



Mapping of Country Information on Employment, Unemployment and Policy Initiatives

Final Report¹

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Large decent work deficits continue to characterize the labour market (*in sub-Saharan Africa*); better employment policies are needed, focusing on expanding productive

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opportunities and improving social protection” *Global Employment Trends 2011: The challenge of a jobs recovery*, ILO (p. 63)

FINAL REPORT

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1. INTRODUCTION

Africa has been experiencing fast economic growth in the past decade. Between 2001 and 2010, six of the world's ten fastest-growth economies were in sub-Saharan Africa (SSA) (AfDB et al., 2012). In 2011, the economy of SSA grew by 5.2 per cent, down from 5.4 per cent in 2010 (ILO, 2012). Economic growth in Ghana, for instance, reached 14.2 per cent in 2011 while Ethiopia's economy expanded by 11.4 per cent in 2010. Rwanda and Mozambique managed growth rates of 7.2 per cent and 6.8 per cent respectively in 2010, while Uganda and Kenya recorded growth of 6.1 per cent and 5.6 per cent respectively. Benin, however, managed a moderate growth of only 2.6 per cent in 2010. The generally robust growth performance in SSA is expected to translate into productive and decent employment for the growing working-age population. The challenge however has been the lack of consistent and reliable labour market data at country level to facilitate efficient monitoring of the employment generation impact of economic growth. There are different sources of labour market data including population and housing censuses, living conditions and labour force surveys, administrative surveys and advertised job vacancies. The last two sources only capture indicators in the formal segment of the labour market, which accounts for less than one-fifth of the labour market of most countries in SSA. Indeed, the dominance of informal sector employment in SSA implies that labour market performance can best be monitored through regular nationwide surveys.

A comprehensive analysis of employment and unemployment implications of economic growth at country level in SSA has not been carried out in many countries. As a result, policy makers and donor partners in Africa are compelled to rely on anecdotal sources to pursue policies to address employment and earnings challenges. Comprehensive analyses of the labour market for the assessment of employment and unemployment implications of country economic development policies are therefore needed. This mapping exercise of relevant labour market indicators and employment related policies in selected countries is a start towards responding to this need. It is an initiative of the Knowledge Platform Development Policies, sponsored by the Netherlands, and aiming to promote inclusive development and transformation. There is a growing consensus that employment should be viewed as a central objective of development policy as the lack of productive employment remains a major obstacle to reducing poverty [ODI, *Development Progress 2013*]. Despite remarkable growth rates in many sub-Saharan African countries over the past decade, the high level of self-employment, the large informal sectors, the prevalence of low-paying work and the general persistence of underemployment for large segments of the population are symptoms of lack of productive employment and hence of persisting poverty.

The need for the mapping of employment and unemployment trends using country case studies emerged out of the Platform's meeting in October 2012. Two themes were selected at this meeting: *Promoting Productive and Sustainable Employment* and *Strategic Actors for Inclusive Development*. The mapping exercise is linked to the former and is intended to provide information and knowledge base in preparation to the Platform's meeting in Accra, Ghana, in April 2013.

The report of the mapping exercise covers seven SSA countries, namely Benin, Ethiopia, Ghana, Kenya, Mozambique, Rwanda and Uganda, and focuses on key labour market indicators and on

employment policies in selected African countries.² The mapping includes for each of the selected countries data on (and identification of sources for) the following eight indicators:

1. Employment-to-population ratio
2. Breakdown of employment by age and gender
3. Sectoral distribution of employment (agriculture, manufacturing sectors, services sectors, public sector, informal sector)
4. Urban and rural employment (*unemployment*)
5. *Hours worked if available*
6. *Labour remuneration in different activities if available*
7. *Hours worked and remuneration in informal sector if available*
8. Size and nature of unemployment by age and gender

Table 1: Current Status of Data Availability of Selected Countries

Country	Is Data Available?							
	1	2	3	4	5	6	7	8
Benin, 2006 & 2010	Yes	Yes	Yes	Yes	Yes	Yes*	Yes*	Yes
Ethiopia, 2005	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Ghana, 2006 & 2010	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kenya, 2005 & 2009	Yes	Yes*	Yes*	Yes	Yes	No	No	Yes
Mozambique, 2003 & 2005	Yes	Yes	Yes	No	No	No	No	Yes
Rwanda, 2006	Yes	Yes	Yes	Yes	No	No	No	Yes
Uganda, 2005 & 2009	Yes	Yes	Yes	Yes	Yes	No	No	Yes

Column numbers in the table refer to the indicators in the list above.

* Partially available

Source: Constructed by Authors

Table 1 shows a summary of availability of data for the eight indicators for each country. The disparity in data availability is evident. By country level, Ghana appears to have comprehensive data on all indicators of interest. The data availability varies greatly for all the other countries with all falling short on indicators 6 and 7.

² **Acknowledgement:** The report benefited from inputs on Benin from Cyriaque Edon of the Institute of Empirical Research in Political Economy (RIB IREEP) in Cotonou, Benin and inputs on Mozambique from Eduardo Nerves, Director of the Center for Economic and Management Studies (*Centro de Estudos de Economia e Gestão, CEEG*) at University Eduardo Modlane (UEM), Maputo, Mozambique.

The mapping exercise also touches on the nature of employment promoting policies at the country level, and to the extent possible outlines current country level policy thinking and effort and research work on employment issues in the seven selected countries.

1.1. Some Conceptual Issues on Labour Market Indicators

There are conceptual issues underlying the measurement of employment and labour market indicators. The definition and measurement of labour market indicators are often drawn from International Conferences of Labour Statisticians (ICLS) of the ILO. Figure 1 presents different classification of economic and employment status of the population.

- Based on the ILO Convention No. 138 which specifies minimum age for employment at 15 years, the population could be classified into **working age population** (i.e. those aged 15+ years) and **children** (i.e. those below 15 years).
- The working age population is divided into (i) economically active population or the labour force and (ii) economically inactive who are outside the labour force

Figure 1: Taxonomy of the Labour Market

Population	Economic Status	Time Use	Employment Status		Quality of employment	Working?	Institutional Sector
Working age Population	Labour Force	Full-time work	Wage employment/Regular employment		Productive or Gainful employment	Employed	Formal
			Employer or Self-employed with employees				
			Own-account work OR Contributing family work		Vulnerable Employment		
			Contributing family work OR unpaid family work				
		Part-Time	Domestic employee				
			Casual Worker				
			Others				
	Economically inactive or those Outside the Labour Market	Inactive or out of school system	"Narrow" Unemployed		Broad unemployment	Not in Employment Education or Training (NEET) OR Joblessness Out Of School System (JOSS)	
			Discouraged Worker				
		Inactive					
	In education or training	Student/Pupil					
Children less than 14 years							
							Informal

Source: A Modified version of the Rosetta Stone for labour markets, by Authors

- The economically inactive is made up of (i) those in school or training and (ii) inactive outside the school system for other reasons such as disability, old age or due to home production or household activity.
- The economically inactive is also divided into (i) discouraged workers or hidden unemployed (i.e. jobless and available for work but fails to actively seek work) and (ii) jobless and not available for work and not in school or training.
- The economically active or the labour force use their time in full-time and part-time work (the employed), and job-seeking out of joblessness (the “narrow” unemployed).
- Employment is classified into seven different statuses, two of which are combined as productive employment (i.e. wage employment and employer); and two others combined to give vulnerable employment (i.e. own account and contributing family work).
- All the seven employment status could be formal or informal sector employment.
- The combination of “narrow” unemployed and discouraged worker or hidden unemployment can be put in a category called “broad unemployment”

1.2. Availability of Data and Sources

Data on employment, unemployment and other labour market indicators in the seven countries are sourced from living condition and labour force surveys, population censuses and surveys on one or two segments of the labour market. In Ghana for instance, labour market indicators have always been computed from population censuses, Ghana Living Standards Surveys (GLSS) and Core Welfare Indicators Questionnaires (CWIQ; see Table 2). The challenge however has been the difficulty in comparing indicators overtime since the surveys have different purposes and this applies to all countries. Nonetheless, they provide valuable information about the labour market situation in 3 or 4 year intervals.

