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**REGIONAL INTEGRATION, DECENT WORK, AND LABOUR
AND SOCIAL POLICIES IN WEST AND SOUTHERN AFRICA**

by

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*Regional integration, economic partnership agreements and
their impact on employment and labour market policies –
An awareness and capacity development project*

List of Abbreviations

ACP	African, Caribbean, Pacific countries
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
ANSA	Alternatives to Neo-Liberalism in Southern Africa
ATN	Africa Trade Network
AU	African Union
BCEAO	Central Bank of West African States (Banque Centrale des États de l'Afrique de l'Ouest)
BOAD	Banque Ouest Africaine de Développement
BUSA	Business Unity Southern Africa
CARICOM	Caribbean Community and Common Market
CET	common external tariff
CGE	Computational General Equilibrium
CSO	civil society organisations
CU	customs union
DBSA	Development Bank for South Africa
DPA	Development Partnership Agreement
EAC	East African Community
EBA	Everything But Arms
EBID	ECOWAS Bank for Investment and Development
EC	European Commission
ECOWAS	Economic Community of West African States
EJN	Economic Justice Network
EPA	Economic Partnership Agreement
EU	European Union
FARE	Forum of Associations Recognised by ECOWAS
FOPAO	West African Federation of Employers
FTA	free trade area
GATS	General Agreement on Trade in Services
GSP	General System of Preferences
GTAP	Global Trade Analysis Project
ILO	International Labour Organisation
IOM	International Organisation for Migration
IMF	International Monetary Fund
LDC	least developed countries
MDG	Millennium Development Goals
OHADA	Agency for Business Law Harmonisation in Africa (Organisation pour l'Harmonisation en Afrique du Droit des Affaires)
OTUWA	Organisation of Trade Unions of West Africa
PRODIAF	Regional Programme for Promotion of Social Dialogue in Francophone Africa
PTA	The Eastern and Southern African Trade and Development Bank
RDB	Regional Development Banks

REC	Regional Economic Community
RIA	Regional Integration Arrangement
ROO	rules of origin
RTA	regional trade agreement
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAT	Southern Africa Trust
SDT	Special and Differential Treatment
SIA	Sustainability Impact Assessment
SPA	SADC program of action
TCDA	Trade Cooperation and Development Agreement South Africa-EU
TLS	Trade Liberalisation Scheme (ECOWAS)
UEMOA	West African Economic and Monetary Union (Union Économique et Monétaire Ouest Africaine)
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNU-CRIS	United Nations University - Comparative Regional Integration Studies
WCSDG	World Commission on the Social Dimension of Globalisation
W & SA	West and Southern Africa
WTO	World Trade Organisation

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INTRODUCTION

The West and Southern areas of Africa (W&SA) are confronted with enormous challenges to maintain peace and stability, to organise good governance, and to fight against contagious diseases. Reduction of poverty is the prevalent over-all socio-economic strategic goal since most countries of the area are least developed countries (LDC). At the heart of the strategy are the search for economic prosperity and competitiveness, employment creation, and decent labour conditions. The claims for jobs of a rapidly growing young population are evident everywhere.

In order to answer these claims and reach the broader social objectives, national stakeholders and the international community are increasingly looking at the regional level and at regional integration for answers. This report is about these answers and specifically about the interaction between regional integration processes and employment, labour market and social policies in the West and Southern regions of Africa. Together, employment and labour market policies represent the search for decent work, which includes job creation and respect of the basic labour standards and measures of social protection. What can regionalism contribute to that purpose?

In these parts of Africa, the modern sector including oil drilling and mining is often an enclave linked to the international economy and isolated from the rest of the economy which is largely informal and subsistence orientated. Poor people have low incomes and low levels of consumption, depend for their livelihoods on subsistence agriculture, the informal sector, or humanitarian aid. Women have no or unequal access to labour markets, children are obliged to perform hard jobs.

At the same time, the incidence of 'working poverty' is high. This means that the level of poor jobs, underemployment and vulnerability on the labour market is very high. Given the low skills levels and productivity of the labour force, the issue of poverty requires measures aimed at improving poor people's human capital. Reducing poverty requires the creation of 'decent jobs' by improving labour productivity, rising wages and more decent working conditions. Children must be in schools, chances for women on the job markets must be created, the right to be organised as a labour force and get decent pay for all workers must be realised.

In order to find out how the regional organisations can contribute to these objectives, this report reviews trends and effects of regional integration and open trade regimes on socio-economic variables and examines policy responses to such effects. The recommendations of the report of the World Commission on the Social Dimension of Globalisation are taken into account in the preparation of this report.

Section one discusses concepts. First, what is regional integration, what are the stages and diverse modalities and the effects of regional integration? Then access to the world economy, the impact of WTO (World Trade Organisation), reciprocal and non reciprocal market access arrangements are discussed. Labour market, social protection and broader social policy issues are summarised, before tackling the question of how regional

integration and labour markets are interconnected. An attempt is made to describe the implications of these interactions in the context of economic development and regional collaboration. Methods for studying the relationship between trade and labour issues are presented.

Section two moves to W&SA and starts with a review of the socio-economic challenges and poverty situation. Then the current policy framework governing regional groups in S&WA including the institutional arrangements in place are discussed. The role of the African Union (AU) and the New Economic Policy for Africa (NEPAD) are highlighted as well as the Economic Partnerships being negotiated with the European Union.

Section three describes how the agenda has been set by various actors for policy discussion and decision concerning the social dimension and decent work at the regional level in Africa. The roles of the ILO, AU, UNDESA, UNESCO and other actors are highlighted. The debate between stakeholders in SADC is discussed.

Section four reviews the evidence from existing studies about the impact of regional integration and inter-regional negotiations on labour markets and social policy issues in the W&SA regions. It also describes the methodological basis of these types of studies with a view to making specific proposals for capacity building and training.

Section five presents a set of observations based on the report and on the findings of the field missions to Africa about the effectiveness of current processes of regional integration and how labour and social policies are handled by regional integration bodies in W&SA. Issues of complexity and capacity are discussed.

Section six addresses the issue of reinforcing existing institutional capacity of regional stakeholders and proposes how this might be done through specific training targeted at all social partners at the regional level in W&SA. Such training should address the appropriate methodologies to assess the labour and social impact of regional integration and inter-regional trade; the skills to design and propose appropriate social policies - at the national and regional levels - to accompany regional integration and trade liberalisation policies; and skills to negotiate regional and interregional trade agreements that ensure employment and decent work for all.

SECTION ONE

Basic concepts. Regional integration, decent work, labour and social policies and their inter-relationship

This chapter discusses concepts of regional integration: what is regional integration, and what are the stages and diverse modalities and effects of regional integration? Then, access to the world economy, the impact of WTO, reciprocal and non reciprocal market access arrangements are discussed. Labour market, social protection and broader social policy issues are summarised, before tackling the question how regional integration and labour markets are interconnected. An attempt is made to describe the implications of these interactions in the context of economic development and regional collaboration.

1. Regional Integration

1.1. Definition

Regional integration, understood as a process, refers to the construction of an inter-governmental or supra-national space among a number of member states. Such “single space” means that member states have agreed to some extent about free movement of goods, of services, of capital, and of persons, and that some policy matters are coordinated, harmonised or unified between member states and/or fully transferred to the regional level.

Regional integration is about “the emergence of a governance level between the national and the global levels within the system of world governance, based on (regional) cooperative behaviour and the design of common policies and institutions by actors that traditionally belong(ed) to the national governance level” (De Lombaerde and Van Langenhove, 2007). Regional governance needs to be strengthened due to the fact that many challenges (economic, security, environmental, social, etc.) cannot be adequately addressed at the national level (De Lombaerde and Van Langenhove, 2007).

The distinction between intergovernmental or supranational integration is quite relevant for the debate on regional integration in developing countries as it concerns the nature of the regional decision making process. Supranational integration means that some packages of decision-making have been taken over by the regional authority, as is the case in the European Union (EU). However most developing countries are not ready to share sovereignty and therefore prefer the intergovernmental mode with its consequence of reduced power to decide and implement, weaker resources, and heavy dependency on national influences and priorities.

Within a regional integration process, different modalities, phases, levels and/or depths can be distinguished, reflecting the existing variety of cases in the real world. The following sections present some examples of such typologies.

1.2. Diversity and generations in regional integration

“Regional organisations have proliferated over the past few decades to a worldwide phenomenon. But this growth in number and geographical coverage is also matched by an increased diversity in the ‘substance’ or ‘content’ of integration. There is a wide spectrum of regional processes nowadays, with organisations belonging to different ‘generations’ of regional integration cohabiting next to each other” (Van Langenhove, 2005).

The ‘first generation’ of regional integration was based upon the idea of a linear process of economic integration involving the combination of separate economies into larger economic regions. This process begins with a free trade area, with or without institutional arrangements and moves through successive stages of integration (CU, common market) until it reaches the point of an economic and political union.

The development of the political dimension represents the main characteristic of the ‘second generation’ regional integration, which coincides with what is generally referred to as ‘*new regionalism*’. Hettne defines this new form of regionalism as a “multidimensional form of integration which includes economic, political, social and cultural aspects far beyond the goal of creating region-based free trade regimes or security alliances. Rather, the political ambition of establishing regional coherence and identity seems to be of primary importance” (Hettne, 1999). The concept of ‘new regionalism’ is based on the idea that one cannot isolate trade and economy from the rest of society: integration can also imply non-economic matters such as social policies, justice, security, and culture (Van Langenhove, 2005).

The ‘third generation’ of regional integration refers to regions acquiring certain statehood properties and becoming actors extra-regionally and globally (Van Langenhove, 2005).

1.3. Stages of regional integration

Creating a single regional economic space is a complex, long-term process and comes in different stages (Balassa, 1961) (Box 1.1). Usually the first stage is a free trade area, evolving into a customs union; the next phases are a common market and economic union, and the final phase is the political union. These stages originate through specific consensus between member states; the timing, content, modalities of the stages differ and are specific for each regional grouping.

