

**Achieving inclusive development in Africa:
Policies, processes and political settlements**
A policy research seminar

13-14 May 2014

UN Economic Commission for Africa Building
Addis Ababa, Ethiopia

Executive Summary

The two-day policy research seminar on achieving inclusive development in Africa had two overarching objectives that were dealt with separately: (i) exchanging evidence and ideas from completed research on the economic and political conditions for achieving economic transformation and inclusive development in Africa; and (ii) assessing how to achieve better research-policy linkages on transformation and inclusion, with particular reference to productive employment and social protection. Considering these issues is motivated, as Deputy Executive Secretary of UNECA Dr Hamdok emphasized in his welcome speech, by the jobless character of recent growth in Africa and the increase in inequality, which urge an economic transformation and rethinking of the role of the state and private sector in Africa as well as Africa's role as a global player. To stimulate a forward-looking debate, about 90 representatives of Africa's major policy knowledge networks, international agencies based in Africa, distinguished researchers and policy thinkers, and influential business leaders and government advisers in the region were brought together.

The seminar was co-hosted by the Developmental Regimes Africa project led by the Overseas Development Institute with the University of Leiden; the Knowledge Platform on Development Policies sponsored by the Government of the Netherlands with a network of African policy research institutes; and the Knowledge Delivery pillar and Capacity Development Division of the UN Economic Commission for Africa. It received administrative and technical support from OSSREA.

The meaning of economic transformation and inclusive development was the central theme in the presentations given by Mr Alhiraika, Dr Ansu, and Prof Henley together with Dr Fuady. It is widely agreed that, although degrees of understanding vary per country, policies should move from growth to economic transformation, which calls for both active industrial policies and inclusive agricultural strategies. Transformation should also include the informal sector where most of the employment is and where decent employment needs to be created. Challenges for transformation, however, include the failure to pass on the messages, not knowing what to do to apply them or simply failing to do the right thing. Another problem is the lack of coordination across ministries. Coalitions of stakeholders are needed to get policies shaped and consistently implemented over time.

Next, Dr Booth, Dr Vaughan and Dr Golooba-Mutebi focused in their presentations on the politics of transformation and the idea of a developmental state, using Ethiopia and Rwanda as specific examples. The idea of a developmental state seems increasingly known to policymakers, but there is no consistency in its use. An activist state is needed to drive development – and so are checks and balances to prevent abuses, with a particular role of legislative and judicial branches. Strongly developmental regimes have emerged within specific historical contexts, but the cases of Ethiopia and Rwanda show that continuous learning and adaptation are also important. Interestingly, the two countries show a different approach to private-sector development. A comparison with Southeast

Asia is noteworthy given that developmental regimes succeeded to bring about economic transformation. The role of the middle class in or after transformation is thereby of particular interest.

The role of knowledge in promoting policies for productive employment was key in the overview of the current situation in SSA, which was provided by Dr Baah-Boateng and discussed by Dr Shiferaw, and in the country case-studies presented by Dr Baah-Boateng (Ghana) and Prof Ferede (Ethiopia). Although employment can be defined in different ways, strong growth in SSA has certainly not translated in employment gains. This is in part due to different growth rates for low and high labour absorbing sectors. Special attention in employment strategies should be paid to youth and women employment (with high levels of youth unemployment also giving rise to social tensions); the predominance of the informal and agricultural sector; infrastructure and private sector development; levels of education; issues of good political governance; and the supply side to address mismatch or increase employment, among other things. More coordination is needed between stakeholders and also better availability and use of data and research in job creation and policymaking.

The issue of harnessing knowledge for effective policies on social protection was covered by Dr Maiyegun's presentation and the country case-studies presented by Dr Taffesse (Ethiopia) and Dr Amuyunzu-Nyamungo (Kenya). Knowledge about social protection, which is considered an important component of poverty reduction, has been integrated in recent AU policy and programmes. Social protection schemes have also been implemented at the country level. In Ethiopia, a large government-led productive safety net programme (PNSP) was introduced to increase food security after the devastating 2003 drought. And in Kenya a national safety net programme (NSNP) was set up, consisting of different cash transfer programmes that prove to have a positive effect on food security, health and nutrition, household assets and poverty reduction. It is evident that political will is essential to design and successfully implement social protection policies. Important to note is that costs of social protection programmes are to be considered an investment and often outweigh the costs of damage of not doing it. Research can play a significant role in influencing policy development, dialogue and implementation as well as in feeding the public policy debate.

The special advisor to the chairperson of the African Union Mr Kapambwe highlighted key issues addressed by the AU Agenda 2063 process, which, set in 2013, comprises a strategic framework and roadmap to develop Africa's growth trajectory for the next 50 years. The Agenda includes ways to address inequality by managing natural resources, tackling social issues and addressing industrialization, with a clear focus on good governance. Lastly, Mr Abdel-Latif emphasized the strategic reorientation of UNECA towards serving knowledge needs for African policymakers demand and offering sound and well-guided policy advice, support and training.

The two-day seminar was concluded with a number of recommendations to make policymaking on inclusive development more knowledge- and evidence-based. On the one hand, a better understanding is needed of *knowledge flows*: how do individual African countries move from policy towards implementation; and how to engage and communicate to policymakers (and how effective have the current channels been?). For that reason, stakeholder mapping exercises have to be undertaken to assess roles and responsibilities of stakeholders, including rural CSOs. On the other hand, more *knowledge on inclusive development* is needed: capacity-building in political economy analysis is needed; micro data need to receive more attention; and systematic budgetary data and analysis is needed for capacity development regarding transformational leadership backed by transformative institutions. It was also felt that the Knowledge Platform on Development Policies could help in these areas.