Table 2: Source of Labour Market Data in Selected Countries in SSA over the last 1½ decades

Country	Type of Dataset	Scope/Coverage	Year
Benin	Population Census	Nationwide	2002
	Core Welfare Indicators Questionnaire (CWIQ)	Nationwide	2003
	Integrated modular survey on living conditions of households	Nationwide	2006 and 2010
Ethiopia	Ethiopian Rural Household Survey	Some rural areas	1999, 2004, 2009
	Urban employment and unemployment survey	urban areas	2009, 2011
	Household and Labour Force Survey	nationwide minus some areas	1999, 2004/05
Ghana	Core Welfare Indicators Questionnaire (CWIQ)	Nationwide	2003
	Ghana Living Standards Survey (GLSS 4, 5, 6)	Nationwide	1998/99, 2005/06, 2012/13
	Ghana Living Standards Survey (GLSS5+)	Only 6 regions	2008
	Population and Housing Census	Nationwide	2000 and 2010
Kenya	Household Income and expenditure survey	Nationwide	2005
	Population and Housing Census	Nationwide	1999, 2009
Mozambique	Population Census	Nationwide	1997, 2007
	Integrated survey on the labour force (IFTRAB)	---	2004/05
	Household Budget Survey	Nationwide	2005, 2010
	Survey on informal sector (INFOR, 2004)	Nationwide	2004

	Core Welfare Indicators Survey (QUIBB)	---	2002/03
Rwanda	Employment survey	Nationwide	2008/09
	National Child Labour Survey	Not nationwide	2008
	Civil Servants Survey	Only civil servants	2010
	National Manpower Survey	Selected sectors	2012
	General Population and Housing Census	Nationwide	2002, 2012
Uganda	National Household Survey	Nationwide	2005/06. 2009/10
	Child Labour Baseline survey	3 districts	2009
	Population Census	Nationwide	2002

Source: Constructed from Country's National Statistics Bureau and the ILO

Table 2 summarises sources of labour market data of the seven selected countries. Data on employment and unemployment in Benin can be sourced from population census in 2002, CWIQ, 2003 and Integrated Modular Survey (IMS) on living conditions of households conducted in 2006/07. Three different sources of labour market data are also available in Ethiopia and Uganda while household living condition surveys and population censuses are the two main sources of labour market data in Mozambique and Kenya. At least four data sources are available for computing relevant labour market indicators in Ghana and Rwanda.

2. OVERVIEW OF LABOUR MARKET

Data can be sourced from nationally representative household surveys and population censuses, augmented by data from the Key Indicators of the Labour Market (KILM) published by the ILO. The KILM are largely drawn from country data sources and published with a few of the indicators estimated by the ILO. In this mapping, we do not use the estimates in KILM; any KILM data used are those that ILO took from country sources. The definition and measurement of indicators are in line with international standards put forward by the International Conferences of Labour Statisticians (ICLS) of the ILO. Figure 1 shows classification of the working population by different economic status within and outside the labour market.

Tables A to F provide employment and unemployment statistics for the seven selected countries. Employment and unemployment statistics for Ethiopia, Ghana, Kenya, Rwanda and Uganda were computed from the original national datasets or obtained from published household surveys or population censuses.

2.1. Employment-to-population Ratio

Employment-to-population ratio is the proportion of the working age population that are employed. It gives an indication of the ability of a country to generate employment in terms of quantity rather than quality. The numerator of the ratio captures all work independent of economic sector, status of employment or hours of work, and therefore does not contain information on the nature or quality of employment. The ratios are often lower in developed than developing countries.

Table A: Employment-to-population ratio (%)

Country	15+ years					15-24 years	25+ years
	Male	Female	Urban	Rural	All	All	All
Benin, 2006	73.2	63.1	60.9	73.1	67.9	42.9	77.0
Benin, 2010	64.3	57.3	55.2	65.3	61.2	40.3	74.1
Ethiopia, 2005	80.2	49.6	50.0	71.6	64.1	54.4	69.6
Ghana, 2006	69.2	65.6	59.1	73.0	67.3	37.7	81.5
Ghana, 2010	69.3	65.6	62.3	73.3	67.4	39.6	80.7
Kenya, 2005*	61.2	49.1	n/a	n/a	55.0	n/a	n/a
Kenya, 2009	n/a	n/a	n/a	n/a	61.7	n/a	n/a
Mozambique, 2003*	80.7	82.1	n/a	n/a	81.5	n/a	n/a
Mozambique, 2007	76.8	89.1	n/a	n/a	83.3	n/a	n/a
Rwanda, 2006	76.5	78.9	66.3	80.2	77.8	61.6	89.0
Uganda, 2005 (14-64)	70.9	69.8	61.5	72.2	70.3	62.7	88.5
Uganda, 2009 (14-64)	75.6	75.2	68.0	77.1	75.4	n/a	n/a

* Sourced from KILM 7th Edition (ILO)

Source: Computed from Nationally representative household survey and Population Census

The generally high ratio of between 61.2% and 83.3% of working age of 15+ in Benin in 2010 and Mozambique in 2007 respectively is a reflection of the nature of employment in poor developing countries and is indicative of lower productivity jobs.

2.2. Employment by Age, Gender and Location (Rural-Urban)

Table B presents classification of employment by age, sex and location and indicates a higher number of female than male employment in Ghana, Mozambique, Rwanda, Uganda and Benin in 2010 while the reverse is the case in Benin in 2006, Ethiopia, and Kenya in 2005. There is also a higher rural employment than urban employment in all the countries where data is available. Over 80 per cent of the employed people in Benin and Ghana are aged 25 years and above while at least every 2 out of 3 people employed in Ethiopia, Rwanda and Uganda are above the youthful age of 24 years.

Table B: Breakdown of Employment by age, gender and location (rural-urban) (%)

Country	15+				15-24	25+	Total (million)
	Male	Female	Urban	Rural			
Benin, 2006	51.1	48.9	36.9	63.1	17.0	83.0	n/a
Benin, 2010	47.35	52.35	42.0	58.0	15.5	84.5	n/a
Ethiopia, 2005	59.3	40.7	27.3	72.7	31.1	68.9	10.42
Ghana, 2006	48.44	51.56	35.93	64.07	18.2	81.8	9.14
Ghana, 2010	48.87	51.13	50.04	49.96	19.1	80.9	10.24
Kenya, 2005*	51.4	48.6	n/a	n/a	n/a	n/a	12.62
Kenya, 2009	n/a	n/a	n/a	n/a	n/a	n/a	18.91
Mozambique, 2003*	45.6	54.4	n/a	n/a	n/a	n/a	7.94
Rwanda, 2006	45.0	55.0	15.0	85.0	32.5	67.5	3.896
Uganda, 2005	49.2	50.8	14.4	85.6	32.4	67.6	11.18
Uganda, 2009 (14-64)	47.2	52.8	19.0	81.0	n/a	n/a	11.01

* Sourced from KILM 7th Edition (ILO)

Source: Computed from Nationally representative household survey and Population Census

2.3. Sectoral Distribution of Employment

The distribution of employment by economic and institutional sectors shows the dominance of agriculture and informal jobs in Sub-Saharan Africa. Available data on Benin, Ghana, Rwanda and Uganda indicate a high degree of informality in the labour market of these countries. For example, at least 94% of total employment in Benin and Rwanda and 86% in Ghana and Uganda are in the informal sector.

The sectoral distribution of employment show that with the exception of Ghana in 2010 and Benin all the countries reported high proportion of agricultural employment followed by services. A decreasing share of agriculture in total employment in favour of services in Ghana is a reflection of the changing structure of the Ghanaian economy from agriculture to service (dominated by informal activities).