These stages can be broadly understood as a process moving from “shallow” to “deep” integration. The normal first step focuses on trade matters. The free trade area (FTA) is a regional group of countries which has removed or agreed to remove all internal barriers to trade in goods and services, both of a tariff and non tariff nature, whereas each country retains its trade barriers towards third countries.

A customs union (CU) is a stage in regional integration where, in addition to the liberalisation of internal trade (as in a FTA), member states agree on a common external tariff and on coherence in other trade policy matters not yet harmonised in a free trade area. Member states of a customs union have in principle agreed on a redistribution mechanism for tariff revenue generated at the external borders.

A common market moves further towards “deep integration”; this term is reserved for a common space where to a large extent the mobility of goods, capital, services, and persons is effectively agreed upon by member states and implemented. This necessarily implies convergence and/or harmonisation of the national legal and regulatory frameworks, including those with respect to labour and migration.

The economic union is a further stage of integration where other essential aspects of macro-economic, monetary, and fiscal policies are coordinated and gradually unified among member states.

Finally, a political union is a stage where through “deep integration” some political institutions such as parliament, executive branches of government and institutions are harmonised in decision making and gradually unified.

BOX 1.1: STAGES OF REGIONAL INTEGRATION	
<i>Free Trade Area</i>	<i>Reduction of internal tariff barriers</i>
<i>Customs Union</i>	<i>Common external tariff</i>
<i>Common Market</i>	<i>Free mobility of capital, services and labour and common regulatory frameworks</i>
<i>Economic Union</i>	<i>Coherence or unification of economic and monetary policies</i>
<i>Political Union</i>	<i>Integration of political institutions</i>

Source: Balassa, 1961.

In every phase, it is feasible to introduce elements of legislation, policymaking, and institutionalisation at the regional level. If and how this is done depends on the political will of the member states to accept supra-national authority, or agree on inter-governmental cooperation in some fields. Free trade arrangements and customs unions are sometimes called “shallow integration” schemes, whereas the term “deep integration” is used when the respective member states agree on free movement of capital and labour and when in depth policy coordination beyond pure trade agreements takes place.

In practise, and as shown by experiences in different regions in the world, the sequencing of regional integration processes does obviously not necessarily follow exactly these suggested steps, but they remain useful as a conceptual framework.

Building regional integration institutions and making agreements among member states on what will become a regional competence and what not or only partially, requires a lot of patience and flexibility on behalf of the concerned government negotiators. Partner states may agree on basics, but not on details; their social and political background may be similar, but also quite different; political contexts may widely differ notwithstanding common interest in regional integration. Therefore regional problem solving concerning the competence in many particular issues of integration schemes may need flexible modalities.

Consequently, the concept of variable geometry has been used widely as an important modality in the process towards regional integration. Variable geometry allows member states to adhere to some integration measures, and not to others, and to choose the speed in which the regional consensus is or will be applied. Variable geometry has two basic components: variable speed which avoids that integration moves at the speed of the slowest member, and variable configuration, which allows that sub-groups of member states are members of some sub-regional organisations or compatible extra-regional arrangements, while others are not. Variable geometry is especially important for developing countries as they are often reluctant to give up national competence when the internal nation state building process is still far from completed.

1.4. Impact and effects of regional integration

The literature makes a distinction between static, dynamic, and non-traditional effects. The concepts have evolved since Jacob Viner's ground breaking analysis of the effects of customs unions in 1950 and has been enlarged since then by many authors.¹ Static effects refer to direct changes in trade flows following tariff reductions and other opening up measures. Enlarged markets trigger new trade flows ("trade creation") but have also the effect of diversion when trade moves away from a more productive firm outside, to a less productive competitor within the region, as a consequence of the removal of protection within and the common external tariff ("trade diversion"). The net static effect is the trade creation minus trade diversion effect. Dynamic effects have to do with additional investment and employment creation, economies of scale and technical changes induced by enlarged markets, in other words, the economic growth effects. Non traditional effects refer to increased commitment and locking in of policies when they are regionally enforced including the signalling effect towards the rest of the world.²

The way job creation and job diversion are influenced by the effects of regional integration modalities is complex. Direct investment or dis-investment decisions following removal of trade barriers and other relevant integration measures are part of company strategy and therefore employment policy in terms of hiring and firing. The human resource component of business strategy is also indirectly influenced by the change and improvement of the company environment following integration decisions.

¹ See for example, Fernandez (1997), and Winters and Schiff (2003).

² See, for example, Gavin and De Lombaerde (2005).

This brings us to the question of “regional public goods” such as regional security, regional transportation networks and regional policies. A particular form of regional public goods is provided through the WTO related ‘trade facilitation’ dimension of national and trade policy. Trade de facilitation came to the foreground at the WTO as the international business community increasingly expressed concern for greater transparency, efficiency, and procedural uniformity of cross-border transportation of goods. The concept has been broadened and includes, beyond customs procedures, the facilitation of cross border transportation and cross border payment facilities. Among developing countries this represents often the first step towards regional cooperation in a number of areas with direct relevance for access to international trade: upgrading transport and communication, infrastructure, harmonisation and simplification of custom procedures, and trade facilitation for transit goods.

Regional integration can also be effective in the delivery of broader public goods provisions such as social policies or environmental protection. Countries moving towards deeper integration tend to integrate these policies at the regional level because of the intrinsic cross-border dimensions, in order to avoid duplication of investment and inappropriate level and quality of national public goods provisions. Moreover, enlarged regional markets can be seen as the engine that generates faster growth in regional economic communities. “Integration of sub regional markets should create sub regional growth poles that can generate sufficient externalities for the less developed members” (UNCTAD, 2006). Regional market arrangements are frameworks for coordinating policies and regulations and help to ensure implementation and compliance.

Crossing borders is not limited to goods and services. People move across borders, to trade, in search of work, or for study, family or other reasons. Regional integration includes gradual free movement of persons. Although desirable in itself, the free movement of persons is also a balancing policy against job losses when trade is diverted as it allows workers to move to where the jobs are.

Migration is a much broader movement of people across borders and in search of permanent residence elsewhere, often in order to run away from poverty, towards areas where jobs are secure. Migration is both very sensitive and economically relevant, depending on the point of view. The protectionist state may try to keep the unskilled job seekers away, while the motives of the job seekers to migrate are easily understood.

2. Regional Integration and economic development

Regional integration is usually built between neighbouring nations with some kind of similar level of development and some type of common heritage in view of welfare enhancement for the population of the member states. In addition, regional integration is also a stepping stone into globalisation of international trade and investment and directly relevant for economic development.

In the past, regionalism between developing countries often looked inward and was based on high external tariffs, state industrial planning and import substitution. This

period after independence in many developing countries is also sometimes called “old regionalism”; in that period many rather inefficient regional authorities became active. When in accordance with the “Washington consensus”, a strong shift towards liberalisation, openness and reliance of market forces took place, a period of “new regionalism” started with emphasis on lower external tariffs, market based industrial policies and export orientation.

Consequently, regionalism is now seen almost universally as a tool towards integration in the world economy. In this respect, the WTO plays a crucial role as the governance body for the international trade system. The following paragraphs discuss several types and modalities of trade liberalisation and the place of regional arrangements in the international trade system.

2.1. Role of the WTO

The WTO is a multilateral system that establishes rules and procedures between member states governing countries’ trade related policies and reduction of trade barriers based on the belief that open and free trade, if well regulated, is good for the world economy. The cornerstone of WTO is its so called MFN or most favoured nations clause, saying that trade concessions granted to one member state should also be granted to all other member states.

The WTO agreements include provisions granting special rights to developing countries called “special and different treatment” (SDT) so that they can be treated more favourably than other members including longer time periods, special support and lower levels of commitment to increase their insertion in international trade flows. The enabling clause, officially called “Decision on differential and more favourable treatment, reciprocity and fuller participation for developing countries” is the legal basis for the Generalised System of Preferences (GSP) and also the legal basis for regional arrangements among developing countries.

The “regional exception” is well accepted and clearly articulated into the WTO basic rules. While article 1 of the WTO rules includes the “most favoured nations” clause, article 24 recognises that regional trade arrangements limit trade liberalisation to the regional member states, excluding non members. The condition here is that substantially all trade should be covered, and that regional trade liberalisation should take place within a reasonable period. When regional trade arrangements are agreed between developing countries, the exception is easier to obtain under the enabling clause. Trading arrangements such as ECOWAS, UEMOA, and SADC, to be discussed later, are all valid under the enabling clause.

Preferential trade concessions to developing countries are acceptable as exception from the most favoured nation’s clause, under the enabling clause. The most important, the General System of Preferences (GSP) eliminates or reduces tariffs by rich countries on products originating from developing countries. Of particular importance for this work is the recent introduction of the so called “GSP+” system which is an extension of GSP

with the particular character that enhanced trade preference conditions are granted to those developing countries that have ratified and implemented a list of core labour and human rights standards.³

A particular example is the Everything But Arms (EBA) decision by the EU, granting free access to the EU for virtually all products originating from least developed countries (LDC). Another is the American system of the African Growth and Opportunity Act, AGOA, enabling selected African countries to access the American market on preferential conditions.

2.2. Liberalisation and development

Rapid unilateral liberalisation creates opportunities and poses substantial risks. This is well recognised by developing countries and is the main reason why SD has been organised for them inside the WTO basic rules, involving lower requirements and longer transition periods for tariff reductions, and preferential regimes which in principle should be based on objective development criteria.

Unilateral liberalisation when well designed can help reinforce infant industries; when not carefully planned it brings not only the risks of removal of protection for vulnerable “infant industries”, but also major fiscal adjustments due to tariff reductions. Regional integration can help here when the member states coordinate liberalisation measures and decide about adequate compensations. In other words, regional integration, in conjunction with an orderly and gradual opening of markets to the rest of the world, can be superior to or at least a useful complement for quick unilateral liberalisation (Kennes, 1997).

Furthermore given the structural imbalances in the world economy since 2000, the WTO has engaged in a new round of tariff liberalisations aiming especially at the removal of agricultural subsidies in rich countries, coupled with mutual trade concessions, called the “Doha” or development round.