Seminar report

This two-day seminar was held as scheduled on 13-14 May 2014. It was attended by approximately 90 people (see Annex). The meeting had two overarching objectives:

- an exchange of evidence and ideas from completed research on the economic and political conditions for achieving economic transformation and inclusive development in Africa;
- an assessment of how to achieve better research-policy linkages on transformation and inclusion, with particular reference to productive employment and social protection.

The seminar was co-hosted by three entities: the [Developmental Regimes Africa project](#) led by the Overseas Development Institute with the University of Leiden; the [Knowledge Platform on Development Policies](#) sponsored by the Government of the Netherlands with a network of African policy research institutes; and the [Knowledge Delivery pillar and Capacity Development Division of the UN Economic Commission for Africa](#). It received administrative and technical support from OSSREA.

The aim was to bring together and stimulate a forward-looking debate among representatives of Africa's major policy knowledge networks, international agencies based in Africa, distinguished researchers and policy thinkers, and influential business leaders and government advisers in the region. All presentations are available at [the OSSREA seminar web-page](#).

DAY 1: TUESDAY 13 MAY

The agenda of Day 1 focused on two issues, considered in the morning and afternoon sessions:

- the meaning and policy implications of economic transformation and inclusive development in Africa today (see Box 1 for the rationale); and
- the conditions for the emergence and consolidation of developmental political regimes in the contemporary African context (see Box 2 for the rationale).

Morning session: “The meaning of economic transformation and inclusive development”

The morning session was led off by a Welcome Address by Dr Abdalla Hamdok, Deputy Executive Secretary of UNECA and presentations by:

- Mr Adam Alhiraika, Director of UNECA’s Macro-Economic Policy Division, on the *Economic Report on Africa 2014*;
- Dr Yaw Ansu, Chief Economist of ACET, on the *African Transformation Report 2014: Growth with Depth*; and
- Prof David Henley and Dr Ahmad Helmy Fuady (Leiden University and LIPI, Jakarta) on the place of agriculture in economic transformation, comparing Africa and Southeast Asia.

Responding to questions about his welcome address, Dr Hamdok re-emphasised the jobless character of recent growth in Africa, and the increase in inequality (6 out of the 10 countries

with the highest Gini coefficients are now African countries). Transformation needs to move from high-level vision to hegemonic idea, accepted by all. This implies communicating the point that the state has a role in creating the needed private sector. It also implies Africa using its collective power in the global system, including being critical about Economic Partnership Agreements with the EU.

Responding to comments on the presentations, Mr Alhiraika stressed the need for high-level coordination in each country, between the state, private-sector actors and ‘embedded’ bureaucrats who stand above changes in the political composition of governments. Dr Ansu underlined the definition of transformation used by ACET – moving from low-productivity activities to high-productivity activities within sectors. He warned against being discouraged by exaggerated fears of ‘state failure’. Prof Henley, who had stressed the importance of constructing a strong agricultural base for eventual industrialisation, was seconded by Dr Blandina Kilama, who pointed to the role of cheap food in attracting industrial investors. Dr Sarah Vaughan observed that Ethiopia has tried to give priority to both industrial and agricultural transformation, with the difficulty that governments can seldom deliver on more than one top priority.

This was followed by small-group discussions and further debate in plenary session. The plenaries were moderated by Dr Adeyemi Dipeolu, Director of UNECA’s Capacity Development Division, and Prof Ton Dietz, Director of the African Studies Centre, Leiden. The group discussions were moderated by Dr Blessings Chinsinga, Prof William Lyakurwa, Dr Brian Cooksey and Dr Blandina Kilama.

The groups were invited to reflect upon the following:

Given the recent convergence of authoritative opinion on the importance of moving policy from a ‘growth’ focus to a ‘transformation’ focus

And given that successful economic transformation calls for both active ‘industrial policies’ and inclusive agricultural strategies

Box 1: Why transformation and inclusion?

The argument has been powerfully made by UN Economic Commission for Africa (ECA and AU, 2011; 2013) and ACET’s [African Transformation Report](#) among others that policy-makers in Africa should no longer be content with fast economic growth. They should be aiming for structural economic change and a pattern of growth that delivers economic and social benefits to large populations. Other recent research, including comparative studies of African and Southeast Asian development, has reinforced the long-established view that successful industrialisation builds on a transformation of the productivity of food-producing agriculture (Breisinger and Diao, 2008; Henley and van Donge, 2012; van Donge et al., 2012; Berendsen et al., 2013). Can African states respond effectively to these findings by pursuing policies that generate inclusive development urgently and expediently?

- How widely known and accepted are these messages among various actors in African countries and among their development partners?
- What are the requirements for communicating the messages effectively to a wider public?
- What additional challenges are involved in getting them adopted as the basis for public policy, in real practice, and not just formally?
- What kinds of public-private networks, cooperative initiatives, knowledge-sharing events or policy engagement activities will contribute best to these objectives?
- What are the three top recommendations of the group on these points?

Some of the highlights of the groups' responses were:

- The broad messages are well known to various stakeholders. The challenges include failure to pass on the messages, not knowing what to do to apply them or simply failing to do the right things.
- The degree of understanding varies by country, and this is important because solutions need to be country-specific. Recognition of the idea of transformation is seen in the adoption in several countries of state Transformation Plans, but the implications for practice are generally not well defined.
- It is important to be clear that transformation is not just about the formal sectors; the informal sector is where most of the employment is and where decent employment needs to be created. Also, transformation is a means to an end: the end is human welfare.
- Lack of coordination across ministries is a typical problem in operationalising transformative ambitions. Short-term governments also contribute to policy inconsistency, although long-term ones have not delivered either in many cases.
- Coalitions of stakeholders are needed to pass on the messages and get policies shaped and consistently implemented over time. These need to involve partnership with the private sector and strong support networks, formal and informal.