Table C: Distribution of Employment by Economic and Employment Sector (%) for age group of 15+

Country	Agriculture	Industry	Manuf.	Service	Public	Priv. Formal	Informal	Informal/non-agric.
Benin, 2006	47.5	7.1	2.9	53.2	3.9	0.2	95.3	n/a
Benin, 2010	44.3	6.4	2.7	45.6	3.9	3.2	92.9	n/a
Ethiopia, 2005	66.8	9.2	n/a	24.0	n/a	n/a	n/a	n/a
Ghana, 2006	55.8	13.6	10.9	30.6	5.7	7.0	87.3	n/a
Ghana, 2010	41.6	15.2	n/a	43.2	6.4	7.5	86.1	n/a
Kenya, 2005*	61.1	6.7	3.6	32.2	n/a	n/a	n/a	77.9
Mozambique, 2003*	80.5	3.4	0.8	16.1	n/a	n/a	n/a	n/a
Mozambique, 2005	78.5	3.4	n/a	18.1	0.4	6.8	92.8	n/a
Rwanda, 2005*	78.8	3.8	1.8	16.6	6.1		93.9	73.4
Uganda, 2005	70.5	5.9	5.9	23.6	16.6		83.4	n/a
Uganda, 2009*	65.6	6.0	6.0	28.4	14.5		85.5	58.0

Note: age bracket for Uganda is 14-64 * Sourced from KILM 7th Edition (ILO)
2005 data from Mozambique is sourced from IFTRAB 2005

Source: Computed from Nationally representative household survey and Population Census

2.4. Employment Status

Employment status shows the type and quality of employment. In developed countries, the dominant type of employment is wage employment while the reverse is the case in developing countries. In all the seven countries, own account work (or self-employed without employees) and contributing family work (or unpaid family work) employs a majority of the people. These types of employment are called vulnerable employment. It is a measure of persons who are employed under relatively precarious circumstances as indicated by the status or type of employment. Vulnerable employment rate is measured by the sum of own account and contributing family work as a proportion of total employment. Indeed, since contributing family workers and own account workers are less likely to have formal work arrangements, access to benefits or social protection programmes is limited and are more “at risk” to economic cycles making those types of employment categorised as vulnerable (ILO, 2009).

Table D: Distribution of Employment by Status/Type (%) for those 15+ years

Country	Wage employment	Employer	Own account	Contributing family work	Other	Total Employment (in million)	Vulnerable employment
Benin, 2003*	10.1	n/a	73.8	16.1	n/a	2.695	89.9
Ethiopia, 2005	16.1	52.8		31.1	0	10.42	83.9
Ghana, 2006	19.9	4.5	55.0	20.4	0.1	9.14	75.4
Ghana, 2010	18.2	4.9	59.9	11.6	5.4	10.24	71.5
Kenya, 1999*	33.4	n/a	23.8	39.6	3.2	10.5	63.4
Mozambique, 2003*	8.8	3.4	51.1	36.7	0	7.9	87.8
Mozambique, 2005	12.7	1.9	60.2	24.6	0.6	---	84.8
Rwanda, 2006	23.4	38.7		37.9	0	3.896	76.6
Uganda, 2005	16.2	48.0		34.7	1.1	11.18	82.7

Uganda, 2009	23.6	n/a	n/a	n/a	11.01	n/a
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Note: age bracket for Uganda is 14-64 * Sourced from KILM 7th Edition (ILO)
2005 data from Mozambique is sourced from IFTRAB 2005

Source: Computed from Nationally representative household survey and Population Census

As reported in table D, vulnerable employment rates in the seven countries ranges from 63.4% in Kenya to 90% in Benin. The implication of this observation is low incomes and relatively high level of poverty among these people.

2.5. Hours worked

Underemployment is a reflection of underutilization of labour or human resources and remains a common feature of the labour market in many African countries. According to the ILO, persons visibly underemployed comprise those working less than the normal duration of work for that activity, doing so involuntarily, and seeking or being available for additional work. The measurement of visible or time-related underemployment has often been difficult since many household datasets do not have adequate information in terms of number of hours and willingness to work more hours. Using the number of hours per week and two different benchmarks of 25 hours and 40 hour per week, we estimate the proportion of workers working less than the benchmark as a proxy for underemployment. The use of 40 hours as one of the benchmarks is based on the average 8 hours for five days for formal sector workers.

Table E: Underemployment (% of Workers) based on hours worked per week less than 25hrs & 40hrs

Country	Age Group	<25hrs	<40hrs
Benin,	15+ (2006)	11.6	39.2
	15+ (2010)	10.3	29.2
	15-24 (2006)	2.3	6.9
	15-24 (2010)	2.2	5.3
Ethiopia, 2004*	15+	13.1	32.3
		5.6 (Wage employment)	23.0 (Wage employment)
		20.7 (self-employment)	41.7 (Self-employment)
	15-24	15.0	32.7
		5.9 (Wage employment)	19.9 (Wage employment)
		25.3 (Self-employment)	47.0 (Self-employment)
Ghana, 2006	15+	21.6	45.1
		2.3 (Wage employment)	5.6 (Wage employment)
		16.8 (Self-employment)	35.9 (Self-employment)
	15-24	27.3	52.5
		5.2 (Wage employment)	12.9 (Wage employment)
		15.3 (Self-employment)	33.1 (Self-employment)
Kenya, 2005	15+	17.8 (<29hrs)	29.0 (<36hrs)
	15-24	15.7 (<29hrs)	27.2 (<36hrs)
Uganda	14-64, (2005/06)	n/a	12.1
	14-64, (2009/10)	n/a	3.5

* *Key Indicators of the Labour Market 7th Edition*

Source: Computed/constructed by Author from nationally representative household survey or censuses

On average the normal working hours in the formal sector of many countries is (8:00am-5:00pm) with an hour lunch break at noon while the 25 hours a week benchmark was based on a minimum 5 hours per day for a worker. Figures reported in table E show that between 32% and 45% of workers aged 15+ years in Benin in 2006, Ethiopia and Ghana worked less than 40 hours a week. A higher proportion of self-employed than those in wage employment worked fewer than 40 hours a week.

2.6. Labour Remuneration in Different activities including informal sector (if available)

Average labour remuneration or earnings by activity for Ghana is reported in Table F. Average daily earnings of all workers stood at GH¢3.20 or US\$3.37 in 2006 based on exchange rate of about GH¢0.95/US\$ (or 9,500cedis/US\$) at the time. Among the three main economic sectors, agriculture reported the lowest average daily earnings while the highest was recorded by services (driven by finance, telecommunication and public administration) followed by industry (largely as a result of higher earnings in construction and mining), with manufacturing recording average daily remuneration of GH¢3.27. In terms of employment status or type, self-employment with employees (or employers) recorded the highest remuneration followed by wage employment, with contributing family work recording the lowest average daily earnings. Earnings in wage employment is reported to be almost twice the average daily earnings from own account work (or self-employed with employees).

Very low average daily earnings were reported in the informal sector. Private formal sector recorded the highest average daily remuneration of GH¢7.55 representing more than three times earnings in the informal economy. Earnings in the public sector were estimated at about 2.7 times more than earnings in the informal economy (table F1). Based on National Daily Minimum Wage (NDMW) of GH¢1.6, average daily earnings in Ghana is generally above the NDMW with about 9.8% earning below the minimum wage.

Table F1: Average Daily Earnings by Economic Activity in GHANA in 2006

Economic Sector	Daily Earnings (GH¢)	Status of Employment	Daily Earnings (GH¢)	Institutional Sector	Daily Earnings (GH¢)
Agriculture	2.03	Wage employment	4.43	Public	6.45
Industry	4.38	Employer	9.01	Private formal	7.55
Manufacturing	3.27	Own-account	2.38	Informal	2.42
Service	4.40	Contributing family worker	1.09		
		Other	2.01	All workers	3.20

Source: Computed by Author

Table F2 reports the distribution of workers by different earnings range in Benin in 2006 and 2010 and indicates that 1 out of every 4 workers earned less than FCFA 22,000 (or about US\$44) per month in 2010. This is an improvement over the situation 2006 where almost half (44.6%) of

all workers earned less than FCFA equivalent of US\$44 and the figure is not different in the informal sector. Using US\$2.00 per day (or US\$60.00 per month) as upper poverty line, over half of workers in 2006 and a quarter in 2010 could be classified as poor.

Table F2: Proportion of ALL workers and INFORMAL workers in Benin by different category of earnings per month in 2006 and 2010 (%)

Salaries (FCFA)	Proportion of employed people earning within salary range per month (%)		Proportion of informal workers earning within salary range (%)
	2006	2010	2010
Less than 22,000	44.6	25.7	25.9
22,000 – 44,000	28.6	28.4	28.6
44,000 – 88,000	7.6	15.5	15.4
88,000 – 176,000	2.6	3.8	3.6
176,000 – 352,000	0.7	0.9	0.8
352,000 – 704,000	0.2	0.2	0.1
More than 704,000	---	0.02	0.02
Don't know	15.8	25.5	25.6

Source: Computed by Authors

2.7. Size and nature of unemployment by age and gender

Unemployment rates reported in table G are based on the international definition and measure put forward by the ILO. According to the (ILO) an individual is considered to be unemployed if he or she is above a specific age and has no job, but available and actively looking for work. Specifically, the International Conference of Labour Statisticians (ICLS) of the ILO considers a person of working age (e.g. 15+ years in Ghana) to be unemployed if during a specified reference period (either a day or a week), he/she had been:

- "without work"—has not worked even for one hour in paid employment or self-employment of the type covered by the international definition of employment;
- "currently available for work", whether for paid employment or self-employment; and
- "seeking work", by taking active steps in a specified recent period to seek paid employment or self-employment.

