.0

Source: Ethiopia Labour Force Survey 1999

The 1997 Namibia Labour Force Survey, also illustrates well what is generally believed to be the case for many other Sub-Saharan African countries, namely that unemployment is serious, but more so for the young than the not so young, more so for most women than men, and more so in urban than in rural areas (table 15).

Table 15: Rate of unemployment (strictly defined) by age, area and sex, as a percentage of the corresponding labour force

Age group	Urban	Rural	Total	Women	Men
15-19	56.8	24.2	35.2	40.3	30.1
20-24	44.0	30.7	37.6	41.7	33.7
25-29	30.2	23.0	26.7	27.5	26.0
30-34	20.8	16.7	19.0	21.4	17.0
35-39	13.9	15.0	14.4	14.5	14.3
40-44	11.7	8.9	10.3	10.8	9.9
45 and over	9.9	5.7	7.1	4.7	8.8
Total	23.8	15.6	19.5	21.0	18.2

Source: Namibia Labour Force Survey 1997

Youth programmes, therefore, represent one of the few examples of active labour market policies that have been tried in several in Sub-Saharan African countries³³. Such programmes would usually target the openly unemployed and incorporate a training element, or some assistance in getting started in self-employment. The various schemes, known as national youth service, or brigades, or under any other name, have come and gone, however. In quite a number of countries, including Nigeria and most if not all countries of Southern Africa, efforts have been made over the years to improve the links between education and training systems, on the one hand, and the world of work, on the other. But in the end, no doubt because there turned out to be only so many jobs, or not

³³ See, for example, Kanyenze, G., Guy Mhone, and Theo Sparreboom, *Strategies to Combat Youth Unemployment and Marginalisation in Anglophone Africa*, ILO/SAMAT Discussion Paper No.14, ILO, Harare, 2000.

enough opportunities for self-employment, the effectiveness of these policies, at least at the national level, has been very limited. In other words, they have nowhere succeeded in bringing unemployment rates down.

People moving to other places

The classical notion of labour mobility as something to be promoted towards achieving equilibrium in labour markets, hardly applies in the African context. While there is a great deal of it, the movement of people from one place to another, in search of work, if not survival, is more often than not a consequence of push- rather than pull factors. There is, in fact, great diversity in geographical mobility. Some people leave voluntarily, while others, such as refugees, are forced by circumstances. There is permanent and temporary, for example, seasonal migration. Most people move from rural to urban areas within the same country, but there are also examples of rural to rural, and even of urban to rural migration. And then there is international migration, to neighbouring countries, or beyond the continent, the latter often involving the best and brightest, and also known as brain drain.

The majority of people in Sub-Saharan African continue to live and work in rural areas, even if the shares of rural population, and rural labour force, keep declining. Rapid and sustained migration from rural areas has, meanwhile, swelled the ranks of urban dwellers and seen the emergence of several new mega-cities on the African continent (table 16). In the circumstances, labour force growth in certain metropolitan areas has outstripped averages for the country as a whole by significant margins. Finding it, for all sorts of reasons, even more difficult than others to land a decent job, new arrivals are likely to make up an important proportion of the urban unemployed.

Table 16: Population of the largest metropolitan areas in Sub-Saharan Africa, 2001

Metropolitan area	millions	Metropolitan area	millions
Lagos	8.7	Nairobi	2.9
Kinshasa	6.0	Accra	2.7
Khartoum	5.5	Luanda	2.6
Johannesburg	4.9	Addis Abeba	2.6
Abidjan	3.8	Dar es Salaam	2.4
Kano	3.4	Durban	2.3
Ibadan	3.4	Harare	2.2
Cape Town	3.0	Dakar	2.2

Source: www.gazetteer.de

Yaoundé, while not as large as the cities cited above, has also grown very rapidly and has currently well over one million inhabitants. Only 22 per cent of all entrepreneurs responding in the survey, referred to earlier, were born in Yaoundé. It was a mere 10 per cent in the case of leatherworkers and 11 per cent of women's dressmakers, as against 47 per cent of women's hairdressers. The others came to town for various reasons, but most of all in search of work, or for education and training purposes. For example, some 60 per cent of wood and metal workers said they had come to Yaoundé for work, whereas half of those involved in secretarial services and cyber cafés had originally come for their education. A sizeable proportion of women entrepreneurs, notably women's dressmakers and restaurant operators, said they had come with their husbands³⁴.

