



Her Excellency, S.E.M. Kaag Minister of Foreign Trade and Development Cooperation, The Netherlands

Dear Mrs Kaag,

The INCLUDE knowledge platform for inclusive development policies in Africa warmly welcomes you as the new Minister for Foreign Trade and Development Cooperation. The platform, which was initiated by the Ministry of Foreign Affairs in 2012, is composed of 25 African and Dutch members, equally drawn from Africa and the Netherlands. Its members represent research institutions, the private sector, policymakers and civil society organizations (see Annex 1 for platform members).

The uniqueness of this platform not only lies in the variety of its stakeholders, but also in the variety of its activities. Over the past five years, the platform has brought together a large group of actors around inclusive development policies and processes for Africa. This was done through 17 research projects on themes developed through platform discussions, as well as conferences and policy workshops in the Netherlands and Africa to promote the uptake of the knowledge by policymakers. In this we have worked closely with officials of various departments in your Ministry and have organized round tables with them to share evidence on what works and what does not to inform future policy design and implementation.

In promoting inclusive development in Africa, INCLUDE focuses on three strongly interrelated issues:

- Creating many jobs of high quality and productivity
- Affordable social protection schemes adapted to developing countries
- Identifying strategic actors to promote the implementation of inclusive policies

Some striking findings from the research and dialogues on these issues are:

- The importance of policies and programmes on youth employment that focus on both sides of the job market: employability (demand) and the generation of new jobs (supply)
- The need to seek a 'best fit' rather than a 'best practice' to take into account country-specific economic structures, private sector composition, and heterogeneity in needs and competences among youth

We sincerely hope to continue this cooperation with the Ministry, given the strong ambition expressed in the Coalition Agreement in relation to development issues. We feel that the knowledge and convening power of INCLUDE's activities can contribute to the goals outlined in this Agreement (see Annex 2 for a more detailed explanation of the Knowledge Platform's work and how it can contribute to the policy goals set in the Coalition Agreement). If you deem it appropriate, we would be more than willing to brief you in person on such issues.

Prof. dr. I.S.A. Baud, Chair Steering Group; on behalf of all INCLUDE platform members

Prof. dr. Marleen Dekker, Coordinator Secretariat;

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Annex 1: Composition of the INCLUDE platform

Platform members and Secretariat	Affiliation:
I.S.A. Baud	University of Amsterdam
Robert-Jan Scheer ¹	Netherlands Ministry of Foreign Affairs
Saskia Tjeerdsma ¹	Netherlands Ministry of Foreign Affairs
Nicholas Awortwi	Partnership for African Social and Governance Research
Sarah S. Ssewanyana	Economic Policy Research Centre
Dennis Arends	Consultant
Assefa Admassie	Ethiopian Economic Policy Research Institute
Yaw Ansu	African Centre for Economic Transformation
Désiré Assogbavi	United Nations Population Fund
Rob Bijl	Sociaal en Cultureel Planbureau
Jean Bossuyt	European Centre for Development Policy Management
Marina Diboma	Netherlands-African Business Council
Erwin Bulte	Wageningen University and Research Centre
Rolph van der Hoeven	Institute of Social Studies
Basil Jones	African Development Bank
Ton Dietz	African Studies Centre
Harrie Oostingh	Oxfam Novib
Josine Stremmelaar	Hivos
Adriano Nuvunga	Centro de Integridade Pública Mozambique
Paschal Mihyo	African Institute for Development Initiatives
Sara Ruto	People's Action for Learning
Fatoumata Lamarana Diallo	West African Monetary Agency
Lemma Senbet	African Economic Research Consortium
Dzodzi Tsikata	University of Ghana/CODESRIA
Maggie Kigozi	Consultant
Marleen Dekker	African Studies Centre
Karin Nijenhuis	African Studies Centre
Ileen Wilke	African Studies Centre
Simone Reinders	African Studies Centre
Fenneken Veldkamp	African Studies Centre
Saskia Hollander	The Broker
Frank van Kesteren	The Broker
Annemarie van de Vijsel	The Broker
Obadia Miroro	African Economic Research Consortium
Witness Simbanegavi	African Economic Research Consortium

¹ Although Robert-Jan Scheer and Saskia Tjeerdsma are platform members and this letter is sent on behalf of the platform, this letter is not sent on their behalf.



Annex 2: Inclusive development for achieving 'Confidence in the future'

The coalition agreement Confidence in the Future, presented on 10 October 2017, outlines a strong ambition for development cooperation, supplemented by a substantial increase in the budget devoted to Official Development Assistance. According to the agreement, these adjustments to the budget were made to "tackle the root causes of poverty, migration, terror and climate change", all prominent and urgent issues at the global level. The agreement pays specific attention to the root causes of migration, outlining the objective to improve the reception of refugees in the region, particularly through employment opportunities and education for children.