By implication, unemployment is a phenomenon of job-seeking out of joblessness. Based on this definition, unemployment rates in developing countries are often found to be low, making people doubt the figures. The low unemployment rate reported in developing countries including the seven countries can be explained as follows:

- *In Africa, a considerable number of jobless people may be available for work but fail to look for work for various reasons:*
 1. *Employment placement centres in most countries on the continent are under-resourced and not functioning properly, and coupled with absence of incentives such as unemployment benefits, many jobless people fail to make the effort to seek jobs. In the face of the absence of any social benefits for jobseekers, many of them cannot*

afford to be unemployed, thereby seeking refuge in the informal economy particularly if the structure of the labour market provides the environment for informality to flourish.

2. Many jobless people tend to stay out of seeking work based on the perception of no job or in some cases, jobs are mostly seasonal. This tends to increase the discouraged worker effect. Indeed, estimates from the Ghana Living Standards Survey suggest that at least 45% of the jobless and available for work failed to look for work because they claim that there are no jobs or jobs are offseason.

Source: Baah-Boateng (2011)

Clearly, labour market challenges in the seven countries go beyond the ILO concept of unemployment which tends to underestimate the true labour market challenges in these countries. Disguised and hidden unemployment as well as low quality of employment or vulnerable employment are major issues that need attention.

Table G: Unemployment Rates by age, sex and location

Country	15+ years					15-24 years	25+ years
	Male	Female	Urban	Rural	All	All	All
Benin, 2006	1.3 (1.7)	1.2 (2.7)	3.0 (5.2)	0.4 (0.7)	1.2 (2.2)	1.9 (3.6)	1.1 (1.9)
Benin, 2010	0.6 (0.9)	0.4 (1.1)	0.9 (1.6)	0.2 (0.5)	0.5 (1.0)	0.9 (2.4)	0.4 (0.7)
Ethiopia, 2005	4.2	6.2	15.7	0.4	5.0	7.8	3.9
Ghana, 2006	3.2	3.0	6.1	1.3	3.1	6.6	2.7
Ghana, 2010	5.4	6.3	8.0	3.5	5.8	12.9	4.0
Kenya, 2009	8.8	8.3	11	5.6	8.6	15.8 (15-19 years); 13.1 (20-24 years)	n/a
Mozambique, 1997*	3.4	1.3	n/a	n/a	2.2	n/a	n/a
Mozambique, 2005	n/a	n/a	8.4	0.3	2.9	n/a	n/a
Rwanda, 2006	0.07 (4.5)	0.03 (4.6)	0.19 (13.7)	0.02 (2.8)	0.05 (4.6)	0.06 (5.2)	0.4 (4.3)
Uganda, 2005	1.8	2.3	6.9	1.2	2.1	3.5	1.4
Uganda, 2009	3.1	5.1	9.5	3.0	4.2	5.4	n/a

Note: figures in parenthesis for Benin and Rwanda are broad unemployment rates

Working age for Uganda is (14-64) rather than 15+

2005 data from Mozambique is sourced from IFTRAB 2005

* Sourced from KILM 7th Edition (ILO)

Source: Computed from Nationally representative household survey and Population Census

Table G. reports unemployment rates by age, sex and location. Unemployment rates in the seven countries are generally low with Benin and Rwanda reporting unemployment rates of less than 1 per cent based on the ILO definition. The highest unemployment rate for the working age group of 15+ is 8.6 per cent in 2009 and Kenya. Gender differences are mixed, with Ethiopia and Uganda reporting higher unemployment rates for females than males in 2006 and 2010 while Benin, Kenya, Mozambique and Rwanda indicate lower rates for females than males. A higher unemployment rate for males than females was reported in Ghana in 2006 while the reverse was

the case in 2010. The rate is also found to be higher among urban than rural dwellers while the rate for the youth is higher than adults.

3. POLICIES AND INSTITUTIONAL ARRANGEMENTS OF THE LABOUR MARKET

Generally, government intervention in the labour market is informed by the failure of the market to ensure reasonable growth of productive and sustainable employment that would provide decent living for the citizenry. Opponents of government intervention often blame distortions and rigidities in the labour market on government's presence in the market. Nonetheless, public policy largely helps to protect the vulnerable and weak in the labour market, suggesting the importance of government intervention in the market. Available information indicates that some policy initiatives have been made towards employment generation. For instance five countries, Ghana, Rwanda, Uganda and Ethiopia have put in place national employment policies to provide frameworks to guide interventions aimed at improving employment and poverty outcomes. It is worth noting that employment policies prepared in isolation may not be able to achieve the objective of creating decent jobs. The policies must be drawn from sectoral policies (agriculture, industry and human capital) since employment creation is a function of how well the entire economy performs. Indeed, employment is an outcome of interaction between labour demand and labour supply. Labour demand is a reflection of the desire of enterprises to create job openings for jobseekers while labour supply is a function of the quality of human resource dictated by education and skills development.

Table G: Labour Market Policies and Labour Legislation

County	National Policy	Employment/Labour Law
Benin	Alafia Benin 2025	Labor Code of 1998
Ethiopia	National Employment Policy Strategy, 2009	Ethiopian Labour Law, 2003
Ghana	Ghana National Employment Policies 2010-2016 (Draft)	Labour Act, 651, 2003
Kenya	Draft employment Policy	Employment Law, 2008
Mozambique	The Labor Market Sector Policy Resolution 6/97, of 4th of March, approved by the Council of Ministers.	Labor Law 23/2007, of 1 st of August, passed on by the Parliament
Rwanda	National Employment Policy, 2007	Rwanda Labour and Employment law modified 2009
Uganda	National Employment Policy for Uganda	Employment Act, 2006

Source: Constructed from Country's Official websites

Below are the outlines of policies pursued by countries to promote employment generation.

3.1. BENIN

AfDB et al (2012) identify lack of jobs particularly for young people as one of the major challenges facing Benin. Nonetheless, available labour statistics indicate very low unemployment

rates in Benin. This implies that the labour market challenge of Benin is more of the quality of employment and “income” related underemployment than unemployment. Insufficient amount of jobs and skill mismatch account for the problem of joblessness and poor quality of employment. The 2011-15 Poverty reduction strategy programme (PRSP) emphasises education and health with the view to achieving the Millennium Development Goals (MDG). A number of programmes have been established to address the problem of unemployment and quality of employment but there is low resource allocation to structures responsible for employment and lack of regular and reliable information about the unemployment situation.

Since the 1990s, the economic reforms implemented have been mainly geared toward privatization, economic liberalization, and a process of decentralization in order to improve the economy and decrease poverty. Government policy statements place a great emphasis on promoting employment. Urbanisation is increasing on account of rural-urban migration, and a mismatch between skills training and what the labour market requires is also increasing. The educational system of Benin does not seem to adequately meet labor market expectations.

A number of public policies that focus on resolving employment challenges in Benin have been pursued over the years. Those public policies are, inter alia, grounded on: “Strategic Orientations for Development 2006 to 2011--The Growth Strategy and Agenda for Poverty Reduction in an Emergent Benin”. Employment policy issues have been outlined in the strategic documents called “Alafia Benin 2025”. Launched in 2000, it envisioned a harmonious country with a thriving social welfare and a reinforcement of poverty reduction through improvement of the employment rate by 2025. The 2006-2011 development plan was also conceived to build human capital so as to improve national economic productivity. A new strategy document was launched in 2007 to be effective over the period of 2006 to 2016. It aims to improve gender equality in the labor market.

A number of laws and regulations have been enacted to govern the labor market in Benin. The laws were enacted in accordance with the 11 December 1990 constitution. Some of the regulations include inter-alia, are:

- the recruitments and cancellations of working contracts;
- the legal employment regime for civil contractual workers.