There exists a longstanding tradition in West Africa of workers crossing borders, such as between countries of the Sahel and those on the coast, or along the Lagos – Abidjan corridor. In Southern Africa labour migration also has a long history, and is closely intertwined with the development of the mining sector and commercial agriculture in South Africa. Over time, South Africa has tended to control the number of foreign workers but the country continues to attract other than legal immigrants. According to the country's Ministry of Home Affairs, some 160,000 illegal immigrants were deported to different countries in the sub-region in 1999³⁵.

It appears that, at any time, and mainly as a result of war and conflict, large numbers of people in Sub-Saharan Africa are being forced to flee their homes and countries. Indeed, these numbers are such that they are bound to have an impact on the functioning of labour markets, both where people come from, and where they move to. Moreover, they upset education and training programmes, thus impacting on the quality of future labour supply. Data released by UNHCR³⁶ for the end of the year 2000, show that more than 5 million people were of concern, 3.4 million as refugees in other African countries, 1.1 million internally displaced people and almost half a million returnees. In recent years, hundreds of thousands of people have fled Burundi, Sierra Leone, Sudan, Somalia and Eritrea. Tanzania alone currently hosts almost 700,000 refugees.

HIV/AIDS

According to a UNAIDS update of December 2000, an estimated 3.8 million adults and children in Sub-Saharan Africa became infected with HIV during the year 2000, bringing the total number of people living there with HIV/AIDS at year's end to 25.3 million. Over the same period, millions of Africans infected in earlier years, began experiencing ill-health, and 2.4 million people at a more advanced stage of infection, died of

³⁴ Fluitman and Momo, *op.cit.*

³⁵ Source: United Nations Economic Commission for Africa, SRDC-SA, Report on the Economic and Social Conditions in Southern Africa, 2000 (www.uneca.org/srdcs/sa)

³⁶ United Nations High Commissioner for Refugees, www.unhcr.ch.

HIV-related illness. Most of the dead were people of prime working age, on whom others depended for income and care.

HIV prevalence rates vary widely between African countries. They range from under 2 per cent of the adult population in some West African countries to 20 per cent or more in the southern part of the continent. One must bear in mind, however, that prevalence rates do not convey people's lifetime risk of becoming infected and dying of AIDS. In the eight African countries where at least 15 per cent of today's adults are infected, conservative analyses show that AIDS will claim the lives of around a third of today's 15-year-olds³⁷. In Botswana, at the end of 1999, 36 per cent of the 15-49 year old age group was HIV/AIDS infected, in Zimbabwe, Swaziland and Lesotho around 25 per cent, and in South Africa, Zambia, and Namibia 20 per cent. More than 4 million adults were infected in South Africa alone. In 1999, more than a quarter of a million people each died due to AIDS in Ethiopia, Nigeria and South Africa.

It has become abundantly clear in recent years that the epidemic has dramatic consequences in virtually all spheres of life, including the world of work. Indeed, African economic development depends critically on the development and the effective deployment of its human resources, and both are seriously compromised. The main scenarios foresee, and assorted studies, particularly for Southern African countries, confirm, multiple impact at the level of the individual worker, the household, the enterprise, the local community, the public sector, and the economy as a whole³⁸. Such impact, it appears, is bound eventually to include most or all of the following: reduced population growth; increased child mortality rates; declining life expectancy; changes in the population structure; increased dependency ratios; changes in the size and the composition of the labour force; loss of household income; increased poverty; a massive and growing number of orphans; an increase in single parent- and child-headed households; increased child labour; reduced school enrolment rates; reduced quality of education and training; increased absenteeism at work; reduced productivity; increased labour turnover; loss of skilled and experienced workers, and their replacement, if they are replaced at all, by less skilled workers; higher training and recruitment costs; lower profitability of enterprises; increased debts; reduced savings; reduced investments; reduced competitiveness; lower tax