WTO is not only concerned about free movement of goods, it also has a services trade regime the general agreement on trade in services (GATS), which includes several modes of delivery. Trade in services is an increasingly important part of global commerce and includes tourism, education, health services, transportation and financial services, all very crucial for economic development. Income and employment gains from liberalisation of trade in services may be equal or even superior to gains from trade in commodities. In trade of services, the equivalent of the tariff book in trade in goods is the schedule of commitments. These schedules explain the commitment of the member state in terms of market access and national treatment for the respective modes of delivery.

One special mode (“mode IV”) refers to the temporary movement of people across borders. Such temporary movements are negotiable between member states in the WTO

³ In the present EPA discussions, Nigeria has proposed that rather than signing an EPA, GSP+ would be granted.

and have to be organised in accordance with the respective agreements between member states. Here again regionalism can act as a stepping stone since article V and Vbis of GATS recognise regional economic integration agreements in services on condition of substantial sectoral coverage and no exclusion of any mode of supply.

2.3. Reciprocal trade agreements, EPAs and FTAs

The FTA, the usual first step in regional integration, is also used in an asymmetric sense, serving as a modality in the opening of markets between countries not linked by neighbourhood or history. An example is the US-Singapore FTA. North-South open trade regimes are sought after, especially by the EU and USA, since WTO grants a special exception to its most favoured nation's clause, as mentioned earlier. The United Nations Conference on Trade and Development (UNCTAD) has warned against the proliferation of such FTAs since developing nations often have weaker bargaining power (UNCTAD, 2007).

A special case of reciprocal trade arrangements are the Economic Partnership Agreements or EPAs. The Lomé and Cotonou conventions which covered trade deals between the former colonial powers (the EU and its member states) and the former colonies (ACP countries) included special "super" trade preferences to those developing countries, protected until end of 2007 by a special waiver from the WTO most favoured nations clause. The WTO insisted that these non reciprocal trade preferences be replaced by non-discriminatory arrangements because the selection of countries was based on past colonial links and not on objective development criteria. Rather than choosing the path of GSP, EU proposed EPAs that are to be discussed further.⁴

Another special case of reciprocal trade arrangement and of particular interest for this study is the South African – EU Trade Cooperation and Development Agreement (TCDA) which includes mutual tariff concessions and aid provisions as well. This trade agreement is different from the EPAs.

Finally, there is a whole list of bilateral trade agreements between countries of W&SA and other countries which are quite relevant as they have effects or dimensions in the labour and social arena. The latest and not least important list is the agreements signed between several S&WA countries with China especially, but also with other countries like India, Brazil or Korea who wish to cooperate with African nations for deals in the mining, construction and manufacturing sectors of mutual interest.

3. Labour market and social policies

Shaping adequate development policies requires the right answers on the level of wages and the provision of social security, the rigidity or flexibility of the labour market, migration and the acceptance of workers from other countries at the home labour market,

⁴ Everything But Arms (EBA) allows LDC to keep open market access to the EU, and therefore in view of many LDC allow them not to sign an EPA. However, EBA is a unilateral measure with strict rules of origin, whereas EPAs are negotiated instruments for reciprocal trade liberalisation.

the education system preparing workers for the labour market, and many related issues. All these dimensions of labour policies are part of the broader set of social policies.

Labour market policies are the policies which provide “income replacement and labour market integration measures to those seeking for jobs” (Auer et al., 2005:9), both to the unemployed and employed persons. The main economic function of the labour market policies is the matching of labour demand and supply. These policies may contribute directly to this matching – public and private employment services, job search assistance, labour market information – or to enhancing the supply – training programmes – reducing the supply – early retirement schemes- creating the demand – public works, self-employment – or changing the structure of the demand – employment subsidies.

Two types of policies are foremost in the labour market: the “passive” policies that are designed to offer income replacement for the periods of joblessness or job search, and the “active” policies aiming at integration in the labour market throughout demand or supply side measures. While the passive policies offers social transfers that are not conditional upon joining different training programs (i.e. unemployment assistance and early retirement schemes), the active policies are explicitly conditional upon participation in programmes design to enhance the labour market integration (i.e. labour market training, hiring subsidies). It is important to stress the importance of active labour market policies in poverty alleviation through measures that provides training, work, and income. For developing countries, active labour market policies might not targeting directly unemployed people, but rather the working poor in informal sector (Auer et al., 2005).

Social policies refer then to a broader package of services which includes issues of employment, education, health, social protection and specific policies for social groups as women, the elderly and disabled people to ensure social inclusion and social mobility. All these matters become part of integration processes at various stages and in accordance with different regional configurations. The specific matters of interest for this project are limited to employment, labour market, social dialogue, and social protection issues.

As explained in the UNU-CRIS (2008) report on *Deepening the Social Dimension of Regional Integration* “at least in theory, regional integration schemes can offer a number of possibilities for the development of, for example: regional social, health and labour regulations; regional mechanisms that give citizens a voice to challenge their governments in terms of social rights; regional intergovernmental forms of co-operation in social policy; regional cross-border investments in the area of social policy; regional social redistribution schemes [...]; and inter-regional agreements and arrangements related to social issues”.⁵

These policy options are considered in the next subsections.

3.1. Labour policies and standards

⁵ See also, Yeates and Deacon (2006), and Deacon, Ortiz and Zelenev (2007).

Labour market management in developing areas for the formal and informal sectors includes the support for the creation of as many jobs as possible and in addition, that basic standards of behaviour towards weaker and vulnerable parts of the population are accepted and respected, that adequate labour legislation is put in place, that social protection is organised, and that social dialogue between employers, workers and the government takes place. Although national labour market institutions are crucial, the international agenda is especially relevant for regional and international labour issues.

The International Labour Organisation (ILO) is the tripartite UN agency which brings together governments, employers and workers devoted to reducing poverty, achieving fair globalisation and advancing opportunities to obtain decent and productive work.

The ILO and its role throughout the twentieth century in attempting to improve labour and social standards have been caught in the cross fire of two of the wars of globalisation: that of capital and labour, the North, and the South. Global competition from the 1980s onwards raised the question as to whether there should be a link established between global trade and global labour standards legally in terms of writing into the emerging WTO organisation rules that all ensured all members of the WTO should conform to certain labour standards. This came to be known as the proposal to insert a ‘social clause’ into the WTO rulebook. Many Southern countries were against arguing that to impose such conditions would exclude them from trading globally and such conditions could not be met by less developed countries.

It corresponded then to the ILO to redouble efforts on this issue. Its response was to take one-step back and one forward. The step back was to retreat from any position that assumed there could be rapid progress in the further advancement of *all* of its global standards by more developing countries *voluntarily* signing up to them. The step forward was to focus on *core labour standards* and *impose* these on all countries as a condition of membership of the ILO (Box 1.2). This process culminated in the 1998 Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work.

This declaration strengthens the nature of obligations towards these core rights: “... all members, even if they have not ratified the Conventions in question, have an obligation, arising from the very fact of membership in the Organisation, to respect, to promote, and to realize, in good faith and in accordance with the Constitution, the principles governing the fundamental rights which are the subject of those Conventions” (ILO, 1998).

BOX : 1.2 CORE LABOUR STANDARDS

The core labour standards are four:

- (a) freedom of association and the effective recognition of the right to collective bargaining (Conventions 87 and 98);*
- (b) the elimination of all forms of forced or compulsory labour (Conventions 29 and 105);*
- (c) the effective abolition of child labour (Conventions 138 and 182) ; and*
- (d) the elimination of discrimination in respect of employment and occupation (Conventions 100 and 111).*

Source: <http://www.ilo.org/public/english/standards/relm/ilc/ilc86/com-dtxt.htm>.

Although there are many types of labour standards, the aforementioned ones have achieved consensus internationally as the core labour standards. The ILO's Declaration refers to them as 'enabling' rights as they enable people to "claim freely and on the basis of equality of opportunity, their fair share of the wealth which they have helped to generate, and to achieve fully their human potential" (DFID, 2004). However, even if core labour standards represent fundamental human rights they are not applied in many circumstances and for many reasons. Successful implementation of core labour standards can directly contribute to poverty reduction.

Labour standards represent the rules that govern how people are treated in the working environment. The main subjects covered concern the basic human rights at work, respect for safety and health, and ensuring that people are paid for their work. Labour standards are included at both national and international levels. At the national level, labour standards are incorporated in laws and other type of regulations. At the international level, these can be found in international conventions and recommendations.

"Most of the great social movements of the last two centuries have been involved in the globalisation of labour standards; the anti-slavery movement, the labour movement and the Socialist International, the women's movement, the black civil rights movement and the human rights movement general. For all this labour standards is not an area where global standards have been ratcheted-up in recent decades; the combination of international competition in low labour costs, and labour market deregulation to increase the flexibility of response to it, has undermined the labour standards in many places" (Braithwaite and Drahos, 2000: 252-253).

In 1999 the ILO launched the Decent Work Agenda, which provides a general framework for action in socio-economic development. Decent work means suitable, acceptable, productive work carried out under conditions of freedom, equity, safety and dignity. Decent work includes full employment, social protection, fundamental rights to work and social dialogue (i.e. the key components of social justice).

The main goal of ILO's Decent Work Agenda is to "... promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity" (Somavia, 1999). This assertion makes explicitly reference to the six dimensions of decent work (Anker et al, 2002). Decent work means productive work in which rights are protected, which generates an adequate income, with adequate social protection; it also means sufficient work, in the sense that all should have full access to income-earning opportunities.⁶

Table 1.1 Decent Work Indicators

Employment Opportunities	<i>Labour force participation rate Employment –population ratio Unemployment rate Youth unemployment rate Share of wage employment in non-agricultural employment</i>
Unacceptable Work	<i>Children not in school Children wage employment</i>
Adequate earnings and Productive Work	<i>Inadequate pay rate Average earnings in selected occupations Employees with recent job training</i>
Hours of work	<i>Long hours of work Time-related underemployment rate</i>
Stability and Security of Work	<i>Tenure less than one year Temporary work</i>
Fair Treatment	<i>Occupational segregation by sex Female share of employment in managerial and administrative occupations</i>
Safe work	<i>Fatal injury rate Labour inspections Occupational injury insurance coverage</i>
Social Protection	<i>Public social security expenditure Public expenditure on needs-based cash income support Beneficiaries of cash income support Share of population over 65 benefiting pension Share of economically active population contributing to a pension fund Average monthly pension</i>
Social dialogue and participation	<i>Union density rate Collective wage bargaining coverage rate Strikes and lockouts</i>

Source: ILO, *Using Decent Work Indicators to Measure the Impact of Trade on Labour*, Geneva, 2006.