A labor code for Benin was also enacted in January 1998. In addition, the national charter for employment was enacted in 2010.

3.2. ETHIOPIA

Labour Policies

Ethiopia’s National Employment Policy Strategy (NEPS) of 2009 seeks to address problems of unemployment; underemployment, poor working conditions, and the lack of job protection -- particularly in the informal sector - through a coordinated employment policy. The Ethiopia five year development plans are the main guidelines of government policy. Since 2005 the country's development plans have focused considerable attention on employment issues, especially for the young. The 2005/6-2009/10 Plan for Accelerated and Sustained Development to End Poverty (PASDEP) explicitly addressed labor market outcomes and unemployment, particularly youth

unemployment. It stressed the need to create employment and income-earning opportunities for younger workers by incorporating into the plan the Education, Training and the Employment of Youth sections of the 2004 National Youth Policy (FDRE, 2004).

The PASDEP focused on job creation through the private sector. It placed particular emphasis on Micro and Small Enterprises (MSE) as an instrument of job creation based on their assumed potential to create employment opportunities. The plan also addressed improving the quality of education and aligning training in Technical and Vocational Education and Training (TVET) institutions with the job requirements of the economy. Other initiatives included special efforts to provide skills training to the unemployed and to generate employment through public works (MoFED, September 2006).

The current (2010/11-2014/5) development plan -- the Growth and Transformation Plan (GTP) of 2010 and 2015 also deals with labor demand implicitly by targeting improved performance of the various sectors in the economy. The plan also addresses the economic and social challenges faced by women and youth. Private sector development continues to receive special attention as a strategy for tackling unemployment. As in the PASDEP, micro and small enterprises are singled out as potential employment creators and poverty reduction mechanisms.

Ethiopia's labor market institutions

Ethiopia's labor market institutions and laws mainly focus on the formal and wage employment sector. The informal sector and self-employment, despite being huge employers receive minimal attention in legislation or administrative regulations.

In 1963, Ethiopia, for the first time, introduced a "Labor Relations Proclamation" which coincided with the adoption of the civil code. This proclamation provided rules for the employment relationship and authorized the creation of workers' and employers' organizations. Proclamation No. 42/1993, which replaced the Labor Proclamation of 1975, brought significant changes in the labor market. Changes included: abolishment of central public sector employment; the end of guaranteed employment in the public sector for college and university graduates; the easing of conditions allowing temporary employment; the shortening of probation contracts from 90 to 45 days; and widening the range of cases where dismissal is not unlawful (De Gobbi, 2006).

The 1993 labor Proclamation was amended by labor Proclamation No. 377/2003 which is the act currently regulating the employment relationship. It differs from Proclamation No. 42/1993 in areas such as international labor standards and constitutional provisions. While Proclamation No. 377/2003 regulates the employment relationship in the private sector, Federal Servants Proclamation No. 262/2002 contains rules on the employment relationship in the public sector.

Under Proclamation No. 377/2003, a labor contract can be for a definite or indefinite period or for a specific task. A labor contract is presumed to be for an indefinite period unless specific conditions are met. Since the Proclamation does not specify a time limit for which a temporary contract can be written, employers can repeatedly recruit employees for a limited duration thereby avoiding the application of the higher protection standards provided to workers recruited with

contracts for an indefinite period. According to the Federal Civil Servants Proclamation, employees in the public sector can be hired either temporarily or for an indefinite period.

Apprenticeship contracts are particularly important for the recruitment of young unemployed people. The labor proclamation establishes that the written contract must specify the nature and duration of the training, remuneration due to the trainee and the conditions of work.

According to the Federal Servants Proclamation, permanent appointment requires a probation period of six months with a possible extension of three additional months in the public sector. The Proclamation also provides provisions for temporary employment in the public sector for jobs which are not of permanent in nature or when the need arises.

Regarding the termination of employment contracts, Proclamation No. 377/2003 provides the legal basis for terminating employment contracts which relates to the conduct of the employee, the ability of the worker to perform his/her task, and operational requirements of the undertaking. Lawful dismissal requires a notice period of between one to three months, depending on the number of years of service of the employee in the organization.²¹ The proclamation does not have provisions for a minimum wage. It stipulates that wages are to be negotiated between employers and employees at enterprise level.²²

Labor market institutions

Ethiopia has very low unionization (MoLSA, 2009). The number of member-workers of the Confederation of Ethiopian Trade Unions (CETU) represents only 1 percent of the total labor force. Labor Unions of private employees and public enterprise employees (outside the civil service) are eligible to be members of CETU. Public workers under the civil services institutions (workers under government ministries) are not eligible to be members of CETU.

The predominance of agriculture as an employer and the informal nature of much of the economy are cited as the major reason for low levels of unionization (World Bank, 2007). Another reason for the low level of unionization, especially in the formal private sector, is that excess supply of labor diminishes the bargaining power of employees in favor of employers due to the risk of job loss. There is also very little enforcement of the collective bargaining provisions of the labor proclamation, especially in the private sector

Institutions involved in the labor market in Ethiopia apart from workers and employers groups include the Ministry of Labor and Social Affairs (MoLSA), the Ministry of Youth Sports and Culture (MYSC), The Ministry of Education (MoE), the Ministry of Trade and Industry (MoTI), and the Central Statistical Agency (CSA). MoLSA is mainly involved in industrial relations, and occupational safety and health for the employed. However, only public sector employees benefit from MoLSA's activities due to MoLSA capacity problems and worker's willingness to accept harsh work conditions, which is a result of high unemployment in urban areas. MoLSA's involvement in providing information to job seekers and employees is minimal. Job seekers have to rely on vacancy announcements on notice boards and in newspapers and on family/friendship networks. Job centers that provide training and job market information to the unemployed are nonexistent in Ethiopia.

The Central Statistical Agency, the country's main data collection, organization and dissemination center, conducts various socio-economic surveys. The Labor Force Surveys (LFS), Urban Employment/Unemployment surveys, and household income and welfare surveys are useful sources of information on the labor market. However, there is no indication that policy makers are making adequate use of the outputs from the surveys. A study by the Ethiopian Economic Association (EEA, 2012 forthcoming) identifies lack of capacity in terms of human resources and information technology, as the main problems in proper collection, storage, dissemination and use of data on labor market outcomes.

3.3. GHANA

Employment Policy Intervention

Currently, Ghana does not have any approved employment policy to effectively and comprehensively address employment and other labour market challenges. A draft employment policy was developed and presented to Cabinet in 2008 but could not be adopted before a change of government. A new employment policy has been developed and yet to be presented to Cabinet. Beyond this, issues of employment so far have been treated as residual or passive outcome of sectoral and macroeconomic policies. Policies on employment in particular and labour market issues in general have been mostly ad hoc. This is evident in the absence of regular and timely provision of employment statistics to inform policy to the extent that the most recent reliable labour market data date back to 2006.

Government policies on employment prior to the economic reforms that started in 1983 were characterised by direct state involvement and control of economic activity, which resulted in expansion of public sector employment in the 1960s and 1970s. For instance, a substantial surge in formal sector employment occurred in the first half of 1960s through the promotion of state enterprises and also in the mid-1970s under the Operation Feed Yourself programme (Baah-Boateng, 2008). A dramatic shift from direct state involvement in economic activities to private sector led economic strategy under the Breton Wood's sponsored economic reforms in 1983 caused a movement of labour from public to the private sector, particularly the informal sector. A public sector retrenchment exercise, pursued as part of the reform, resulted in the layoff of many public sector employees. Most of the affected public sector workers were at the lowest echelon of the job ladder with skills that could not get them alternative placement in the private formal sector. They were thus forced to take refuge in the informal sector. The services sector, particularly the trade sub-sector became a major source of employment. Some changes were also observed in the demand for labour in favour of skilled professionals and managerial personnel and workforce in the services sector in response to the reforms and also global technological change (Baah-Boateng, 2008).

The negative fallout of the reform measures in the labour market prompted the introduction of the Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD) which established community projects to generate employment for rural households particularly in northern Ghana. It was targeted largely at low income households, unemployed and underemployed urban households and retrenched workers. The Alternative Employment Programme (AEP) was also introduced in the 1990s to accommodate displaced public sector workers who were affected by

the Public Sector Management Reform Programme (PSMRP). The agricultural sector also initiated a programme towards achieving food security and also generating employment and incomes in the rural areas through agricultural research and extension, smallholder credits, and provision of other services.