Afternoon session:

“The politics of transformation and the idea of a developmental state”

The afternoon session, held in plenary, was moderated by Mr Jalal Abdel-Latif of UNECA's Capacity Development Division, and Dr Fantu Cheru of the American University and the African Studies Centre, Leiden. It picked up several of the issues regarding government coordination capacity and political short-termism raised in the morning.

Presentations were made by:

- Dr David Booth, Coordinator of the Developmental Regimes in Africa Project, who suggested a way of updating the 'developmental state' concept for Africa today;
- Dr Sarah Vaughan, DRA Project Research Associate, and Dr Mesfin Gebremichael, IPSS, Addis Ababa, on the developmental state idea and Ethiopia; and
- Dr Frederick Golooba-Mutebi, DRA Project Research Associate, on what makes RPF-led Rwanda a developmental regime.

The suggested discussion topics were:

- What are the typical political obstacles to translating the 'active state' idea into effective policy and practice?
- To what extent is this mainly a battle of ideas – getting 'transformation' and historical awareness of the role of agriculture into the public discourse?
- What else needs to happen for these ideas to be translated into practice?
- Does experience in a) Ethiopia, and b) Rwanda support the argument that developmental regimes need three things i) sound policy ideas, ii) policy processes with a strong problem-solving and learning (PDIA) orientation, and iii) a political settlement that permits this approach to policy making?
- Could these principles be applied in other African contexts?
- What recommendations does the group have for widening the discussion of economic transformation, so that it deals with political dimensions?

Box 2: Why developmental political regimes?

It is increasingly recognised that African political regimes have different capabilities when it comes to driving development, with developmental regimes such as those in Ethiopia and Rwanda at one end of a spectrum of variation (Poulton, 2012; Kelsall, 2013). The most recent research from the Developmental Regimes in Africa project (Booth and Golooba-Mutebi, 2014) suggests that developmental regimes are distinguished by policy processes that place an emphasis on discovering solutions to national development problems in an iterative and adaptive way (Andrews, 2013). More fundamentally, such regimes rest on political settlements that manage the ethno-political and other challenges that otherwise inhibit policy-making in the public interest (Khan, 2010; North et al., 2013). These requirements differ from the standard prescriptions on 'good governance' (Sundaram and Chowdhury, 2012). What does this mean for the way international agencies support public-sector reform, private-sector development and political progress in African countries?

Highlights from the morning and afternoon discussions on these issues were:

- The developmental state vocabulary is increasingly known to decision-makers and politicians in Africa, but there is no consistency in its use.
- An activist state is needed, but also checks and balances to prevent abuses. The role of legislative and judicial branches, nationally and locally, in developmental states is a key area for further investigation.
- Critical historical events and 'systemic vulnerabilities' seem important preconditions for the emergence of strongly developmental regimes, but continuous learning and adaptation have been important in both Ethiopia and Rwanda.
- As well as looking at dominant-party models, we need to be thinking about what to do in more competitive systems – democracy is not going to go away.
- There is an interesting difference between Ethiopia and Rwanda in approaches to private-sector development.
- Slogans such as 'coalition with the people' and 'development army' recall some of the elements that made the breakthrough possible in Southeast Asia.
- 'Good fit governance' means, among other things, dealing with the dominant ethnic-conflict issues through some sort of political settlement, even if imperfect. Ethnic federalism was an important step in the Ethiopian case.
- Wagering on the middle class as the means of getting transformative governance is appealing but normally the middle class becomes important only after significant transformation (e.g. Tunisia). Inclusive development in Southeast Asia was not led by the middle class.
- The contribution of policy experimentation to the breakthrough in China is being studied by the Ethiopian leadership, and would be relevant elsewhere too.

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DAY 2: WEDNESDAY 14 MAY

On Day 2 the attention was shifted to the role of knowledge in policies related to two specific issues, i.e. productive employment and social protection, which were considered in the morning and afternoon sessions respectively.

A number of key questions were guiding this day:

- What is the state of knowledge/policy debate in specific African countries on productive employment and social protection?
- What knowledge flows, products and services are desired to feed informed and lively policy debates on these issues? How to organize these knowledge flows?
- How are different actors engaged in knowledge sharing: regional institutions, other knowledge networks, governments and donors, businesses and civil society?

- How can the Knowledge Platform contribute, beyond the three calls for proposals already issued, through additional activities such as short-term research, knowledge mapping and knowledge sharing through websites and seminars?

Morning session:

“Policies for promoting productive employment: The role of knowledge”

The morning session considered “Policies for promoting productive employment: The role of knowledge”. Dr William Baah-Boateng started with an overview of the current situation in Sub-Saharan Africa, which was discussed by Dr Bekele Shiferaw. After a lively plenary discussion, two different country case-studies were presented and discussed: employment policies in Ghana (by Dr William Baah-Boateng) and in Ethiopia (by Prof Tadele Ferede).

Dr William Baah-Boateng, University of Ghana

“Promoting employment in Sub-Saharan countries: Successes and challenges”

Dr William Baah-Boateng of the University of Ghana set out to provide answers to four questions in his presentation related to productive employment:

- *Has SSA failed to generate employment against the backdrop of relatively strong growth over the last decade or so?* Dr Baah-Boateng argues that growth in SSA is strong but it has not translated into employment gains. Employment growth (3% average annual growth rate) lags behind growth of GDP (5% average annual GDP growth rate).
- *What type of employment is pervasive and what is the situation regarding unemployment?* When policy-makers speak about ‘jobs’, he argues, this does not necessarily mean that productive employment opportunities have been created. Unemployment is low in most of SSA (except for South Africa and Namibia), but this masks the reality of underemployment and vulnerable employment.
- *Is SSA a homogeneous or heterogeneous region?* SSA is a heterogeneous region that requires different approaches and different tactics.
- *Do we have adequate and regular labour market statistics to assess SSA’s employment situation?* According to Dr Baah-Boateng adequate data to assess the situation are lacking in many countries. Conceptualization and availability varies; some countries use population census or household surveys while only few countries have specific employment surveys.