³⁷ See:UNAIDS, Joint United Nations Programme on HIV/AIDS, *AIDS epidemic update: December 2000*, UNAIDS/WHO, Geneva, 2000. Available on: www.unaids.org

³⁸ See e.g. UNAIDS, op.cit. and: ILO, *HIV/AIDS in Africa: The impact on the world of work* (paper presented at the Africa Development Forum 2000, Addis Abeba, Ethiopia, 3-7-December 2000), ILO, Geneva, 2000, also available on www.ilo.org. According to current ILO projections, the size of the labour force in high prevalence countries will be between 10 and 30 per cent smaller by the year 2020 than it would have been without HIV/AIDS. See also: Bollinger L. and J.Stover, *The economic impact of AIDS*, The Futures Group, 1999.

contributions; soaring health costs; growing government deficits; reduced exports; reduced GDP growth; sustained economic recession; reduced GDP.

According to UNAIDS, it remains exceptionally difficult to gauge the macro-economic impact of the epidemic, as many factors, apart from AIDS, affect economic performance and complicate the task of economic forecasting. Despite incomplete data, there is growing evidence, however, that as prevalence rates rise, economic growth is reduced. According to a comprehensive study by ING Barings Bank, South Africa's overall economic growth rate over the next decade is likely to be 0.3 to 0.4 percentage points lower every year than it would have been without AIDS. A further study finds that, as a result, by 2010, the country's real gross domestic product (GDP) would be 17 per cent, or US\$ 22 billion, lower than what it would have been otherwise³⁹.

In agriculture, where most Africans work, the loss of adult farmers to AIDS may cause a switch from exportable cash crops to subsistence farming and a reduction in soil improvement, irrigation, and other capital investments. Loss of knowledge and skills has a negative effect on productivity. For example, the death of a breadwinner was estimated in a study by the Zimbabwe Farmers Union to cut maize production on a typical small farm in that country by more than 60 per cent. Farming families were also forced to sell livestock, equipment and land to cover AIDS-related expenses⁴⁰.

In a recent study of the town of Kafue in Zambia, it was found, inter alia, that households affected by AIDS had levels of annual income one third below those of unaffected households; affected households reported selling off assets such as bicycles and radios to pay for medical expenses and funerals⁴¹. Indeed, where relatively large numbers of households are already considered poor, poverty should be expected to worsen as a consequence of HIV/AIDS, and more so where prevalence rates are higher.

A Kenyan sugar estate reported a loss of some 8,000 days of work because of sickness (at least three quarters of it related to HIV infection) between 1995 and 1997; a 50 per cent drop in the ratio of processed sugar recovered from raw cane between 1993 and 1997; higher overtime costs for workers obliged to fill in for sick colleagues; a five-fold increase in company spending on funerals and a ten-fold increase in medical expenditure between 1989 and 1997⁴². Information gathered from a variety of formal sector firms in Dar es Salaam, Tanzania, shows similar, substantial increases in funeral costs, traditionally paid for by employers, and medical expenditure⁴³.

UNAIDS estimated that by the end of 1999 there were 10.6 million AIDS orphans in Sub-Saharan Africa. There were more than a million AIDS orphans each in Nigeria, Ethi-

³⁹ UNAIDS, op.cit.

⁴⁰ Cited in ILO, World Employment Report 2001, box 1.3, ILO, Geneva, 2001.

⁴¹ Mutuangadura and Webb, cited in: Bollinger L. and J.Stover, *The economic impact of AIDS in Zambia*, The Futures Group, September 1999.