INCLUDE welcomes this focus on the root causes of poverty and migration. Your predecessor, former Minister Lilianne Ploumen, also raised inequality as a major issue for development cooperation, particularly in light of the Sustainable Development Goals launched in 2015. For the rapidly growing economies of Sub Saharan Africa, a major task is to lift more than 400 million people out of poverty and reduce the high inequality rates in these countries. The challenge thus lies in making Africa's development inclusive – i.e. leaving no one behind.

Root causes of migration

Addressing the root causes of migration has recently been a major priority for European policymakers. In 2015, African and European policymakers <u>agreed</u> to establish a trust fund to curb migration flows to Europe in exchange for additional development support for Africa. This '<u>European Union Trust Fund for Africa</u>' aims to "address the root causes of destabilisation, forced displacement and irregular migration by promoting economic and equal opportunities, security and development".

Many initiatives under the umbrella of this objective focus on addressing unemployment, particularly of <u>Africa's youth</u>. INCLUDE supports this focus, particularly because of the large challenge it entails. According to former Minister Ploumen, 18 million jobs will need to be created annually until 2035 to absorb all of the young entrants to the labour market.²

Yet, a focus on creating employment opportunities to curb migration flows may not be enough. Irregular migration has been a continuous phenomenon in African history, and increases in income may increase, rather than decrease, mobility. Historically, countries rising from low to middle income status initially experience increases in emigration rates, also known as the 'migration hump'. Hence, the expectation of European policymakers that migration flows can be curbed through policies aimed at instant income enhancement is questionable. If rises in income are not accompanied by macro-level improvements in social and political indicators (for example, in terms of health care, welfare schemes, and political stability and participation), people might feel the urge to use their income to find a better and more sustainable future elsewhere.

Three pillars of inclusive development

Policies aimed at inclusive development may be more effective in counteracting the propensity to migrate. INCLUDE's conceptualization of inclusive development builds on three pillars.

² She stressed this at the conference 'Boosting youth employment in Africa – What works and why?', hosted by INCLUDE and the Netherlands Ministry of Foreign Affairs in The Hague on 30 May.



First, instead of focusing solely on creating more jobs, the objective should be to create **productive employment**. Not only does Africa need many jobs for its rising youth bulge, but also quality jobs. Productive employment includes jobs, both formal and informal, that have sufficient remuneration, are stable and are accompanied by decent working conditions, including equitable pay, labour rights, and access to social and political dialogue. The productivity of employment needs to be increased through substantial investments in technology, infrastructure and human capital, particularly in promising sectors such as agriculture and industrialization. A quality job and long-term financial stability, embedded in a stable macro-economic and political climate, is more likely to prevent an African worker from migrating than a vulnerable job that provides little security or hope for a better future.

Second, investment in cost-effective **social protection** programmes for a more equitable redistribution of economic growth is important in eradicating poverty and reducing inequality. Not only do many Africans make use of protection schemes to meet their daily basic needs, such schemes also provide the stability and opportunity required to invest in one's employability. For instance, through its support for the Productive Safety Net Programme in Ethiopia, the Netherlands contributes to helping farmers to become more resilient to shocks and stress and to increase their productivity. The stability provided by employment and safety nets combined can be essential in fighting poverty and migration.

Third, designing the right policies for productive employment and social protection is not enough in itself. Often, power structures underlying the political status quo hinder the implementation of effective, inclusive policies. Inclusive development is, thus, about identifying and enabling **strategic actors** to push inclusive policies forward. On the one hand, this is about encouraging initially 'unwilling' actors to push for these policies, despite their interest in maintaining the status quo. On the other hand, it is about empowering 'willing' actors such as informal workers' associations, inclusive businesses or organizations representing marginalized groups who do not yet possess the political influence and providing space for them inside the political arena.

The way forward

Since its start in 2012, INCLUDE has made substantial progress in influencing policies on the three pillars of inclusive development outlined above. Through research facilitation and promoting the uptake of new and existing knowledge, INCLUDE stimulates policymakers to make policies more inclusive, as well as more evidence-based as well. Based on experience and the results of many activities, including organizing high-level conferences, setting up knowledge communities inside Africa and facilitating online policy debates, INCLUDE recommends building policies that deal with the root causes of poverty, inequality and migration, with a focus on inclusive development. This requires:

- employment opportunities that are productive, access to effective social protection schemes for all, and empowered strategic actors to push the implementation of such policies
- recognition of the fact that poverty, inequality and migration are strongly interrelated and require a comprehensive and flexible approach with learning loops
- acknowledgement of the importance of generating new knowledge, improving access to existing knowledge, and improving the uptake of this knowledge by policymakers and practitioners
- building forward on networks that bring policymakers, researchers, civil society organizations and private sector actors together (the INCLUDE platform brings these four types of actors together in the Netherlands and Africa)