Some of the issues that Dr Baah-Boateng highlighted were:

- the quality of employment and variety among countries;
- challenges to employment promotion (lack of commitment, dominance of extractive industries, low quality of labour, skills mismatch, lack of understanding of issues);
- conditions requiring attention for employment promotion strategies (data availability, avoid one-size-fits-all, type of job or employment, active vs. passive labour market programmes, demand for and supply of labour, time dimension (short/medium/long term));
- employment promotion strategies (population control policies and programmes, address skills mismatch, investment in infrastructure, R&D, and innovations for longer term structural economic transformation, promoting growth in agriculture, effective management of returns from extractives, and promotion of SMEs);
- the importance of mainstreaming employment generation in national strategic framework; and
- the development of long term strategies.

Comments by Dr Bekele Shiferaw, Executive Director of the Partnership for Economic Policy

Dr Bekele Shiferaw, Executive Director of the Partnership for Economic Policy, discussed the following important issues with respect to employment in SSA:

- weak employment elasticity of growth;
- predominance of the informal sector;
- agriculture remains main employer, yet limited investments are made in the sector to make it more attractive;
- high levels of youth unemployment; and
- emphasis on the supply side to address mismatch or increase employment (suggestion to stimulate demand versus enhancing employability of labour force).

He emphasized the importance of youth in employment strategies. Africa is the youngest continent with 70% below the age of 25; and young people more likely to be unemployed than their adult counterparts.

Shiferaw's presentation offered an overview of major identified gaps for job creation and employment as well as offering specific recommendations following PEP-NET's programmatic activities. These included:

- necessary coordination between stakeholders;
- key role of data and the importance of research;
- importance of infrastructure and private sector development;
- importance of regional and international mobility of people and goods;
- importance of learning and apprenticeship; and
- the empowerment of youth and national plans and strategies.

Plenary discussion

The following points to the two presentations were raised:

- Population policies: it is not necessarily an issue of the size of the population, rather the rate of growth and the capability of the government programmes to keep up with that growth. In addition, this is a long-term approach, but will not solve issues in the short- and mid-term.
- Defining employment: the definition goes beyond 'creating jobs', as is the case in Ghana with over 1.6 million jobs created, but it depends on the interpretation and type of analysis that has been done to measure employment. Especially of importance is the duration of employment, rather than creation of short-term jobs.
- Elasticity of employment: people in Africa cannot afford to be unemployed, therefore most Africans are (in)formally employed. So when dealing with the concept of 'employment', it requires a more narrow approach of 'productive employment'.
- How to attract youth to agriculture? It will remain an essential sector, but youth is running away from the countryside. The question remains how to commercialize agriculture, and change its perception from 'backward' to attractive. Boosting agricultural activity also requires a change of mindset. In addition to the required modernization of the agricultural sector, there is need for improved access to more local services in rural areas such as infrastructure, health services and education facilities if rural-urban migration is to be stemmed. There needs to be growing realization that social issues and tensions arise from (youth) employment issues, as was seen in the North African cases.

- In addition, there are constraints with labour market linkages, as well as the fact that 70% of agricultural employment is covered by women.
- A comparison was made with the South East Asian experience. The argument was that problems in urban centres cannot be solved if rural problems are not addressed. In the case of SEA this required a primary focus on rural development, boosting small-farmer productivity and subsidizing sectors.
- Need to be aware that employment is a political vehicle as well. Politicians might use 'employment' as a means to come to power, rather than looking at it as a means to improve livelihoods. It requires more than paying lip-service to the issue.
- There is a need to keep policy-makers involved and informed of research from the beginning. In this way, there is more opportunity for employment issues to become a political issue. This would also involve building the capacity for informed policy making.
- Data on informal sector employment are already available and should be used in policy making. Reference is made to the work on de-agrarianisation by D. Bryceson.
- Civil society can play an essential role in holding policy-makers accountable. However, for this to take place a level of measurable concepts and data need to be in place that can be tracked and traced over time.
- The level and capacity of private sector to take on responsibilities of supporting a growing agricultural sector and increased rural employment should not be overestimated.
- A suggestion for stimulating SME development is to offer tax incentives to SMEs to stimulate job creation in private sector. This would require an integrated approach including access to credit, capital, infrastructure, etc. Also, it would require a move away from public sector driven employment growth, towards demand driven growth. In essence this comes down to moving away from training focus, but towards creating jobs and incentives for creating jobs in relevant sectors.

Dr William Baah-Boateng, *University of Ghana*
"Employment policies in Ghana"

Dr William Baah-Boateng began by pointing out that measured unemployment is very low in Ghana, which is somewhat of an anomaly.