A number of projects have also been carried out at different times to promote employment generation. These include Priority Public Works projects, Food for Work projects, Labour Based Feeder Road Rehabilitation and Maintenance project, Feeder Road project, and Special Employment Schemes. Employment generated from these projects were not sustainable because they were largely limited to the life of the projects. The government in 2002 also undertook a Skill Training and Employment Placement (STEP) programme for the unemployed who were registered in 2001.

The 25-year Vision 2020, initiated in 1995, designed to propel the country to achieving a middle income status by year 2020 also introduced employment generation considerations into all macroeconomic and production policies to address the problem of unemployment and underemployment. It was however truncated after 2000 when a new government took over the reign of governance with the reason that it was ad hoc.³ In addition, the National Service Scheme which has been in existence for over 3 decades also provides a one-year opportunity for tertiary school leavers to render service to the nation and provide a platform of transition from school to work.

One major policy intervention meant to address youth employment challenges in recent times has been the National Youth Employment Programme (NYEP). The increased agitation of young people for jobs compelled the government to introduce the NYEP in 2006 to provide opportunity for young people to be engaged temporarily and acquire skills to facilitate their transition into permanent work. One major criticism against the programme is that the youth engaged under the NYEP do not contribute to social security, making it fall short of meeting the tenets of decent work. The dominance of management of the programme by political appointees has also been a major source of criticism of the programme to the effect that some critics perceive it as being used as a tool for political advantage by ruling governments.

Institutional Arrangements in the Ghanaian Labour Market

The Ghanaian labour market is governed by the Labour Act of 2003, Act 651, which regulates the behaviour of actors in the market. It stipulates the rights and duties of employers and workers, general condition of employment and promotes freedom of association of workers and employers by providing regulations for the establishment of employers' organisations and workers' union. The Act also establishes a Labour Commission with the responsibility for adjudicating disputes between employers and workers' union. A National Tripartite Committee (NTC) is also established by the Act to among other things determine the national daily minimum wage and advise government on employment and labour market issues.

³ The absence of legal backing to the vision provided no legal restraint for the new government to truncate it.

The effectiveness of labour market regulation in Ghana is observed to be quite weak largely on account of high degree of informality which is a common feature of the market. Clearly, with the majority of Ghanaian workforce engaged in the informal economy and with the formal sector accounting for only 14% of total employment, labour market regulation covers only 14% of the market. The inability of the Labour Department responsible for enforcing some of the regulations (such as the minimum wage legislation) in the informal sector implies that a greater proportion of workers in the labour market do not benefit from such social protection programmes like the minimum wage. In addition, employment and labour market policies targeted at the formal sector tends to exclude a greater proportion of the workforce. For instance, public sector pay policy including the Single Spine Pay Policy (SSPP) targeted at improving incomes of public sector workers benefited only 6% (i.e. the size of the public sector) of the total workforce in the country. This implies that any public policy aimed at improving labour market performance must consider the greater proportion of actors who operate within the informal segment of the market.

3.4. KENYA

Long term trends and dynamics of employment in Kenya reveal a declining number of jobs being created in the formal sector as compared to those in the informal sector. Total employment in Kenya increased from 0.804 million workers in 1972 to 10.96 million workers in 2010 with an increasing number of jobs being created in the informal sector. Over the last three decades to 2010, formal sector employment in Kenya grew at an average of 2.8 per cent per annum as compared to 14.3 per cent for the informal economy. From a sectoral perspective, community, social and personal services stands out as the key provider of wage employment in Kenya. The importance of the agricultural sector in providing wage employment declined from 32.65 per cent in 1977 to 16.69 per cent in 2010 while that of the manufacturing sector has been constant at about 13 per cent. Kenya has also been experiencing shifts in forms of employment that includes casualization of work, contract engagement, outsourcing of jobs, subcontracting and temporary employment. The proportion of women in wage employment increased marginally from 26.2 percent in 1995 to 28.7 per cent in 2010 revealing inequities in access to wage employment by women.

Employment creation has remained a policy priority of the Kenya government since independence in 1963. The aspiration is contained in all relevant government policy documents and national development agenda, the latest being the Kenya Vision 2030 and the country's Constitution. The Vision 2030 is anchored on 3 main pillars namely

- Economic aspirations through sustained economic growth of 10 per cent per annum;
- Social Aspirations in a form of, a just and cohesive society enjoying cognizable social development in a clean and secure environment;
- Political aspirations through issue based people-centred results oriented and accountable democratic political system.

In the Kenya's Economic Recovery Strategy (ERS) paper for the period 2003 – 2007, it is stated that the broad objectives of the social sector is to reduce poverty and narrow inequality through employment, empowerment and improving access, affordability and quality of social services. It

recognizes that employment creation is critical to poverty alleviation and narrowing of inequality in Kenya.

Past employment creation interventions in Kenya include Kenyanization policies implemented in 1963-1979; Active Labour Market Policies (1980-1989) and Macroeconomic Management (1990-present). These interventions were augmented with short and medium-term measures meant to provide quick fixes in employment creation. The measures have included wage restraint through minimum wage regulation, wage guidelines and Industrial Court; economic growth; industrial and agricultural promotion; public works programmes through Kazi Kwa Vijana, Kenya Youth Empowerment Programme and Women Enterprise Programme; and provision of labour market information.

Kenya does not have an employment policy and strategy now but a draft has been completed by the ministry of labour and human resource development. Over the years, however, there have been many interventions that have sought to influence employment.

Since independence, the Government has been part of three Tripartite Agreements also involving the Federation of Kenyan Employers and the Central Organisation of Trade Unions (COTU). The agreements secured periodic pro-rata increases in employment across the private and public sector. While this created employment, it was essentially a strategy to rein in labour activism during a period in which the government often strived to influence the choice of COTU office holders. However, the period also saw a disproportionate growth in public sector employment – in the civil service and state corporations – as jobs were created through political patronage. While the beneficiaries of these measures earned wages, the underlying inefficiencies meant such wages were unrepresentative of the labour's marginal product. Kenya's mid-1980s adoption of structural adjustment programmes ended the Tripartite Agreement, imposed a moratorium on public sector employment even as it pruned existing employees through retrenchment and early retirement schemes, and liberalised the labour market so that private sector employers could declare redundancies that were unacceptable under the Tripartite Agreement era. Heintz and Pollin (2003) have argued that one effect of liberalisation was the informalisation of the economy, which in turn lowered the quality of jobs.

3.5. MOZAMBIQUE

Mozambique has had a strong economic growth for the past decade or so averaging 7.2%, largely driven by foreign-financed mega-projects (particularly in extractive industries for the past five years) and large aid inflows, albeit in decline relative to domestic resources. However, the rest of the economy has had few spillover effects in terms of job creation, tax revenues and linkages to local SMEs. As a result, broad-based growth remains a challenge, with high degree of joblessness and vulnerable employment and poverty incidence of about 54.7% (see Poverty and Wellbeing in Mozambique: Third National Poverty Assessment, October 2010).

The Population of Mozambique is estimated at about 23.4 million with annual population growth of about 2.8%. The labour market receives an average of about 300,000 new entrants a year, many of whom engage in marginal or vulnerable jobs in the informal economy given the slow expansion of the formal sector and/or wage employment, which is mainly in the urban areas. The

urban workforce continues to expand rapidly growing at an annual rate of 3% with limited skills to meet job requirements.

Mozambique embarked on economic reforms in the 1980s and 1990s with resulting improved economic growth, which however did not lead to expansion of decent employment and poverty reduction. Although the end of the civil war in 1992 and the subsequent return of displaced people gave way to rapid economic recovery mainly through increased agricultural production, aided by market liberalization, the transition from the central planned economy into market oriented economy increased unemployment and poor quality employment. The massive retrenchment of workers from state-owned companies (which were at the brink of bankruptcy) as part of the privatization process during the late 80s throughout the 90s was not matched by an equal opportunity of job creation. The already crippled economy following several years of total state control of the economy, and the 16-years civil war did not recover the productive capacity of the early independence years. Rather, the country became depended over foreign aid, and most of the privatized firms subsequently ceased operating. Foreign aid was used to sustain cheap imports while the domestic manufacturing plummeted.