The indicators are: the possibility of performing productive and suitably remunerated work; safety at work and social protection for families; improved prospects for personal development and social integration; freedom for human beings to express their concerns, to organize and take part in decision-making in areas that have an impact on their life; equal opportunity and treatment for all men and women.

⁶ The Decent Work Agenda offers a way of combining: the promotion of rights at work; employment; social protection; and social dialogue. This four are the main objectives of the ILO.

Concern for employment creation is at the core of the ILO's mandate. The World Summit on Social Development in 1995 and the 24th Special Session of the UN General Assembly in 2000, foreseen employment as core issue in fighting against poverty and social exclusion. Moreover, the ILO was called 'to develop a coherent and coordinated international strategy for the promotion of freely chosen productive employment'⁷. The ILO response was formulated in a comprehensive Global Employment Agenda worked out by its constituents, in which are identified policies that help create and maintain decent work and income and are. The principles underlying the Global Employment Agenda are: (i) decent work as a productive factor; (ii) a pro-employment macroeconomic framework; (iii) entrepreneurship and private investment; (iv) improving the productivity and opportunities of the working poor; (v) ending discrimination in the labour market; (vi) environmentally and socially sustainable growth; and (vii) employability and adaptability (ILO, 2003a).

The core elements of the Agenda seek to promote employment, economic development, and social justice. The Global Employment Agenda focus particularly on the importance to improving the productivity of working men and women, mainly of the working poor and of the organisations in which they work. Furthermore, the Agenda identify elements that relate to labour market policies and economic environment. Regarding the labour market the ones identified are: decent employment through entrepreneurship; employability by improving knowledge and skills; active labour market policies for employment, security in change, equity and poverty reduction; social protection as a productive factor; occupational safety and health: synergies between security and productivity; productive employment for poverty reduction and development. Those of economic environment deals with promoting trade and investment for productive employment and market access for developing countries; promoting technological change for higher productivity and job creation and improved standards of living; promoting sustainable development for sustainable livelihoods; macroeconomic policy for growth and employment: a call for policy integration. Table 1.2 gives an overview of some of the important elements highlighting the main features.

Table 1.2 Core elements and features of the Global Employment Agenda

Core elements - economic environment	Features
Promoting trade and investment for productive employment and market access for developing countries	<ul style="list-style-type: none"> - the ILO concern is to ensure that trade liberalisation leads to pro-poor, decent employment growth; - by examining the issue of the employment implications of trade liberalisation through promoting the respect for fundamental rights of workers the ILO can contribute to diminishing the social costs of trade liberalisation and improve the functioning of labour markets;

⁷ <http://www.ilo.org/public/english/standards/relm/gb/docs/gb286/pdf/esp-1.pdf>.

Promoting sustainable development for sustainable livelihoods	<ul style="list-style-type: none"> - the Declaration on fundamental Principles and Rights at Work provides floor in the construction of a more equitable world
Macroeconomic policy for growth and employment: A call for policy integration	<ul style="list-style-type: none"> - the participation of the ILO envisage that the views of the social partners are taken into account in macroeconomics matters that affect employment; - an integrated approach to economic and social policies is required; - how can employment be placed at the heart of economic and social policies through improved coordination?
Core elements – labour market	
Promoting decent employment through entrepreneurship	<ul style="list-style-type: none"> - even if public sector is a major source of employment, evidence shows that the most significant source of new employment will come from entrepreneurship and small – medium size enterprises in the private sector; - investment is encouraged by macroeconomic stability and by transparent governance structures; - the absence or inadequacy of institutions guaranteeing such rights can be a brake on the engine that drives employment growth;
Employability by improving knowledge and skills	<ul style="list-style-type: none"> - the sources for higher employability and higher labour productivity are education and skills; - investments in training is the joint responsibility of governments, enterprises, the social partners and the individuals; - the challenge of creating jobs for young people is substantial;
Active labour market policies for employment, security in change and poverty reduction	<ul style="list-style-type: none"> - designing and implementing labour market policies is essential for providing security in times of change, providing income during phases of structural change and helping workers to reintegrate in productive employment; - labour market policies are necessary not just as a protective device for workers, but also a tool for economic policies and companies that need to adjust; - an active labour market policy in many developing countries is the use of labour-based or employment-intensive methodologies in private or public spending on infrastructure development; - labour market policies address the quality of employment;
Social protection as a productive factor	<ul style="list-style-type: none"> - the main aim of social protection is to cope with sickness, invalidity, old age or maternity, as well as the loss of income; - it can maintain the productivity of workers and creates possibilities for new economic

	<p>activities with high employment potential and employment rates;</p> <ul style="list-style-type: none"> - it is a critical toll in the management of change as it can enhance the dynamism of economy and the mobility of labour;
Productive employment for poverty reduction and development	<ul style="list-style-type: none"> - policies need to be conducive to employment-intensive infrastructure investment; - the target must be the informal economy, where most of the poor and underemployed live; - employment is central to poverty reduction and economic growth; - the ILO has to promote a more equal economic development; - access to decent work and the creation of maximum of employment possibilities is fundamental to this goal.

Source: ILO, 2003 - <http://www.ilo.org/public/english/standards/relm/gb/docs/gb286/pdf/esp-1.pdf>.

Decent work and global employment agendas are the mainstay of the ILO's mandate. Employment represents the route to poverty reduction, and therefore, all the regional integration schemes in collaboration with development cooperation agencies should place employment at the centre of their economic and social policies. It is central to concentrate efforts to reduce poverty, for achieving equitable, inclusive, and sustainable development.

The decent work deficit remains a daunting challenge for the new millennium. In 2007 one third of world's labour force is either unemployed, under-employed or are working poor (ILO, 2007c). In developing countries the labour force engaged in informal economy (non-agriculture) represents 55% in Latin America to 45 - 85% in different parts of Asia to nearly 80% in Africa of the work force (ILO, 2002a). Therefore, for the ILO the number of jobs created and the quality of these jobs should be a major concern for all the countries and regions.

Through the decent work and global employment agendas the ILO is contributing to a dynamic approach for more successful employment policies in order to better face the challenge of promoting change and properly managing change so as to create more and better jobs (ILO, 2002b).

3.2. Broader social policies

More broadly, however, the ILO is concerned with labour policy issues that extend beyond the core labour standards. Social policies more generally are interventions which are about promoting the well being of all citizens and which address structural inequalities in wealth, ensure greater equity and equality for all, correct market shortcomings, reduce poverty and promote social inclusion and provide decent work for all who want and need it.

Social policy at national level can also be described in terms of *sector investments and programmes* in the fields of employment, social protection, education, health, housing

social services, and utilities (water). Social policy at national level can also provide mechanisms of *social redistribution* (land reform, taxation, cash transfers, and targeted subsidies), *social regulation* (of business, trade, and agriculture to ensure they serve a social purpose), and *social rights* (to enable citizens to make claims about social entitlement from their governments). Sound social policies facilitate consensus building at the national level and help to prevent and manage conflicts.

Social and labour policies are justified not only from a humanitarian viewpoint; they are an economic and political need for future growth and political stability.

- Investing in people enhances the quality and productivity of the labour force, thus improving the investment climate and, hence, growth.
- Raising the incomes of the poor, increases domestic demand and, in turn, encourages growth; greater consumption ratios among lower income groups contribute to expanding the domestic market.
- Highly unequal societies are associated with lower rates of growth. Unequal societies and regions are not only unjust but also cannot guarantee social and political stability in the long term, which is a barrier to economic growth.
- Among children, poverty and malnutrition damage health, causes pre-mature death, and impair cognitive abilities, resulting in lower productivity in future adults, a high burden for a country.
- Historical evidence shows that social development accompanied industrialisation and economic development in most countries. In Europe and East Asia's 'late industrializers', social investment was an integral part of modernisation processes, nation building, and productive development.

Social policy and economic policy are therefore interdependent as well as synergistic, and **not** antagonistic. Economic and social policies need to be promoted in parallel, in a mutually reinforcing way, from an early development stage, as part of the country's national development strategy. All economic policies have different distribution impacts and it is essential that national development is based on decent work and macroeconomic and sector policies that raise people's incomes and foster social inclusion. Social, labour, and economic policies should be integrated, promoted in parallel, in a complementary manner. There can be no decent life and decent work without economic growth, competitiveness in the global market and appropriate engagement in international trade. By the same token there can't be equity and social justice in life and work without government interventions and corporate social responsibility.

At the current stage of economic development and within the context of the history of colonialism many countries in Africa would be unable to develop social policies without being in receipt of overseas development assistance. Indeed the world's commitment to the Millennium Development Goals is predicated upon goal 8 which sets out a global compact whereby the global north enables the global south to aspire to these objectives (Box 1.3). At the same time, however, the desired goal of all countries is to become aid

independent. This requires that the calls for the kinds of labour and social policies listed above need to be matched by a call for all countries to raise internal revenues through land reform, corporate taxation and other means. This is particularly important in the context of policies to increase intra-regional and inter-regional trade which will result in the lowering of revenues currently received from customs duties. In this context the current and recent work of both UNRISD and UNU-WIDER on taxation for social policy in a development context (UNRISD, 2007) and on alternative sources of finance for development (Addison and Roe, 2006) are very important.