- He attributed this to the fact that Ghanaians cannot afford to be unemployed and thus are engaged in informal activities to eke out a living. Data shows that formal employment lags behind GDP growth, with an employment elasticity of 0.43 between 2006 and 2010.
- He argued that the low employment multiplier is explained by the fact that there has been higher growth in the low labour absorbing sectors (mining, finance, oil) and lower growth in high labour absorbing sectors (agriculture, manufacturing). As a consequence, employment growth has been concentrated in informal sector (3.3%).
- Informal employment is however mostly vulnerable, and does not have social protection. Up to 70% of the employed are in vulnerable employment, with most of them underemployed.
- For Ghana, the rise in vulnerable employment is explained by (i) low growth of formal private sector (particularly in agriculture and manufacturing), and (ii) low levels of education, with 76% of the labour force having attained only basic education.
- Dr Baah-Boateng believes that government is not committed to promoting jobs creation, particularly given the lack of coordination across government in so far as employment creation is concerned, and the lack of regular, consistent and reliable data on which employment policies can be anchored.
- According to Dr Baah-Boateng, half-hearted attempts at jobs creation can be found in the National Service Scheme for Tertiary graduates to transition from school to work, and the National Youth

Employment Programme, or the Ghana Youth Employment and Entrepreneurial Development Agency. However, these initiatives tend to be more political than economic.

- He argued that employment in Ghana has often been treated as a residual outcome of macroeconomic policies, rather than as a goal in its own right. Dr Baah-Boateng cites the lack of employment data as evidence of the lack of commitment by government to address the employment challenges. Another sign of lack of seriousness by Government, according to Dr Baah-Boateng, is the fact that the employment policy remains in draft form, and has not been implemented, largely due to lack of alignment between government policies.

Dr Baah-Boateng believes that policy-makers need to understand the concept of employment/unemployment. To address the employment challenge in Ghana, he argued that there is need:

- to prioritise data issues;
- for policy-makers to understand the concept of employment;
- for total structural transformation of the Ghanaian economy;
- to review of education and training to reduce skills mismatch;
- to emphasize science and technology; and
- for a good political system of governance.

Plenary discussion

A few comments were raised following Dr Baah-Boateng's presentation:

- Although the proposed solutions to the unemployment/underemployment problem in Ghana are sound, they are all 'long term' solutions. Questions were therefore raised on the need for immediate and short-term solutions to alleviate the problem.
- A question was asked on the extent to which qualitative research has been done to inform policy, particularly given the lack of data. In particular, whether a combination of the little data available and qualitative analyses can result in better informed policies.

Prof Tadele Ferede, Department of Economics, Addis Ababa University

"Employment policies and strategies in Ethiopia: Towards a productive employment"

- Prof Tadele Ferede from Addis Ababa University provided an overview of employment policies that Ethiopia has pursued since the 1990s and which have been reflected in various poverty reduction strategies and development plans such as the SDPRP, PASDEP and GTP that were being implemented in the 2000s. The emphasis in these programmes was put on employment creation in agriculture (both smallholder and commercial) as well as the manufacturing sector.
- Ethiopia has experienced solid economic growth over the past 10-15 years with average growth rates of about 10% and poverty reduction with 4 million people lifted out of poverty in 2010/11. Sectoral contribution to overall growth, however, varies: while the services sector is a real driver and the contribution of the industrial sector is small but growing, agriculture's growth contribution has declined.
- The issue is raised if the growth process has been employment-friendly. When assessing several labour market indicators, it turns out that total employment has increased by 11.6 million between 1996 and 2011, with the share of agricultural employment in total employment remaining very high and 1.94 million jobs created through SMEs in 2012/13.

- Interventions to increase employment opportunities and labour productivity went hand in hand with expansion of education at all levels, including vocational and sector-specific training. Employment growth has been accompanied by productivity growth, in particular in the manufacturing and construction sectors, but not in agriculture and it stagnated in wholesale and retail trade.
- While employment grew in most sectors and in urban areas, real income declined and generated a 'working poor' population. And unemployment has remained high for females compared to males. Despite strong economic growth, the levels and rates of unemployment remain a concern and changes in the sectoral composition of employment have lagged behind that of output. Also labour shifts from low- to high-productivity sectors (i.e. structural change) has remained a challenge.
- It is concluded that for productive employment through inclusive growth, not only the quantity but also quality of growth must be improved, the quality of education must be raised, and the labour market needs better monitoring and evaluation including the establishment of a labour market information system.

Plenary discussion

A few comments were raised following Prof Ferede's presentation:

- The first question was whether there was scientific proof that it is possible to institute interventions at scale to positively influence the 80%+ Ethiopian people in agriculture.
- Many jobs in Ethiopia are said to have been created through SMEs, but does it include micro enterprises? The concern is that the standard definition applied by most international organisations excludes micro enterprises, while in fact the bulk of the SMEs in Africa are micro businesses.
- It is important to understand the institutional arrangements for employment promotion in Ethiopia as duplication may negatively impact efficiency of interventions. For instance, the Federal Micro and Small Enterprise Agency, TVETs agency, and the Ministry of Labour and Social Affairs all appear to be doing similar initiatives/interventions.
- A concern was raised that increasing the numbers of science students without simultaneously increasing the numbers of science teachers would compromise quality of education. According to Dr Ferede, the push for sciences education is premised on the need to make labour more mobile, and indeed there was a balance between rising science students numbers and science teachers training.
- Another issue raised was data availability, in particular disaggregated data by, for example, sex, income, etc. that would allow for deeper analyses. Similarly, it was asked of the extent to which qualitative research has been done to inform policy, particularly given the lack of data. More insight is needed in questions such as: 'Who are the vulnerable people and who came out of poverty?'

Afternoon session: “Social Protection in Sub-Saharan Africa: Harnessing knowledge for effective policies”

The role of knowledge in social protection policies was the central theme during the afternoon sessions. The focus was first on Sub-Saharan Africa as a whole and then moved to the country level with particular reference to Ethiopia (by Dr Alemayehu Seyoum Taffesse) and Kenya (by Dr Mary Amuyunzu-Nyamungo).

Following Adesina (2007),¹ social policy covers protection from social destitution, education, health care provisions, habitat, food security, sanitation and labour market protection and social policy plays an important role in resurgent Africa, for example in promoting self-determination and creating equality of opportunity.

