



Business Africa Strategic Partners Forum

**“Advancing Private Sector Development and Governance
in Africa”**

Opening Address

By

Mr. Charles Dan

Assistant Director-General &

Regional Director for Africa

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CHECK AGAINST DELIVERY

Dear President Nkulu,

Dear Ambassador Masri,

Dear Secretary-General Azad,

Dear Frederic,

Dear friends,

All over the world, countries are struggling to expand their economies and improve living standards.

In Africa growth has returned to pre-crisis rates - with the region now second only to developing Asia in its rate of expansion. Africa's rapid economic recovery has been helped by steady domestic demand, stable financial flows and strong commodity prices, which have improved the region's external balance.

"It's time for Africa": This is the title of a recent Ernst & Young 2011 Africa attractiveness survey. According to this study: "A growing middle class, together with technological and communications advancements, is also giving rise to an increasingly active civil society that is demanding a participatory voice and accountability from its politicians. Population growth is resulting in a flood of new entrants into the labor market, increasing social pressures but also founding the base for a new consumer market. Even more crucially, while Africa's rich endowment in natural resources has played an important role in its economic development, many economies are diversifying away from an overdependence on extractive industries" [End of quote].

In stark contrast with Africa's success stories in terms of growth rates, we still find that:

- Too many people are scraping a living in low-productivity activities such as agriculture and the informal economies without any kind of social protection;

- Women continue to be the hardest hit by vulnerable employment and working poverty;
- And youth unemployment is becoming the ultimate development policy test.

The major policy debate that we are facing is: Why is Africa economically performing but socially trapped?

Some countries are called industrialized economies. More and more are considered as emerging economies. In other parts of the world, countries have been qualified as economies in transition.

Industrialized - emerging - transition economies: concepts are important. They help structuring how we think and how we frame our worldview.

How do we think, frame and project our continent?

In Africa, we are now facing a category which we could call: economies on the move. And if we are here together, this is precisely to help framing the roles and responsibilities of the state and the private sector in this move.

So let me focus today on three major policy pre-requisites to bridge the gap between Africa's economic rebound and Africa's decent work deficits - and to ensure efficiency, equity and sustainability for those Africa's economies on the move.

First, moving from jobless recovery to job-rich growth:

The global financial and economic crisis has highlighted how much the role of the state will continue to be called for.

May I congratulate the African Union Commission and the Economic Commission for Africa for bringing back the policy debate on this matter with the Economic Report on Africa 2011: "Governing development in Africa - the role of the state in economic transformation".

Indeed, governments should enhance their efforts to reduce the costs of doing business by improving the quality of regulatory frameworks, reducing administrative barriers, improving physical infrastructure facilities and stamping out corruption. Further improvements in businesses' access to finance and market information and corporate governance as well as investments in human capital development are also called for.

But for us, any fundamental economic transformation implies that employment should become a macro-economic target in itself.

And here the role of the State is crucial to fill the labour market information gap. Indeed the lack of adequate and up-to-date labour market information and analysis prevents many countries to strategically monitor labour markets.

This is precisely the purpose of the major political effort that we have undertaken in Africa in promoting the adoption of Tripartite Decent Work Country Programmes - including at Cabinet level - in order to ensure the inclusion of employment policy objectives and targets in national development agendas.

Second, moving from enterprise as an individual concern to entrepreneurship as a developmental issue:

Empirical evidence shows that where countries have managed to build lasting competitive advantages, this was in almost any case achieved on the basis of concerted public-private efforts.

Improving the performance of Africa's private sector should become in each and every African country a national cause and a central concern to policy-makers and social partners. The basic reason is that you don't create jobs by decree. You create sustainable jobs by creating sustainable enterprises. But governments can create an enabling environment by decree.

The issue at stake is plain: who knows better how to improve the environment for enterprise development and employment creation than the employers themselves?

This is why the role of employers' organizations at all levels - national, regional and continental- is key:

- At national level to help improve the competitiveness of firms, to increase wages and generate jobs;
- At regional level to help improve intra-African trade and regional integration; and
- At the continental level to help improve Africa' image and attractiveness.

Third, moving from poor governance to participative governance:

Good governance, accountability, democracy, equity are the values that resonate throughout the region. Yes indeed, peoples are calling for a new era of social justice.

When I addressed the Plenary Session of the tripartite Arab Labour Conference on 15 May 2011 in Cairo, I recalled that the Arab Spring started in Africa. Stemming from Tunisia, rebounding in Egypt, exploding in Libya, spreading to various parts of the Arab world, young men and women, workers from all range, economic operators, actors of the civil society, ordinary people have called for more rights and more opportunities.

Wherever we are, we cannot afford to ignore such calls for better governance. But there will be no sustainable policy responses without the regulating and enabling arm of governments, the involvement of workers and the investment of employers.

There will be no sustainable private sector development without mutual trust. And social dialogue can help building this social trust.

What does this mean?

It means that nobody can do it alone. We need each other - whether we are governments, trade unions or business. We need both domestic investments and foreign direct investments. We need partnership and trust.

As Africa's employers' representatives you know so well that no decent work will be possible in Africa without your full involvement and commitment.

The roadmap is clear: Fostering strategic partnership - Building social trust. That's the way ahead for Business Africa and for the continent with our deep commitment at the ILO in Africa to accompany you all along.

Thank you so much for your attention.