BOX 1.3: THE MILLENNIUM DEVELOPMENT GOALS

- 1. *Eradicate extreme poverty and hunger;***
- 2. *Achieve universal primary education;***
- 3. *Promote gender equality and empower women;***
- 4. *Reduce child mortality;***
- 5. *Improve maternal health;***
- 6. *Combat HIV/AIDS, malaria and other diseases;***
- 7. *Ensure environmental sustainability;***
- 8. *Develop a global partnership for development:***
 - Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system;
 - Address the special needs of the least developed countries, landlocked countries and small island developing States;
 - Deal comprehensively with developing countries' debt;
 - In cooperation with developing countries, develop and implement strategies for decent and productive work for youth;
 - In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries;
 - In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies.

Source: <http://www.un.org/millenniumgoals/>.

While much of what is required by way of improved labour and social policies does depend upon increasing revenue flows it is none-the-less the case that much of what is needed can be afforded at the current levels of economic development even in low-income countries. Work by the ILO's social security department (ILO, 2006b) on a minimum package of social protection measures confirms this to be the case. The current continent wide movement to invest in better social protection measures which culminates in the first ever meeting of African Ministers of Social Development in May 2008 is testament to this.⁸

⁸ This meeting scheduled to take place in Namibia will be the culmination of a series of regional meetings on social protection organised by the AU with the support of Help Aged International. This follows upon the Livingstone Declaration of 2006 on social protection.

Regional and sub-regional social policies represent an extension of national social policies, and should be consistent with national social policy objectives. Regional social policies address issues that require intergovernmental cross-border cooperation on issues of rights, regulation, and redistribution in the areas of (a) social sector investments, (b) social issues at a cross-national level, and (c) human rights and empowerment. Common positions are also important to strengthen Africa's voice in world affairs and reinforce Africa's role in international decision-making. Some elements of a regional labour and social policy are indicated in the table below.

BOX 1.4: COMPONENTS OF DECENT WORK AND REGIONAL POLICY IMPLICATIONS
<p><i>EMPLOYMENT: Regional job creation and investment.</i></p> <p><i>STANDARDS: Regional agreement on core standards.</i></p> <p><i>SOCIAL DIALOGUE: Regional Social Council.</i></p> <p><i>SOCIAL PROTECTION: Regional agreements on social protection.</i></p>

Within the UN system, such ideas about reinforcing the social policy dimension of regional level in order to 'tame' globalisation are increasingly popular. In the July 2006 session of ECOSOC the UN Secretary-General declared that multi-stakeholder policy dialogues at the national and regional level have to be developed "with the objective of building national and regional capacity to develop a multi-disciplinary approach to economic and social issues" (UNSG, 2006). Earlier that year, UNESCO organised a High-Level Symposium on the Social Policy Dimension of Regionalism in Montevideo in the context of the UNESCO International Social Sciences Policy Nexus Forum (Deacon, Yeates and Van Langenhove, 2006). The resulting Buenos Aires Declaration called upon "the regional organisations such as MERCOSUR and the African Union, in association with social scientists and civil society, to further develop the social dimension of regional integration and [called] upon the UN to facilitate inter-regional dialogues"(UNU-CRIS, 2008:2).

4. The interaction between regional integration, and labour policies

The report 'A Fair Globalisation: Creating Opportunities for All' of the World Commission on the Social Dimension of Globalisation claims that regional integration can contribute to a more equitable pattern of globalisation, but only if regional integration has a strong social dimension. According to the Commission, regional arrangements can achieve this by empowering people and countries to better manage the global economic

forces, by helping to build capabilities needed to take advantage of global opportunities, and by improving the conditions under which people connect to the global economy (WCSDG, 2004:71).⁹

The Report presents a whole list of policy recommendations that should contribute to a better distribution of the potential benefits (and costs) of globalisation. These recommendations target the different governance levels: national, regional and global. The WCSDG refers several times to the regional governance level (Box 1.5).

BOX 1.5: THE WCSDG AND THE REGIONAL GOVERNANCE LEVEL	
(i)	<i>the need to build representative regional institutions and organize regional social dialogues,</i>
(ii)	<i>the importance of linking trade liberalisation (at the global and regional level) to the respect for labour rights,</i>
(iii)	<i>the need to make investment rules more development-friendly, and</i>
(iv)	<i>the urgency to provide a more appropriate regulatory framework for migration.</i>

Source: WCSDG (2004).

When progress in regional integration takes place, complex interactions with social and political issues including employment and labour related policies issues will follow, with positive and negative implications. The example and historic success of the EU as a welfare increasing regional integration mechanism is not necessarily to be copied as such in developing areas because of the weakness of the markets and institutions typical for these countries; yet it proves that regionalism can work and is able to stimulate job creation and welfare.

Regional institutions can act as policy and lawmaker and bring scale effects to the agreements and implementation of labour rights and more scope for their implementation. Regional institutions including parliaments or courts also allow for more efficiency, as supporting labour rights in many small countries comes at a heavy cost. This is especially true for west and Southern Africa where very small member states such as The Gambia, Liberia, Sierra Leone or Malawi have to build social and labour market institutions which could in some cases also be provided at lower cost, if organised and handled well at regional level. One example: the organisation of the court of appeal for labour disputes could be concentrated in one Court of Justice which means that the present ECOWAS Court of Justice in West Africa would have competences recognised by member states for final labour dispute resolution.

⁹ For a critical view on the implications of regional integration for labour, see O'Brien (2008).

Regional integration processes create institutional capacity that matters a lot in terms of poverty reduction. “Regional policies and coordinated action in the social area, in general, require a regional institutional capacity to promote rights, to mobilize resources and/or to execute programs. An effective regional approach to labour issues also requires labour unions and employer’s federations to have the capacity to act regionally and require functional regional enforcement mechanisms, such as regional courts” (ILO-ITC, 2007:2). In this respect, regional social funds (See BOX 1.6 for examples of the EU and MERCOSUR), can also act as a powerful regional redistribution mechanism. One example is the “Nigeria Fund” lodged at the African Development Bank; furthermore the sub-regional banks set up in West Africa also make efforts to provide infrastructure finance for the least developed areas.

However, in the short run, businesses that were once protected behind tariffs are losing customers in an open market situation with competitors across the border. Jobs are lost in such transition periods; sometimes entire firms go bankrupt. Transition measures are then needed. When at the same time, due to free trade arrangements, tariff revenue is strongly reduced, government revenue needed for social interventions is also reduced. The impact in social terms can be very negative. The losers can also be the consumers through the effect of trade diversion when commodities from the rest of the world are replaced by below standard commodities from inside the region with the help of intra regional free trade combined with high external tariffs.

Convergence with free movement of persons is very important, allowing workers to move to where the jobs are created. Social protection policies are needed for the victims who cannot relocate. However free movement of persons can be a very hotly debated issue when member states are confronted with the extreme outflow of people from other member states where the conditions for survival are not or insufficiently available.

BOX 1.6**Provisions and Instruments of Regional Policy****The European Union (EU)****1) The European Regional Development Fund (ERDF)**

- the main objective of the ERDF is “to help reinforce economic and social cohesion by redressing regional imbalances. This is achieved by supporting the development and structural adjustment of regional economies, including the conversion of declining industrial regions.”

2) the European Social Fund (ESF)

- the ESF is designed “to foster balanced economic and social development in order to support national policies promoting full employment, improved quality and productivity at work and reduced social exclusion and regional employment disparities”.
- it is granted via public tendering procedures, and the ESF funding takes the form of individual or block grants, loans, interest rate subsidies, micro loans or the purchase of goods and services.
- the ESF “shall strengthen economic and social cohesion by supporting member states' policies aiming to achieve full employment, improve quality and productivity at work and promote social inclusion and the reduction of regional employment disparities”.
- over the period 2007-2013 some €75 billion will be distributed to the EU Member States and regions to achieve its goals.

MERCOSUR**1) Structural Convergence Fund (FOCEM)**

- the aim of FOCEM is to offer financial support to the poor regions of MERCOSUR.
- the FOCEM will finance projects under the following programmes: of structural convergence; social cohesion; strengthening the institutional structure and integration process of the member states;
- the annual budget contribution is 100 million dollars: Argentina 27%, Brasil 70%, Paraguay 1%, Uruguay 2%;
- the redistribution of funds is as follow: Argentina 10%, Brasil 10%, Paraguay 48%, Uruguay 32%.

Sources:

EU <http://europa.eu/scadplus/leg/en/s24002.htm>.

MERCOSUR http://www.presidenciamercosur.org/pdf_es/iniciativas/focem/Caratula.pdf.

5. The interaction between integration in the world economy, labour policies and labour standards:

Core labour standards are not controversial as such. What needs proper attention and discussion is how regional integration and regional trade related arrangements can stimulate actual respect and implementation of core labour standards. This matter is crucial and complex. In a new regionalism perspective, a smart combination and well designed interaction at the regional levels is needed in order to stop violations and secure decent core labour conditions.

This combination has economic, social, legal, and governance dimensions and includes:

a) economic growth effects, b) institutional measures, c) labour clauses in trade related arrangements, and d) corporate social responsibility.

a) *Economic growth effects*

The positive outcome of well conceived and organised regional integration is that the markets are widened, economic growth, opportunities and investments increase, resulting in employment creation. When both the competition on markets for goods and on the labour market are widening, the effect is likely to be additional scope for improved jobs and labour rights, at the individual and collective level. There is evidence worldwide¹⁰ that open markets advance labour rights while barriers to markets retard the advance of *core* labour conditions, although there is also evidence that the unregulated opening of markets may in some circumstances depress especially *non core* labour standards (see below). This is why labour policy and institutional measures are needed as well.

b) *Institutional measures*

The key to adequate policy formulation and implementation are the institutions. Regional institutions can act in a complementary way (i.e. respecting the principle of subsidiarity) with national law makers. Regional policy and laws can provide an impact through the effects of scale on the agreements and implementation of labour rights, and provide additional measures for their implementation. Regional institutions include parliaments, executive agencies and courts. An example in this sense is the recent case of forced labour in Niger brought before the ECOWAS Court of Justice.

c) *Labour clauses in free trade agreements*

Labour clauses in free trade agreements, economic partnership agreements, general systems of preference etc. are gaining currency notwithstanding the perceived danger that they may be used as disguised protective trade policy instruments. Within wider efforts to promote labour standards recent trade agreements, especially when originating in the USA or EU, focus on protection of internationally recognised workers' rights. Many FTA deals include clauses requiring the respect of labour standards. These clauses can either refer in general to some minimum standards, or refer explicitly to employment policies and social security reforms, safety at the work place and so on. Special arrangements for integration of developing countries into the world economy, such as GSP, Cotonou or AGOA, include specific clauses requiring respect of core labour standards. The way these clauses are formulated and implemented is however dependent on the countries involved and here again regional organisations can and should play a role.