Dr Olawale Maiyegun, Director Social Affairs at the African Union Commission
“Social protection in Africa: Harnessing knowledge for effective policies”

- In this presentation Dr Olawale Maiyegun emphasized that social protection is an important component of poverty reduction and elimination strategies that features strongly in the Social Policy Framework that was adopted by the African Union Executive Council in 2009.
- Next, Amb. Maiyegun explained what steps the AU has taken towards social protection and highlighted the synergy between social protection and other AU legal and policy instruments such as the African Charter on the Rights and Welfare of the Child as well as the International agenda such as the UN Social Protection Floor Initiative.
- How the AU uses knowledge and empirical evidence to support the case for social protection becomes evident from SPIREWORK (Social Protection Plan for the Informal Economy and Rural Workers). SPIREWORK documents the need for providing affordable health care, occupational safety and health coverage as well as micro-insurance and decentralized social security schemes. Additionally, the African Institute for Remittances (AIR) considers ways through which remittances could facilitate private social security, for example by improving legal and regulatory frameworks that now constrain transfers.

Dr Alemayehu Seyoum Taffesse, Senior Research Fellow at IFPRI Ethiopia, Country Director Ethiopia of the International Growth Centre
“National strategy for social protection in Ethiopia”

- Dr Alemayehu Seyoum Taffesse presented on the productive safety net programme (PSNP) for Ethiopia, which was informed largely by the drought of 2003, and has since spawned the new partnership for food security.
- He argued that understanding the PSNP was important for at least two reasons. First, it is possible to distill lessons from country level experiences (in this case Ethiopia), and second, lessons from PSNP may inform other strategies at country/regional levels.

¹ Adesina, Jimi (ed.) (2007) *Social Policy in Sub-Saharan African Context: In Search of Inclusive Development*. Basingstoke: Palgrave.

- The key features of the PSNP are:
 - Coordination and commitment - nine donors, Ethiopian government;
 - Predictability – the PSNP is a multiyear programme;
 - Combine transfers with asset building to build resilience;
 - Integration with broader development agenda; and
 - The programme is large - up to 8 million people on the programme and substantial amounts of money spent.
- Dr Taffesse argued that the PSNP has had notable impacts on those covered by the programme. Four important outcomes are: (i) Food gap declined – implying that consumption smoothing was achieved, and (ii) There has been a noticeable increase in the use of fertilizer, improving harvests and thus food security. (iii) Higher medical expenditures were observed and (iv) there were notable investments in soil conservation.

Dr Taffesse brought to bear a number of key lessons from the PSNP, lessons that could be transposed to different programmes and/or countries/regions:

- The first key observation is that a *crisis* can be an opportunity. Thus a crisis should not be wasted.
- The second observation is that *principles* are important for effective design and implementation of projects/programmes. The PSNP is underpinned by four principles, namely:
 - Ownership – the PSNP has from the beginning been a government programme. This helped with commitment.
 - Social security policy should be an integral part of development policy.
 - Coordination - minimizes duplication and thus reduces transactions costs.
 - Complementarity: social protection to be aligned with other policies, e.g., drought risk financing.
- The third key lesson/observation is that the *process* is just as important. There is need for genuine dialogue and openness among the stakeholders so as to build trust. In addition, there is need to ensure that dialogue looks at both *what to do* and *how to do it*. This is important since the ‘how to do’ part is usually the most difficult.
- The fourth key lesson that can be drawn from the PSNP is that *monitoring and evaluation* are critical to success. Monitoring and evaluation should be part of initial design and mutual understanding of all parties. In the PSNP case, monitoring and evaluation was done by an independent party, but with collaboration between government, donors, statistical agency, external evaluators, etc. In addition, interim evaluations are important as they allow for learning as programme is in progress.

Dr Mary Amuyunzu-Nyamungo, Director African Institute for Health and Development, Nairobi
“National Safety Net Programme for Results in Kenya”

- In her presentation, Dr Mary Amuyunzu-Nyamungo focused on the social protection policy and programming in Kenya (National Safety Net Programme, NSNP). Its rationale is the unequal distribution of poverty with higher rates in the north eastern parts of the country and in urban areas. Social protection has a constitutional basis in Kenya and is also embedded in national policy documents (Social Pillar of Vision 2030; National Social Protection Policy 2012).
- The NSNP aims to improve the efficiency and effectiveness of safety net support to poor and vulnerable populations in Kenya and consists of five different cash transfer programmes that are funded by 0.8% of the Kenyan GDP. These programmes prove to have a positive effect on food security, health and nutrition, household assets and poverty reduction. Recently, the World Bank

approved a three-year funding for the NSNP at USD 250 million and the Kenya government increased its funding for social protection.

- Although opportunities for scaling up are available, key challenges remain and include the development of a legal framework, delays in programme implementation, limited human capacity, political interests, capacity to scaling up, lack of complementary programmes, and remaining scepticism among policy-makers and community members about the utility of the initiative (do social protection programmes create dependency?).