⁴² Based on UNAIDS, cited in ILO, World Employment Report, op.cit.

⁴³ Clancy, P., *The economic impact of AIDS at firm level in Tanzania*, Dissertation, University of East Anglia, 1998.

opia, Uganda and Tanzania. In Zambia, between one-third and one-quarter of children below age fifteen have lost one or both parents to AIDS⁴⁴. The Mozambique Ministry of Health calculated that in December 1996 there were at least 146,000 orphans in the country, due to AIDS, and that their number would increase to 400,000 by the year 2000. The Kenya Ministry of Health estimated that by 1996, 300,000 children had been orphaned by AIDS, and it projected that the number would increase to 580,000 in 2000, and to over a million by 2005. As those who are to care for orphans will find it increasingly hard to cope, it is feared that many of these children will leave school early (or never enrol) and have even greater difficulty than young people today in securing work and income.

As regards the impact of HIV/AIDS on education and training, in addition to pressure on children to drop out of school, HIV-related illness is eroding the supply of teachers and increasing class sizes. In Zambia, for instance, 1,300 teachers died in the first ten months of 1998, equivalent to around two-thirds of the annual output of newly-trained teachers; many more teachers show up to teach only sporadically, because they are sick. Swaziland estimates that it will have to train more than twice as many teachers as usual over the next 17 years just to keep services at their 1997 levels. Without this extra teacher training class sizes would balloon to over 50 pupils for every teacher. Together with sickness and death benefits for teachers, Swaziland's extra hiring and training costs are expected to drain the treasury of some US\$ 233 million by 2016⁴⁵.

AIDS is also taking its toll in African universities. The University of Nairobi reportedly loses on average two persons, from among staff and students, each week. The University of Zambia reported 352 staff deaths in the period 1990-1999, one eighth of whom academic staff, most of them believed due to AIDS, given their relatively young age. Two of the largest schools at the same university experienced more than 20 student deaths in the first semester of 2000. These figures translate into an annualised death rate that is considered exceptionally high, particularly in view of the argument that given the long period that intervenes between HIV infection and the emergence of full-blown AIDS, those infected during the course of their studies will not succumb to AIDS until after leaving university⁴⁶.

Sickness and death as a result of AIDS is believed to be disproportionately high among managerial, professional and other, relatively better educated and skilled workers. Except for teenagers, HIV prevalence in Zambia was found to rise significantly with the level of education; for example, one study found that the most educated group of women were three times more likely to be HIV-positive than the least educated women⁴⁷. While

⁴⁴ Kelly, M.J., *The impact of HIV/AIDS on schooling in Zambia*, University of Zambia, School of Education, Lusaka, 1999.

⁴⁵ UNAIDS, op. cit.

⁴⁶ Kelly, M.J., *Challenging the challenger: understanding and expanding the response of universities in Africa to HIV/AIDS*, University of Zambia, Lusaka, 2001 (published by the Working Group on Higher Education of the Association for the Development of Education in Africa (ADEA) on their web site: www.adeanet.org)

⁴⁷ Fylkesnes, K, R.M. Musonda, et al. Cited in Bollinger L. and J.Stover, *The economic impact of AIDS in Zambia*, The Futures Group, September 1999.

this may have been so at the onset of the epidemic, more recent data suggest that, presumably as a result of educating people about the disease, and about preventing it, future prevalence rates are more likely to decline with years of schooling. The ING Barings study already referred to, projects that in South Africa, one third of the semi-skilled and unskilled workforce will be HIV-positive by 2005, compared to 23 per cent of the skilled and 13 per cent of the highly skilled workforce⁴⁸. Projections suggest that employee benefits, as a percentage of salary, will rise from seven per cent to nineteen per cent by 2005, as a result of AIDS. These extra costs and the loss of skilled labour have obvious implications in terms of attracting high-quality foreign investment.