Urban areas benefitted most from the influx of foreign aid, attracting flocks of people from rural areas to look for employment opportunities in large cities, offsetting the movement of war-displaced people into the rural areas. Similarly, the absence of entrepreneurial skills led most people to use aid money in the trade sector, where buying and selling became the most common form of business (both formal and informal). However, the informal sector outpaced the formal employment sector and remains the major employer in the economy to this date. The inability to attract investment into the formal productive sector led scholars to think that rigidities in the labor market could be playing an important role in distorting the labor market by creating disincentives for new investments. The discussions that followed led not only to the revision of the labor law in 2006, but also the legal framework on foreign direct investment was overhauled.

The New Labor Law in Mozambique

The overriding objective of the labor law is to set the legal framework that governs labor, employment and social security in conformity with the current economic, social and political life of the country. Among other regulatory issues, in its chapter VII the law outlines general principles for the promotion of employment and professional training. With regard to training, the state takes responsibility for promoting actions for the training and retraining of workers, by granting tax benefits, facilitation of professional training companies, managed or not by employers, aimed at employed workers, young people wishing to enter the labor market without having professional qualification, to jobseekers in general, workers injured or in need of retraining. The law stipulates that the training of active workers should be ensured by their employers.

The review of the labor law in 2006 was thought to be pivotal in bringing about the much needed dynamic transformation of the labor market by introducing flexibility for hiring and firing of

workers and in compensation mechanisms. However, as a government study⁴ pointed out, the new law did not bring all the solutions to the troubled labor market. Rather, the study concluded that not only had the reforms fallen short of reaching the level of flexibility already achieved by other countries in the SADC region, but also that many other factors of competitiveness were still neglected by the reforms taking place.

One such factor which matters the most in recent years, and which has been the center of the current debate in labor and employment issues is the market of skills and competences. To protect the jobs of the millions of poor Mozambicans, the law limits the number of foreign employees which can be hired by any firm operating in the country, and limits such contracts to specialists and experts. However, with a very poor quality of labor force feeding from the local education system into the labor market, the problem of unemployment is only exacerbated.

Policies to address employment generation challenges

There are two major policy instruments that address employment issues: (1) The Labor Market Sector Policy Resolution 6/97, of 4th of March, approved by the Council of Ministers; (2) The Labor Law 23/2007, of 1st of August, passed on by the Parliament.

The overriding objective of the labor market policy is to “promote full employment, guarantee labor legality, protect workers, and consolidate social dialogue”. Among the priorities emphasis goes to the “creation of employment opportunities and competence development for the labor force through professional training”. The accomplishment of such priority relies on a strategy which envisages professional training and incentives for the promotion of formal employment, as well as self-employment and the creation of Micro and Small Enterprises (MSEs) in the non-structural sector of the economy (i.e. in the informal sector).

For the fulfillment of the main issues outlined in the legal framework with regard to employment promotion, the government has drafted specific strategies, namely: (1) The Strategy of Employment and Vocational Training in Mozambique 2006 – 2015; and, (2) Mozambique Decent Work Country Program 2011-2015.

(i) The Strategy of Employment and Vocational Training in Mozambique 2006 – 2015.

Approved by the Council of Ministers in March of 2006, this strategy outlines the means by which the State intervenes in the labor market directly implementing policies that ensure the absorption of the labor force in the short and medium term and the social inclusion of disadvantaged sections of the population. For the 5-year duration of the strategy, and through the established National Institute for Professional Training (INFP), the Government expects to train about 1,000,000 job seekers. Of these, 240,000 will benefit from employment support programs, and 260,000 will be beneficiaries of initial training programs, priorities being given to the youth, women, persons with disabilities and surplus workers). About 250,000 people living with HIV / AIDS will also be assisted. Through the relaxation of the labor legislation, the government expects to extend the benefits to more new entrants in the labor market through the private

⁴GoM (2006): Criação de Emprego em Moçambique: É a Lei a Lei de Trabalho uma Resposta? Maputo. DNEAP, MPD.

operators, with the expectation that approximately 750,000 beneficiaries will be serviced through training and professional requalification.

(ii) Mozambique Decent Work Country Program 2011-2015

The Decent Work Country Program (DWCP) is the strategy that gives a new mandate to the government to find ways of combating the inhumanity that sometimes blemishes day-to-day labor relations. It places special emphasis on eliminating child labor, as well as the unobservance of fundamental principles and rights at work.

Specific Public Sector Initiatives for Job Creation

(a) Poverty Reduction Strategy Programme

Employment is one of the three priorities in the country's Poverty Reduction Strategy Program (PRSP or *PARP 2011-2014*). The PRSP is a more pragmatic instrument which supports the government's overarching long-term planning instrument, the five-year plan (*Programa Quinquenal do Governo*, PQG). The other instruments through which plans are detailed in terms of specific actions to be taken and where targets and resources envelopes are defined are: (i) the medium-term expenditure framework (MTEF or *CFMP*), which is designed on a yearly basis and includes predictions for a period of three years; (ii) the Social Economic Plan (PES) which goes along with the State budget (OE) on a yearly basis.

(b) PERPU

PERPU is designed to encourage labour-intensive public works that will offer temporary low-cost jobs in areas such as construction and local infrastructure maintenance with the purpose of addressing urban unemployment and poverty. It is intended to target the entry of young people, women and entrepreneurs into the productive workforce.

3.6. RWANDA

Skill mismatch and limited employment opportunities constitute a major cause of joblessness particularly among the youth. In Rwanda's most recent economic development and poverty reduction strategy (the EDPRS 2008-2012, Republic of Rwanda, 2007) a main flagship program concerns 'growth for jobs and exports', aiming to make the Rwandan business environment the most competitive in the region, thereby laying the foundations for strong private sector growth. By reducing the operational costs of business, promoting the private sector's capacity to innovate, and widening and strengthening the financial sector the idea is that improved productive capacity will raise the demand for both skilled and unskilled workers and create wider employment opportunities.

Moreover, in order to promote off-farm employment and address high levels of under-employment, the EDPRS points to two specific initiatives: 1) the establishment of a National Employment Agency with district branches to provide job seekers with information, advice and contact with potential employers, and 2) the establishment of the Rwandan Workforce Development Authority to provide access to vocational training through provincial and district centers.

Promoting economic growth is pointed out as essential to create employment opportunities for the large number of jobseekers particularly the youth who will enter the labor market during the EDPRS period. In 2005 about two thirds of the population was under the age of 25, and the EDPRS estimated that between 2007 and 2012 around half a million additional young people will be seeking jobs. In an evaluation of the implementation of the EDPRS (Republic of Rwanda, 2009) some further initiatives were designed including a special focus on the youth with the establishment of Ministry for Youth Development in 2008 and establishment of cooperative bank for self-employment and development (COOJAD) with branches in several districts to provide credit facilities to promote self-employment particularly among the youth.

Rwanda has a National Employment Policy which was formulated in December 2007 with the purpose of realising as much as possible fully productive and freely chosen employment through economic growth in accordance with the dignity and respect of fundamental human rights. The main objectives of the policy is to ensure generation of productive employment for all jobseekers and free choice of employment and that each employee will have all the opportunities for acquiring the necessary skills to exercise the work that suits him/her.

The policy focuses on eight priority areas of intervention and these are

- the rural sector;
- private sector and entrepreneurship development support;
- youth and women employment promotion;
- specific employment programmes for disabled people;
- human resource development and employability;
- strengthening the labour intensive approach in economic and social infrastructure programmes;
- special programmes for persons suffering from HIV/AIDS;
- reintegration of retrenched public employees and demobilised soldiers

Some incentive measures were outlined to facilitate the promotion of employment generation agenda of the country. The measures include availability of information on the labour market, employment integration in public investment and facilitation of access to productive financing. The policy also identified employment creation mechanisms through a review of labour and investment code, and promotion of occupational hygiene, health and industrial safety as well as promotion of tripartism. Measures to strengthen the social security and social protection system through the integration of the specificities of the informal economy were also outlined as employment promotion mechanism.