Plenary discussion

The discussion after these three presentations highlighted several issues:

- The engagement with politicians and politics take place in written, accessible output and face to face interactions. Decent research output should be contextualized by the researcher and discussed with both government and civil society.
- The dialogue is best formed when groups of reform minded people have been given some autonomy from the government/donor processes, such as is illustrated by the ODI case study in The Philippines (<http://www.researchtoaction.org/2012/07/development-entrepreneurship-and-policy-entrepreneurship-a-discussion-with-the-asia-foundation-in-manila-about-similarities-and-differences-between-the-two-approaches/>). This means one does not rely on formal structures only.
- Research does not only influence policy development, dialogue and implementation but knowledge is also important to feed the public policy debate that is to take place at a national level.
- The Knowledge Platform could play a role in the discussions on how to move from policy to implementation as knowledge originates in practice.
- South Africa and Latin America provide examples of a situation where social protection is provided in a rights-based approach. This provides the opportunity for inclusive development and the potential to enforce accountability of the government because it is possible to take the government to court for not providing.
- Addressing social protection from a rights-based approach has, however, certain flaws, it was pointed out. It assumes there is a state system in place that treats people equally and is accountable for its actions through an effective justice system that is fair and unbiased. It is important to wonder how an inclusive approach can be achieved, when there is not a rights-based approach to social protection possible.
- Someone questioned the sustainability of social protection systems; economic growth is necessary to finance the systems on a longer term. Without economic sustenance, there is no way to enforce rights when these rights are not affordable. Currently, many planners are not persuaded about the business case and when they are not, social protection will not happen. It is unclear what kind of leverage there is with the governments and the politicians. In Africa this is low, while in Latin America social protection programmes are integrated and the legal frameworks are enabling.
- So far, Social Protection programmes are only discussed in terms of economic risks and vulnerability and someone commented that it is also important to look a psychosocial risks and its impact on human wellbeing and maximizing investment.
- It is important not only to look at the costs of social protection programmes, but also to consider the costs of the damage of not doing it; it is not a hand out, but an investment. This is exemplified by for example the long term impact of SP when one intervenes in nutrition. 1 US\$ invested in nutritional intervention has a 12 US\$ impact (IFPRI; these are measured returns to social protection in Ethiopia and other countries). Dr Amuyunzu-Nyamungo also refers to

evidence from studies on children and nutrition that it is worth investing in social protection; see also <http://sa.au.int/en/content/african-union-expert-consultation-meeting-children-and-social-protection-africa-cape-town-south-africa>

- The political economy challenge: How can we assist in making the case for funding social protection in Africa? The AU is already working on this. The Knowledge Platform could help by generating quality research quantifying the economic impacts of social protection, including local multiplier effects. The push for social protection has to pass the budget test. Given the age structure (demographic dividend) social protection should be affordable in Africa
- Although most projects start small, with pilots, the case of Ethiopia suggests that it is possible to start large and be effective.
- Is there a relation between weak social protection and security/stability?
- Even when SP is correlated to the creation of assets, there is still a concern with affordability. In Europe SP is linked to employment, but the challenge in Africa is to link SP to productivity in SMEs as much of the economic growth is realized in the informal sector.
- Conditional cash transfers do not always work. They work when beneficiaries have a demand for the services concerned (e.g. education, health services) and there are no problems with supply of these services .
- With policies targeting specific groups the implemented institutions have to be strong enough to do this, and this has not been the case generally in Asia. Alternatively one could use geographic targeting.
- The presentations have not referred to graduation from social assistance programmes or abuse. In Ethiopia, IFPRI has now started to work on graduation and in general the experience is that it works well if the programmes are focused and targeted. In case of abuse this should of course be tackled.

Mr. Lazarous Kapambwe, *Special advisor to chairperson to the African Union*

- Mr. Lazarous Kapambwe highlighted the key issues addressed by the AU Agenda 2063 process, which was described as ‘a global strategy to optimize the use of Africa’s resources for the benefit of all Africans’. The Agenda, set in 2013, comprises a strategic framework and roadmap to develop Africa’s growth trajectory for the next 50 years. It is driven by a bottom-up consultative process and has the following aspirations in place:
- Address inequality by effective management of natural resources, tackling social issues (such as HIV and gender issues), and addressing industrialization for Africa.
- Aim for an integrated and publically united Africa, including a political union.
- Focus on good governance, which includes:
 - Institutions at the service of the people
 - Grassroots participation in discussions
 - Women empowerment and full participation in political processes
 - Youth leadership role
 - Free, fair, and credible elections
 - Accountability culture
 - Tackling the issue of corruption
- Aiming for a peaceful and secure Africa
- Cherish the value and ethics of a strong African identity
- Ensure an influential Africa

Mr Jalal Abdel-Latif, Capacity Development Division, UNECA
“Knowledge flows for informed policy-making in Africa”

Mr. Jalal Abdel-Latif focused on the following points in his presentation:

- The strategic reorientation of UNECA towards serving knowledge needs for African policy-makers demand and offering sound and well-guided policy advice, support and training;
- Introducing the new structure: especially the Capacity Development Division;
- Certain priority areas are selected:
 - promotion of industrialization;
 - design & implementation of macroeconomic policy;
 - design and articulation of development planning;
 - supporting mineral resources contract negotiations; and
 - promoting the proper management of natural resources for Africa’s transformation.
- It offers cutting edge policy research and effective knowledge delivery.

Closing session: Conclusions and recommendations

The following conclusions and recommendations were made at the end of the two-day seminar.

1. There is a need to undertake stakeholder mapping exercises to assess roles and responsibilities of stakeholders, including rural CSOs.
2. A better understanding is needed of how individual African countries move from policy towards implementation. To influence policy making, one needs to understand the incentive structures.
3. There is a need to pick lessons to inform other initiatives and increase policy evaluation capabilities of policy-makers.
4. To be able to meaningfully influence policy making, we need to think creatively on how to engage and communicate to policy-makers. In particular, how effective have the current channels been?
5. Capacity-building in political economy analysis is needed.
6. What common goal is there and how to achieve it?
7. Micro data need to receive more attention.
8. How to create and nurture transformational leadership, backed by transformative institutions? There is an urgent need for systematic budgetary data and analysis and for capacity development.
9. How do we create independent research centres that are linked to government, private sector and universities?
10. How to create a continuous learning culture?
11. Social protection needs to be linked to inequality issues, which is a political process.