This matter is controversial. Within the WTO framework negotiations, developing countries opposed linking formally labour standards with multilateral trade agreements fearing that measures or sanctions aiming at imposing labour conditions would be protectionism in disguise, in other words, a cover up for refusing to import from countries with a cheap or considered unfairly treated labour base.

d) *Corporate social responsibility*

Companies can act as well, through their chambers of commerce etc at the regional level to promote basic labour rights. It is important to include in the range of possibilities at the

¹⁰ See Flanagan (2006).

interface of trade and labour rights, the relevance of corporate social responsibility as a guide for entrepreneurs to respect labour and social rights.

The above considerations are valid for basic labour rights. There may be quite different matters involved when the issue of broader labour conditions such as wages, social security etc. is at stake. In these cases the economic options of a more liberal market approach vs. a less liberal, more socially oriented approach play a role in determining the outcomes. Here different political and economic visions compete, whereas for the respect of core labour rights it is clear that all efforts have to be directed at one essential outcome which is full respect and implementation, everywhere.

6. Methods for researching the relationship between trade and labour issues

The impact of trade arrangements of all kinds (multilateral, regional and bilateral) on growth, employment and other desirable social parameters is often subject to scrutiny before, during and after negotiations. Indeed policy makers wish to understand the impact of these new agreements for their constituency and ask therefore that the social and economic impact of new trade related measures is estimated “as good as it gets” in accordance with various methods of research including quantitative, qualitative and mixed methods.

According to mainstream economic theory, trade liberalisation is supposed to lead to increased efficiency and growth and also increased employment opportunities and wages. This is the combined effect of increased market size, deeper international specialisation and higher levels of competition. Mainstream theory also predicts that, independently of the net positive effects, the relative effects on employment and wages by sectors or by categories of workers (and therefore on the income distribution and on poverty levels) will depend on the comparative advantages of the countries involved in the trade agreements and the levels of mobility of the production factors. The neo-classical trade models of the Heckscher-Ohlin-Samuelson (HOS) type predict quite well the effects on relative activity levels and wages by sectors, the underlying logic being that countries will specialize, after trade liberalisation, in the production of goods that (relatively) intensively use the (relatively) abundant production factor of the country. In a North-South setting, the stylised fact is that the southern country is labour abundant and will therefore *ex post* specialize in labour-intensive products. As a consequence, wage levels should rise in the southern country, compared to the remuneration of capital.

The theoretical framework which is used in recent empirical studies is often an adapted Heckscher-Ohlin-Samuelson model, as suggested by Wood (1991, 1994) and Wood and Berge (1997). In this version of the HOS model, North-South trade in manufactured goods is primarily determined by human resources, provided that in today's world, capital is highly mobile and technologies available in the market. Trade liberalisation in the south (e.g. in Africa) would then produce structural changes in production and exports, so that these countries would specialize in goods intensive in their abundant factor, unskilled labour, while importing goods intensive in skilled labor, the abundant factor in the north. According to the model, trade liberalisation in the south would thus increase employment and wages of the unskilled, reducing the wage gap between the

skilled and the unskilled in the south, and between the unskilled in the south and the unskilled in the north.

However, these theoretical expectations cannot necessarily be confirmed empirically when looking at episodes of trade liberalisation in particular countries and regions.¹¹ Section four will present a selection of empirical studies dealing with W & SA.

There are a number of possible reasons for diverging results. These include:

- the particular combination of (trade-related) policies in place before, during and after the trade liberalisation process;
- the interplay between trade policies, on the one hand, and macro-economic policies, on the other;
- technological change, which can be induced by the liberalisation process itself (through more competition, more imports of technology, and more incoming FDI) and which can dramatically change the relative demand for inputs and skilled labour;
- the fact that in south-south agreements intra-industry trade is more important than in a north-south arrangement, which makes that, in accordance with new trade theories, the pattern of trade and specialisation ex post is less predictable (apart from the fact that large economies have an initial advantage over smaller economies);
- changes in the relative bargaining power of labour;
- the increasing fractioning of production chains;
- the importance of the informal sector, whose dimensions and behaviour is less well understood.

Within the quantitative methods, the applied Computational General Equilibrium (CGE) models have a special place. They are a modern version of Walras' general equilibrium model and go back to the work of Arrow and Debreu (1954). Basically, it is an effort to model the (direct and indirect) economic relations between consumption, production, exports and government, at a particular level of (dis)aggregation, allowing for the estimation of, for example, the impact of changes in tariffs and other policy variables on economic growth and welfare. Applied models rely on the data and structure of Social Accounting Matrices and do usually involve ad hoc work of data gathering and processing for the modelling purposes.¹² In recent years these models have been further developed both in terms of data collection and model building, including the experimentation with market imperfections.¹³ When data availability does not allow applying a full CGE model, researchers apply sector-specific partial-equilibrium models.

¹¹ See, for example, De Lombaerde (2002), and Berg, Ernst and Auer (2006) (especially chapter 4) in a Latin American context. For good general overviews, see for example, Arbache (2001) and Lee (2005).

¹² Good examples of CGE models applied to regional trade arrangements include Roland-Holst (1994), Flores (1997), and Evans (2000).

¹³ Of particular importance have been initiatives like the GTAP Project (Global Trade Analysis Project) based at Purdue University, and the MIRAGE project based at CEPII (Paris).

In the range of qualitative methods various methodologies are used such as interviews with stakeholders, analysis of facts and reports, scenario building, opinions collected from expert panels, and so on. In the family of mixed methods that combine quantitative and qualitative analysis, SIA or sustainable impact assessments have a special place.¹⁴ This method starts from the notion that economic development should proceed in a manner that respects human values and the environment and considers the integrated sectoral, social and economic impact of policy options and measures in a broad and more holistic way. SIA methodology has been used to measure the impact of trade arrangements including economic partnerships through its integrated assessment procedure. SIA usually include a CGE model next to partial equilibrium models for specific sectors, but they also include case studies and causal chain analysis.

The relevance for West and Southern Africa of the application of all these methods and especially the quantitative CGE model is not evident¹⁵ and the potential of misuse of models should be mentioned, especially when policy makers have ex ante outcomes in mind which suit them better than other scenarios. The weakness of the available statistical data, the technical limitations of the models and the inadequacy of functioning markets are all stumbling blocks when models for measurement of impact of trade arrangements on labour issues are applied in W&S Africa. However, CGE models can serve the purpose of comparing different policy scenarios and assess the compatibility of different policy objectives, provided that the modelling exercise and the underlying assumptions are dealt with in a transparent way.

In section four, we will review a selection of recent quantitative, qualitative and mixed analyses of the relationships between trade and labour issues in West and Southern Africa.

¹⁴ See, for example, George and Kirkpatrick (2004) and George and Goldsmith (2006). The studies that have been commissioned by the European Commission can be accessed at: <http://www.europa.eu.int/comm/trade>.

¹⁵ See for example, Hammouda and Osakwe (2008).

SECTION TWO

The socio-economic challenges and institutional arrangements in W&SA

Section two moves to W&SA and starts with a review of the socio-economic challenges. Then the current policy framework governing regional groups in S&WA including the institutional arrangements in place are discussed. The role of the African Union (AU) and the New Economic Policy for Africa (NEPAD) are highlighted.

1. The socio-economic challenges in W&SA

The good news from W&SA in political terms is that most governments are now democratically elected or re-elected. The consolidation of democracy indicates that participatory political processes and peaceful political transitions are more and more firmly rooted in the region. While democracy is progressing, several countries in the area continue to suffer from crises and have difficulties to consolidate stability and peace. Conflict resolution is a major challenge for Côte d'Ivoire, Guinea Bissau, Congo and other states in the region. More than half of the countries witnessed armed interventions and coup d'états in the last three decades.

While agriculture remains by far the most important source of livelihood for the vast majority of West and Southern Africans, the relative weight of trade and industry, including cross-border and export activities, is growing. Trade and industry, however, show a tendency to concentrate in coastal or urban areas and the cost of doing business due to insecurity in some areas is extremely high and blocks or impedes formal employment creation. The informal sector remains therefore by far the most important source of job and income creation, almost everywhere in W&SA.

Moreover, one of the most important “bads” the region suffers from is contagious diseases: malaria, HIV/AIDS, and others, which account for much of the morbidity and mortality rates. Some factors increasing the challenges in the region are not man made at all such as drought, or induced by foreign policies when an unfavourable environment is created by the governance of global political systems.

1.1. Country differentiation

In countries such as Guinea Bissau, Congo or Zimbabwe poverty is not only deep and widespread, but also rapidly growing, for reasons of war, political instability, HIV/AIDS and inadequate economic policies. Working on labour rights, however relevant and needed, may sometimes, in these countries, look like debating safety measures while the house is burning.

On the other hand, the zone also contains countries with a reasonable economic growth rate and welfare pattern that is sometimes remarkable. Nigeria and South Africa are the respective “power houses” of their sub region because of their size and resources (oil in Nigeria, mining and industry in South Africa), whereas Cape Verde, Mozambique,

Botswana and Mauritius are seen as examples of dynamic, growing and well managed smaller economies. Some of these countries have elaborated labour laws and policies.

Between the group of countries with deepening poverty and the group of power houses and strong growers there is also a large group of small economies which, although relatively stable, increasingly democratically organised, and oriented towards enabling the private sector, are very dependent on aid or oil flows to keep the economy going. Lack of industrial competitiveness, lack of market access, and lack of entrepreneurial dynamics keep these economies in an uneasy middle between deepening poverty and a strong growth pattern. Senegal, Mali, Angola, Tanzania, Malawi, Zambia are in this group.