Botswana, the African country most seriously affected by the epidemic, is expecting that without adequate treatment and care, a third of its adult population could be dead in 8-12 years. It fears far reaching, literally devastating consequences for its economy, coming primarily through the labour impact and business perception of investment risk. The Botswana Human Development Report 2000 sums it up by stating that “both the Government and business will suffer increasing labour costs as absenteeism, morbidity and death reduce productivity, and labour training and replacement costs rise on account of higher rates of worker turnover. Poor employee health will also exert upward pressure on health and social security expenditures. These conditions are not supportive of good economic performance because they depress returns on investment. For the Government, high mortality amongst workers and a shortage of critical skills could cripple governance. At the macro-level, economic growth, savings and investment, exports, the Government budget and employment would be adversely affected as economic agents here and abroad react to the epidemic”⁴⁹.

⁴⁸ ING Barings Bank, *The economic impact of AIDS in South Africa*, 1999.

⁴⁹ United Nations Development Programme, *Botswana Human Development Report 2000: Towards an AIDS-free generation*, UNDP, Gaborone, 2000.

CONCLUDING REMARKS

As should be clear from these notes, it is possible, in spite of data constraints, to argue that serious employment problems, and, hence, serious income problems, exist in virtually all countries in Sub-Saharan Africa. Poverty in Africa, as much as elsewhere, is largely a consequence of the fact that work does not yield adequate returns. Wage employment is scarce, if available at all, which forces most people to make ends meet as own account workers, on mini farms and in micro enterprises. The “working poor” are likely to be underemployed where there is a lack of demand for their product. Which may be due to the saturation of markets and people not knowing what else to produce, or to the fact that they are unable to meet certain quality standards. The working poor are likely to be over-employed where productivity is low because they lack the necessary skills, or the appropriate technology, or because of failing health, or because the land is exhausted, or in need of rain. These problems are made worse, in countries where turmoil upsets the normal pace, where assets are destroyed, and where large numbers of people are forced to move; where health crises, notably malaria and HIV/AIDS, kill literally millions; where possible solutions are compromised by unbearable debt burdens, by inept governance, or by the erosion of education and training systems.

For labour markets to function properly, for more jobs to be created and for work to become more decent, or, in short, for poverty to be alleviated, social stability and employment-intensive economic growth are essential conditions. In this context, investments in human resources assume critical proportions as part of whatever investment strategies may be considered appropriate. Beyond what they learn during their basic education, large numbers of poor people may reap some benefit from additional knowledge, skills and attitudes that will help them to improve their incomes, even if it is on mini farms or in micro enterprises. As things stand, it is difficult to grasp, for example, why not more is done in targeting low and declining productivity, or unsafe practices, in agriculture, the sector in which most African people work, and African women in particular. And it is far from clear, in many countries, why governments keep investing their scarce resources in pre-employment training for sectors that are not hiring, while people who have no choice but to create their own employment, pay dearly to private providers that are not always up to the task. In as much as poverty reduction depends on growth as well as on income distribution, employment and training policies may represent options, namely for many to progress gradually, or for a few to progress a lot. And where markets of any kind, including training markets, are typically distorted, governments may have to step in to ensure efficiency as well as equity.

In addressing these and other crucial questions, for example with a view to formulating explicit employment promotion policies, a lot of prior work should be done in order to understand better the realities of local labour markets. Labour market information systems are defective in most African countries and should, ideally, be strengthened early so

that issues and opportunities are recognised, and dealt with, as they arise. That being said, countries cannot wait for statistics to be plentiful and perfect before acting to redress major problems. Fortunately, the intimate knowledge of insiders, good will and common sense, may often substitute for data that are missing or flawed. It is no doubt more important for governments to recognise the strategic importance of employment in reducing poverty, than to know exactly, for example, how many people are unemployed, if indeed it is clear to all what is meant by being unemployed. And, finally, in case of doubt, one may want to listen to the people concerned⁵⁰.

⁵⁰ For example: the voices of the poor at: <http://www.worldbank.org/poverty/voices/index.htm>