It was also felt the Knowledge Platform on Development Policies could help in these areas.

Annex: List of participants

No.	Name	Organization
1	Abdalla Hamdok	Deputy Executive Secretary
2	Abiye Daniel	OSSREA
3	Agnes Soucat	AFRICAN DEVELOPMENT BANK
4	Ahmad HelmyFuady	Indonesian Institute of Sciences (LIPI), Jakarta
5	Ahmed Mohammed	DFID
6	Akinyinka Akinyoade	African Studies Centre, Leiden, The Netherlands
7	Alemayehu Seyoum	IFPIRI
8	Alemtsehay Zewdie	OSSREA
9	Alemu Tesfaye	OSSREA
10	Amdissa Teshome	Tufts University
11	Anders Östman	KENYA
12	Assefa Admassie	Ethiopian Economics Association
13	Bea Parkes	DFID Ethiopia
14	Bekele A. Shiferaw	PARTNERSHIP FOR ECONOMIC POLICY
15	Belete Demissie	OSSREA
16	Blandina Kilama	REPOA
17	Blessings Chinsinga	Future Agricultures Consortium (FAC)
18	Bouwe-Jan Smeding	Netherlands Embassy
19	Brian Cooksey	TANZANIA DEVELOPMENT RESEARCH GROUP
20	Carlos Lopes	UNECA
21	Daniel Hailu	Litmus Research and Conslutancy P.L.C
22	Daniëlle de Winter	The Broker
23	David Booth	Overseas Development Institute (ODI)
24	David Henley	Leiden University
25	Dennis Arends	UNICEF THE NETHERLANDS
26	Désiré Assogbavi	Oxfam International Liaison Office
27	Dickson Malunda	Institute of Policy Analysis and Research-Rwanda
28	Esther van Damme	Embassy of the Kingdom of the Netherlands, Rwanda
29	Fantu Cheru	African Studies Centre, Leiden, the Netherlands
30	Febe Potgieter-Gqulube	Senior Advisor to the Chairperson of the African Union Commission
31	Frederick Golooba-Mutebi	Developmental Regimes in Africa
32	Frits van Bruggen	Netherlands Embassy
33	Gemechu Adimassu	DFID
34	Gerrie Tuitert	WOTRO
35	Gerrit Noordam	Netherlands Embassy
36	H. E. Prof Joseph Nsengimana	Ambassador of Rwanda
37	H.E. Ato Mekonen Manyazewal	Commissioner National Planning Commission
38	H.E. Dr Abraham Tekeste	State Minister, Ministry of Finance and Economic Development
39	H.E. Neway Gebre-Ab	Advisor to the PM with rank of Minister, Executive Director of EDRI

40	Hassen Abeaw	OSSREA
41	Herman Musahara	OSSREA
42	Iain Cox	DFID
43	Ibrahim Khaleel Abdussalam	Bayero University, Kano-Nigeria
44	ISA Baud	University of Amsterdam
45	Jalal Abdel-Latif	UNECA
46	James Wakiaga	UNDP
47	Jan Vanheukelom	European Centre for Development Policy Management
48	Jean-Paul Kimonyo	Office of the President (Rwanda)
49	Jeremy Armon	DFID
50	Johan Strijdom	Head of the AUC Social Welfare Division
51	Josine Stremmelaar	Coordinator Knowledge Programmeme
52	Karin Nijenhuis	Knowledge Platform
53	Lemma Senbet	African Economic RESEARCH CONSORTIUM(AERC)
54	Margriet Kuster	Ministry of Foreign Affairs of the Netherlands
55	Marleen Dekker	African Studies Centre
56	Martin Kooper	Netherlands Embassy
57	Mary Amuyunzu-Nyamongo	African Institute for Health & Development
58	Matebu Tadesse	OSSREA
59	Matt Butler	DFID
60	Mawutor Ablo	GHANA
61	Mesfin Gebremichael	IPSS
62	Mistre Zergaw	OSSREA
63	Mohammed Salih	ISS
64	Nicholas Awortwi	PASGR
65	Olawale I. Maiyegun	African Union Commission
66	Onno Koopmans	Netherlands Embassy
67	Paschal Mihyo	OSSREA
68	Paul Sherlock	Head of Development Cooperation Ireland
69	Remy Pigois	UNICEF
70	Renate van de Wiel	Netherlands Embassy
71	Rene Kouassi	Director Economic Affairs of the Commission of the African Union (TBC)
72	Robert Bijl	Consultant
73	Robert-Jan Scheer	Ministry for Foreign Affairs, The Netherlands
74	Rolph van der Hoeven	ISS
75	Rosemary Atieno	Institute for Development Studies, University of Nairobi
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77	Sarah N. Ssewanyana	Economic Policy Research Centre (EPRC)
78	Sarah Vaughan	University of Edinburgh
79	Semia Solange Guermas de Tapia	ECA, Social Development Policy Division
80	Shehu Usman Akanbi	Kwara State University, Molete, Nigeria
81	Tegege Teka	African Institute of Management, Development and Governance
82	Thomas Huyghebaert	
83	Tim Conway	DFID

84	Ton Dietz	African Studies Centre
85	Ton Meijers	Oxfam Novib
86	Trupena Mukuna	OSSREA
87	Tsegaye Gelgelo	Netherlands Embassy
88	Twesigye Morrison Rwakakamba	AGENCY FOR TRANSFORMATION
89	William Baah-Boateng	University of Ghana
90	William Lyakurwa	INDEPENDENT CONSULTANT
91	Witness Simbanegavi	AFRICAN ECONOMIC RESEARCH CONSORTIUM(AERC)
92	Yaw Ansu	AFRICAN CENTER FOR ECONOMIC TRANSFORMATION