These inequalities between countries will impact on the process and timetable of the sub-regional integration process and call for the concept of variable geometry of integration (Section One Para 1.3).

Some indicators of the social and labour market conditions in the countries of the region are shown in Annexes 2.1-5.

1.2. Effects of unilateral trade liberalisation

As a consequence of the Washington consensus, most countries of W&SA have been under structural adjustment in the eighties and nineties, more or less imposed by the Bretton Woods institutions. These programmes included drastic trade liberalisation and a clear removal of tariff protection for many vulnerable industries. The impact has been dramatic in many cases, resulting in diminished output, and reduced employment. The basic ambition was to create a flourishing and competitive private sector, an objective that was rarely achieved.

The Doha Development Round of trade negotiations was launched in 2001 and is still not yet concluded. Special consideration is given to the needs of developing countries in the market access negotiations concerning agriculture, services and industry through, for example, drastic reductions in agricultural subsidies and especially export subsidies in developed countries. When the EU, USA, and Japan will agree on a level playing field in agriculture and related agro business tariff issues, the effects on developing economies are believed to be huge. A specific example, very relevant for West Africa, is the “cotton case”.

The cotton discussions and the actions of the “Cotton Four” (Mali, Burkina Faso, Benin, and Chad) were part and parcel of the agricultural negotiations and discussed in the three pillars: market access, support and subsidies, and export competition. These four West African states have succeeded in negotiating the issue of cotton subsidies and their effects as a special case at the Doha Round. Basically, they claim that cotton is their most important commodity, and almost only significant export product. Cotton prices, however, remain artificially depressed by large subsidies in rich countries, especially the US where in a single year 2002 not less than 3.9 billion \$ or 156.000 \$ per cotton farm

was disbursed. Also the EU (with cotton growers in Spain and Greece), and China protect their growers.

1.3. The aid and development dimension

All the countries in the zone, with very few exceptions, have agreed with the World Bank and IMF and other donors so called “poverty reduction strategies” which serve as guideline for sound macro economic management and aid support. Such strategies aim at employment creation through increased competitiveness and market access for private sector lead growth and include improvements of social policies as well.

At the same time, the UNDP is facilitating the formulation of development plans, which are designed to enable countries to meet their MDGs targets. The problem identified by numerous commentators (Sachs, 2005:270; Gore, 2004: 282) is that there is often a tension between World Bank poverty reduction strategies and the UNDP MDGs plans. The latter often cannot be met without building reliable and increased ODA into government budgets.

The common agreement between governments and donors is that sustainable solutions out of poverty will be generated if, and only if, enough stability is secured and competitive private sector businesses are created and built. This requires market access, entrepreneurship, education, training for entrepreneurship, and, above all, an enabling environment with peace and stability, sound macro economic policies, and public private partnership.

In terms of aid efficiency, actions at a larger space (the regional space) can reduce the excessive costs of aid delivery to small countries. There is a case for increasing the proportion of aid flows that pass through regional bodies. The question of the institutional capacity at regional level in W&SA to play this role is discussed later.

The WTO Hong Kong Ministerial Declaration added *Aid for Trade* as a valuable complement to the Doha Round agenda. The basic argument here is that unless LDCs receive special support in building trade related infrastructure and improving competitiveness they will not benefit from improved market access arrangements and other achievements of the Doha Round. For the first time WTO received an official mandate to work on aid, given the limitations of trade improvements as such. The point was then to find out how the huge aid amounts, pledged in principle in Hong Kong could be effectively disbursed. The WTO turned to the regional organisations in the three continents for answers.

Consequently, in Africa a large Aid for Trade mobilising conference has been organised by WTO jointly with the African Development Bank and the African RECs including important RECs in Dar es Salaam, on 1 and 2 October 2007. At this conference it became clear that the RECs are called to play a substantial role as intermediary level between national states and the multilateral level for targeted disbursements of aid for trade to the African LDC.

2. Southern Africa: SADC-SACU history and institutional structure

2.1. The Southern African Development Community (SADC)

SADC was created in 1994, as a result of the transformation of the former Southern African Development Cooperation Conference (SADCC), which started in 1980 as a common front of political and economic liberation from the dominant neighbouring apartheid regime in South Africa. The member states of SADC are Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Seychelles, Swaziland, Tanzania, Zambia, and Zimbabwe. The main objectives of SADC are to achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration; to realize complementarities between national and regional strategies and programmes; to promote and maximise productive employment and utilisation of resources of the region; to develop policies facilitating the free movement of trade, labour and capital; and to strengthen and consolidate the long standing historical, social and cultural affinities and links among the people of the Region (ECA, 2006, and SADC website).

The SADC Programme of Action (SPA) represents the cornerstone of its development and integration agenda. It is guided by two key instruments, the Regional Indicative Strategic Plan (RISDP) and the Strategic Indicative Plan for the Organ (SIPO). Under the SPA framework, SADC launched a Trade Protocol in 2000, aiming at the creation of a FTA area amongst the member countries by 2008 and a Customs Union by 2010. The SADC FTA will come into effect as from the August 2008 when South Africa takes over the Presidency of SADC. This means most goods produced in the region will then enter member countries free of custom duties. However, some SADC states are concerned that South Africa will benefit most as it is the region's powerhouse, exporting more to than it imports from SADC countries. The products will now move freely among member states, but other countries will still continue with tariffs as they feel there is a need to protect some of their infant industries. There are fears that goods from large exporters like South Africa can swamp markets of small countries and therefore result in the collapse of industries, but the South African government says inter-state dialogue will be maintained to ensure that the declaration of SADC as a FTA benefits all role players.

SADC has developed an infrastructure and capacity for the implementation of sub-regional social policy. It has established Directorates of Food; Agriculture and Natural Resources; Trade Industry, Finance and Investment; Infrastructure and Services; Social and Human Development and Special Programmes; and HIV and AIDS. The SADC 2000 Health Policy included cooperation in terms of communicable diseases and the referral of patients between member states. Sub-regional Education Policy was the focus of a needs assessment in 1998. The SADC NGO FORUM is long established providing a sub-regional civil society voice in SADC affairs.

In particular the Social and Human Development Directorate already had responsibility for a SADC Social Charter (Annex 2.6) which included among its objectives in article 2

“the harmonisation of social policies which.....contribute to productive employmentfacilitate labour mobility....and....ensure regional cooperation in collection of labour market data”, and in article 5 asserted that “member states shall ratify and implement the ILO core labour standards...and that member states shall establish regional mechanisms to assist member states”. Additionally it has elaborated codes of conduct on HIV and AIDS and Employment, on Child labour, on Safe Use of Chemicals and on Social Security (Chitambo, 2007).

Concerning the free movement of persons, The SADC Windhoek Treaty of 1992 also contains provisions for the movement of people across borders. In the SADC region, in 1994, visa requirements were abolished for travel of SADC citizens inside the region, and then, in 1997, negotiations were launched on a Draft protocol on the facilitation of movement of persons in the SADC. The protocol was finally signed in Gaborone in August 2005 (UNU-CRIS, 2008). However, because of the huge inequities in development between some countries the issue of the free movement of peoples remains controversial.

A Memorandum of Understanding between SADC and the ILO was signed in April 2007. The ILO has provided support to SADC to facilitate the engagement for a period of one year (2008) of a Senior Programme Manager (Employment, Productivity, Labour, and Social Security) whose function is to coordinate labour and employment programmes within the SADC secretariat. The following are the planned activities and areas in which assistance will be provided to the SADC:

- (a) the development of a monitoring and evaluation mechanisms/instruments of the SADC standards on employment and labour;
- (b) technical assistance in the implementation of the SADC programme on productivity which involves the establishment of the SADC Productivity Organisation;
- (c) the setting up of a regional labour market information system;
- (d) development of monitoring and evaluation mechanisms in the implementation of the Declaration and Plan of Action for Promotion of Employment and Poverty Alleviation in Africa and of the SADC Policies, Priorities and Strategies on Employment and Labour;
- (e) capacity building to enhance gender mainstreaming in employment policies and promotion of women empowerment in the sub-region; and
- (f) popularisation of the provision of the newly adopted Code on Social Security in SADC and promotion of compliance with the provisions of Convention 102 of social security in the sub-region.

In addition, through the newly approved ILO Project on Harnessing Corporate Social Responsibility and Social Dialogue to realize Decent work Objectives (CSR/SD Project), the following actions are envisaged:

- (a) enhancement of the capacity of the SADC secretariat and the umbrella employers’ and workers’ organisations to implement the SADC Social Charter on Fundamental Social Rights through dialogue and consultative mechanisms; and

- (b) promotion of the provisions of the Social Charter and the principles of the MNE Declaration with a view to enabling social partners and SADC Investment Promotion agencies to formulate an integrated regional policy framework for promoting flows of foreign direct investment which will avoid the “beggar-thy-neighbour” syndrome.

Regional Labour Policy is overseen by the Annual meetings of the Ministers of Labour. The latest took place in March 2008 and resolved to establish a Task Force (involving South Africa, Botswana, Zambia and Lesotho as well as Social Partners) which will oversee the setting up of two SADC technical subcommittees on Social Protection and Employment and Labour. The Task Force meet in May 2008 and will include issues of capacity building and training on its agenda.

The Ministers of Labour also considered the Draft Regional Social Policy document and the Johannesburg Declaration resulting from the 2006 meeting of SADC Ministers of Development. The document will now be considered by the tripartite process in each member country before returning in 2009 for agreement.

Despite this recent reinvigoration of the Labour and Social agenda of SADC it should be noted that no dialogue is currently taking place between the SADC Department for Trade and Investment and the Labour Directorate. The Task Force on Regional Economic Integration does not meet with the Task Force on Labour issues. Furthermore the Trade meetings between SADC and the EU on EPAs do not involve the Labour Ministers. These are issues we return to in Section Five and which underpin the case made in Section Six for a Regional Training Programme that extends to trade partners as well as the traditional ILO tripartite constituents.