The policy also introduced measures to strengthen the institutional framework for employment promotion in the form of streamlining the action of government structures for effective implementation of the policy with the establishment of an Employment Fund to facilitate job seekers with no collateral to access loans for employment creation. It also includes a review of tripartite structures for decent labour promotion including establishment of National Labour Council with the responsibility of advising and making proposals on labour legislation and

regulations and helping in the correct application of laws and regulations concerning employment and labour among others.

3.7. UGANDA

The policy framework for addressing labour market challenges in Uganda is embedded in the National Employment Policy formulated in April 2011 under the theme “Increasing Decent Employment Opportunities and Labour Productivity for Socio - Economic Transformation”. The policy seeks to ensure that Uganda attains full employment coupled with decent work and equitable economic growth and acknowledges the fact that a fast rate of growth of permanent (non-casualised) employment in the private sector remains the most effective way of achieving sustainable poverty eradication. It provides a framework for the promotion productive and decent employment and enterprise development, compliance with labour standards by employers, investors and workers, social protection and social dialogue. The policy seeks to further encourage multi-skilling of the human resource, particularly the youth, entrepreneurship development for increased productivity and competitiveness.

The objectives of the policy are

- to promote macro-economic policies and investment strategies for employment creation;
- to increase productivity, competitiveness and employability of the labour force, especially the youth and other most vulnerable members of the labour force;
- to promote in-employment skills development, training and apprenticeships and or internships, especially for the youth;
- to promote purposeful and functional vocational and technical skills training;
- to ensure availability of reliable and timely labour market information, especially for those sectors of the labour market employing the poor and vulnerable women;
- to promote and protect the rights and interests of workers in accordance with existing labour laws and fundamental labour standards.

The employment policy was designed consistent with the overall national development planning framework; anchored in the principles of strong social dialogue and effective tripartism; emphasises promotion and expansion of private sector investment, in line with the government strategy of a private sector-led economy and recognises employment creation as a key indicator for economic performance with special emphasis on education, skills development and training among others.

Priority areas of action or focus of the employment policy are

- Employment-intensive growth by among other things, making employment creation a key criterion in selecting between alternative public and private investments, programmes and projects, adopting labour-based techniques of rural infrastructure investment, and mainstreaming employment creation in the National Core Projects of the National Development Plan and other sectors.
- Labour market information, by providing accurate and timely labour market information on jobs, job seekers, labour mobility, employment levels, real wages, hours worked and

desired skills among others, in the public and private sectors, especially the small-scale unregistered private sector.

- labour productivity, skills development and training,
- Promotion of agriculture and rural employment;
- Improving informal sector, micro and small-scale enterprises;
- Private Sector growth and employment;
- Improving Labour Administration and Labour Standards;
- Externalisation of Labour;
- Employment of Vulnerable Groups and Promotion of Gender Equality; and Promotion of Youth Employment.

4. RESEARCH AND POLICY REPORTS BY INDIVIDUALS AND THINK TANKS

The debate on employment and unemployment issues is not new in Africa except that the emphasis on macroeconomic issues of inflation, economic growth and balance of payments equilibrium in the implementation of economic reforms from the 1980s to the early 2000s shifted research focus in that direction. Employment issues did not receive the desire attention in countries' medium term frameworks on poverty reduction documents (PRSPs).

One notable report on unemployment was published by the UNECA in 2005 titled, "Economic Report on Africa 2005: Meeting the Challenges of Unemployment and Poverty in Africa". The World Bank in 2006 also published a report, assessing indicators and data availability in sub-Saharan Africa titled "Labour Diagnostics for Sub-Saharan Africa: Assessing Indicators and Data Available".

The Arab spring, which began in the latter part of 2010 in Tunisia and spread to Egypt, Libya, Bahrain, Syria etc. appeared to have raised the consciousness of the need to address employment and unemployment challenges facing the youth in Africa. This was evident in the choice of the theme "Promoting youth employment" for the African Economic Outlook 2012" by African Development Bank and others.

In 2011, Japan International Cooperation Agency (JICA) commissioned a scoping study on youth employment and unemployment challenges in sub-Saharan Africa focusing on four countries – Ethiopia, Ghana, Kenya and South Africa.

Table H: Research and Policy Papers and Potential Think Tanks

Countries	Research Reports	Available Think Tanks
Benin	<ol style="list-style-type: none"> 1. Document de travail de l'Emploi n°66; les institutions du marché du travail face aux défis du développement : le cas du Benin by Albert Honlonkou and Dominique Odjo Ogoudele 2. S. Hygin Faust KAKAI, « Analyse par genre de la participation et de la sous-représentativité des femmes au sein des instances décisionnelles et décentralisées au Bénin », <i>Perspectives & Sociétés</i>, N°1, janvier 2010 3. Jean Jean-Claude S. KEKE et Alexandre BIAOU, « Dynamique du marché du travail au Bénin », <i>Etudes & Documents</i> n° 002/2010 	IREEP
Ethiopia	<ol style="list-style-type: none"> 1. Ethiopia Case Study on "Youth and employment in sub-Saharan Africa: working but poor. By Broussard, Page and others and edited by <i>Hino and Ranis</i> 	<ol style="list-style-type: none"> 1. Ethiopian Development Research Institute, 2. Ethiopian Economic

	<ol style="list-style-type: none"> 2. Youth unemployment: Ethiopia country study, a Report of International Growth Centre 3. Characteristics and determinants of youth unemployment, underemployment and inadequate employment. By Denu and others and published by Employment Strategic Department of the ILO in 2005 4. Employment challenges in Ethiopia by Martha Kibru in 2012 by fes.kenya.org 	Policy Research Institute
Ghana	<ol style="list-style-type: none"> 1. Ghana Case Study on “Youth and employment in sub-Saharan Africa: working but poor by Aryeetey, Baah-Boateng and others and edited by <i>Hino and Ranis</i> 2. Review of employment creation challenges, relevant policies and employment promotion initiatives by Baah-Boateng, Ghana Academy of Arts and Science in 2013 forthcoming 3. Unemployment in Ghana: A Cross Sectional Analysis from Demand and Supply Perspectives by William Baah-Boateng published by African Journal of Economics and Management Studies (forthcoming) 	<ol style="list-style-type: none"> 1. African Centre for Economic Transformation (ACET) 2. Department of Economics, University of Ghana 3. International Institute for Advanced Studies (IIAS) 4. ISSER, University of Ghana
Kenya	<ol style="list-style-type: none"> 1. Kenya Case Study on “Youth and employment in sub-Saharan Africa: working but poor by Munga and others and edited by <i>Hino and Ranis</i> 2. Discussion paper on Kenya’s youth employment challenge published in 2013 by UNDP 3. Report of Conference on “youth employment in Kenya: prospects and policies” on 15-16 Nov 2011 in Nairobi 4. “Youth unemployment in Kenya by Jacob Omolo published in 2010 	<ol style="list-style-type: none"> 1. African Economic Research Consortium (AERC) 2. Kenya Institute for Public Policy Research Analysis (KIPPRA) 3. Institute of Economic Affairs, Kenya (IEA – Kenya)
Mozambique	<ol style="list-style-type: none"> 1. Bank of Netherlands Partnership Programme Southern Africa Regional Skills Study: Regional Overview. Africa Region. Africa Human Development Department, World Bank. 2. Mozambique: Skills Development for Competitiveness and Economic Growth. The World Bank Institute 3. Research on Employability and modern Labor Market in Mozambique, by The European 	Centro de Estudos de Economia e de Gestao (CEEG)

	Vocational Training Association (EVTA) for the GLM-LIC	
Rwanda	<ol style="list-style-type: none"> 1. “The Role of the state in economic development, employment challenges and policies: A Case of Rwanda by Usengumukiza and Barihuta in 2012 2. Evaluation of Rwanda’s youth employment policies by Dickson Malunda in February 2011 	<ol style="list-style-type: none"> 1. Institute of Policy Analysis and Research – Rwanda (IPAR-Rwanda) 2.
Uganda	<ol style="list-style-type: none"> 1. The Role of the State in Economic Development: employment challenges in Uganda by Lawrence Bategeta of Economic Policy Research Centre 2. A draft paper on the challenges of youth (un)employment in Uganda by Young leaders Think Tank for policy alternatives 3. Employment policies for Uganda: Young leaders perspective by Young Leaders Think Tank in 2011 	<ol style="list-style-type: none"> 1. Economic Policy Research Centre (EPRC) 2.

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