2.2. The Southern African Customs Union (SACU)

SACU is a regional integration arrangement which is in existence since 1910 as a free trade area and a custom union with a common external tariff and a common revenue pool between Botswana, Lesotho, Namibia, South Africa and Swaziland, all members of SADC as well. With the exception of Botswana, SACU is not only a customs union, but also a monetary area for the member states. When the apartheid period in South Africa came to an end, the SACU agreements were renegotiated and the current SACU 2002 agreement came into force on 15 July 2004. SACU is managed by a Council of Ministers and on a daily basis by a secretariat, based in Windhoek, Namibia. SACU does not have a labour or social charter but in the view of the Ministry of Labour of South Africa “it is assumed that the SADC charter applies to SACU as well”. The relationship and division of labour between SACU and SADC will become increasingly important as SADC evolves its Free Trade Area in 2008 and its own customs union by 2010. At present the envisaged SADC FTA does not make provision for customs duties sharing, an issue objected to by other SACU partners within SADC. This issue is returned to at the end of this Section (below), and again in Section Five.

3. West Africa: ECOWAS-UEMOA history and institutional structure

3.1. The Economic Community of West African States (ECOWAS)

ECOWAS was established in 1975; the member states are Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo. In 1993, ECOWAS revised the original treaty in order to speed up and strengthen its process of full integration. The objectives of ECOWAS, among others, are to improve the living standards of its citizens; to promote sustainable and stable economic growth and development; to contribute towards the development of the continent and an eventual establishment of continent-wide economic union.

Since 1990, ECOWAS is pursuing a program under the framework of its Trade Liberalisation Scheme (TLS), which calls for the creation of a free trade area and the complete elimination of tariff and non-tariff barriers. This work is ongoing although effective implementation of a FTA was announced in 2004. Beyond trade, ECOWAS is heavily involved in peace and security in the region and its interventions in Côte d'Ivoire, Liberia and Sierra Leone have been key actions to preserve stability in the region.

ECOWAS is reorganised into a Commission-type executive organisation based in Abuja, Nigeria. Beyond the headquarters, ECOWAS has also specialised institutions:

- The West African Health organisation, based in Ouagadougou;
- The Community Court of Justice in Abuja;
- The ECOWAS Bank for Investment and Development in Lomé, Togo.

Moreover, ECOWAS adopted the Protocol on Inter-State Road Transit and the transit guarantee bond. Additionally, it has also introduced a common certificate of origin for goods crossing the borders, a uniform and simplified customs declaration form. This last custom document was jointly developed with UEMOA as a replacement for different forms used by their member states.

Furthermore, ECOWAS is working on the creation of a West African Monetary Zone, with a common currency and a common central bank. Travellers from an ECOWAS state can use local currency in lieu of foreign exchange; all countries adopted this programme, with the exception of Liberia and Sierra Leone (ECA, 2006).

The movement of persons and the rights of residence and establishment within UEMOA are fully harmonised with ECOWAS, including the introduction of a common passport. Since 1975 one of the aims of this regional organisation has been the removal of obstacles to the free movement of people (preamble and article 27). This idea was further pursued in 1979 with the ECOWAS Protocol on Free Movement of Persons and the Right of Residence and Establishment, but also, in 1992, with the revision of the Treaty. ECOWAS launched an ECOWAS passport in 2000, to be used alongside the Travel Certificate.

In 2001, ECOWAS adopted a Political Declaration and an Action Plan against Trafficking. The Plan of Action commits ECOWAS countries to urgent action against trafficking of persons. It calls for countries to ratify and fully implement crucial international instruments of ECOWAS and the United Nations that strengthen laws against human trafficking and protect victims of trafficking, especially women and children. The Action Plan calls for new special police units to combat trafficking of persons. Training for police, customs and immigration officials, prosecutors and judges, is also an important aim. This training will focus on the methods used in preventing such trafficking, prosecuting the traffickers, and protecting the rights of victims, including protecting the victims from the traffickers. It will take into account human rights and child- and gender-sensitive issues, and encourage cooperation with non-governmental organisations and other elements of civil society. Under the Plan, ECOWAS States will set up direct communication between their border control agencies and expand efforts to gather data on human trafficking. The information gathered will be shared between all ECOWAS countries and the United Nations. States will create a task force or agency on trafficking in persons, as focal points to direct and monitor the ongoing implementation of this Plan of Action at the national level, and report, on a bi-annual basis, to the ECOWAS coordination structure set up within the ECOWAS Secretariat.

After a recent (2007) reorganisation ECOWAS Labour and Social Affairs matters are now the responsibility of the Commissioner for Human Development and Gender within which there is the Department of Humanitarian and Social Affairs. This Department focuses upon Labour Policy, Health Policy and Social Service Reform. There is a joint ECOWAS/ECCAS Plan of Action on Trafficking in Persons and an ECOWAS Child Protection Programme.

The treaty of ECOWAS (Annex 2.7) permitted the establishment under article 14 of an Economic and Social Council, although this has yet to be established. There is however a FARE (Forum for Associations Recognised by ECOWAS) which is made up of NGOs which has no apparent links with the regional trade unions. Within the projected work programme of the Humanitarian and Social Affairs Department there is a plan to establish in 2009 such a Social Dialogue Forum. This initiative derives from a joint ECOWAS_ILO meeting in December 2007 which was part of the implementation of the ILO-ECOWAS Memorandum of Understanding signed in 2005. The meeting initially had the aspiration of establishing an Economic Labour and Social Affairs Commission of ECOWAS to “replace” the Human Development Technical Committee but it retreated to the idea of this Social Dialogue Forum.

Under ECOWAS treaty article 61 is encouraging the harmonisation of labour laws and social security legislation. A Meeting of ECOWAS Experts of Labour was held in Abuja from 19 to 20 of September 2005. Six Member States (Benin, Cote d’Ivoire, Guinea, Mali, Nigeria, and Togo) and six organisations were represented at this meeting. One of the outcomes of this meeting was a proposed framework for the implementation of the ECOWAS priority programmes on labour matters. Furthermore, this meeting recommended, among other actions, the ‘commissioning of a study on issues involved in the formulation of a labour policy for ECOWAS Region’. This study was commissioned.

A Subsequent Expert ECOWAS meeting in March 2008 convened to develop an ECOWAS Labour Policy and Strategic Plan received the report from the Lagos Consultant who recommended such a policy. The final report of the consultant was delivered on July 12th 2008. It is the intention of the Social Affairs Department of ECOWAS to take this to a meeting of ECOWAS Ministers of Labour in November/December 2008. The draft report (and presumably the final report) is an exhaustive and comprehensive set of recommendations for an ECOWAS Labour Policy in line with ILO policy and based on consultations with ILO colleagues in Geneva. It also calls for a Regional Social Fund. It makes a strong case that the OHADA draft labour law might be a possible model for parts of an ECOWAS labour policy.

The first meeting of the ECOWAS Ministers of Social Development took place in 2007 and called for the drafting of an ECOWAS Social Charter (cf. SADC). This too is in the 2009 projected work programme of the Social Affairs Department of ECOWAS.

Among other aspects of the work of the Social Affairs Department of ECOWAS are: a) Work on an ECOWAS social Security Convention. This was initiated in 1993, picked up again in 2003, adopted by the ECOWAS Ministers of Labour in June 2006, discussed at an expert meeting in 2006 and 2008 and is intended to be popularised and disseminated in 2009. b) Following the ECOWAS Protocol on Education and Training in 2001 work is taking place on harmonisation of education certificates across the three language groups. c) Endorsement of the recent establishment of the UNESCO sponsored Cape Verde Regional Studies Centre.

At the meeting of the Heads of State and Government of the Economic Community of West African States (ECOWAS) in Ouagadougou in January 2008 the meeting demonstrated its determination to address the pervasive poverty in the region with the adoption of a poverty reduction strategy document, which proposes a mix of initiatives and programmes to be undertaken at various levels. Concretely it resolved to:

- a) Adopt the ECOWAS Common Approach on Migration, a multi sectoral regional mechanism for addressing the challenges of intra-community mobility and migration to third countries. The mechanism incorporates the regional development dimensions of migration, especially the development of the points of departure of migrants as well as the formulation of a regional territorial planning strategy. Furthermore, they set up an ad hoc ministerial committee with responsibility for migration and urged Member States to take necessary measures to remove all existing obstacles to intra-community movement of the citizens of the region.
- b) On the issue of the Economic Partnership Agreement (EPA) being negotiated with the European Union, Heads of State and Government restated their determination to continue to negotiate as a bloc and directed the ECOWAS Commission to convene a meeting of Member States to agree an appropriate regional framework on the EPA. The meeting will also make proposals on the outstanding issues in connection with the introduction of a region-wide Common External Tariff (CET). They further said the agreement should contribute to the realisation of its integration objectives, enhances regional

development, reduces poverty, contributes to employment and takes cognisance of the development concerns of the region.

- c) To approve the creation of a West African Institute on Regional Integration which will be based in Cape Verde and charged with promoting research on regional integration and social dialogue

ECOWAS also has established a Court of Justice in Abuja which initially resolved disputes between states but now receives individual complaints. Indeed 90% of cases now submitted to the Court are Human Rights cases. Significantly a case brought before the Court in April 2007 concerned a former slave in Niger. The case is being brought before the ECOWAS Court of Justice on the grounds that Niger has violated its obligations under the Treaty of ECOWAS, the African Charter of Human and Peoples Rights, the International Covenant of Civil and Political Rights, the Convention for the Elimination of All Forms of Discrimination Against Women, the African Charter on the Rights and Welfare of the Child, the Slavery Convention and the Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery. Niger has ratified all of these conventions. A result is awaited.

3.2. The Union Économique et Monétaire Ouest Africaine (West African Economic and Monetary Union) UEMOA

UEMOA was established in 1994 and its member states are Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo, and it is based in Ouagadougou, Burkina Faso. It was preceded by several agreements on customs and monetary issues, also involving France. The aim of UEMOA is to create an enabling environment and to attain full economic and financial integration based on the pre-existing monetary union (the CFA franc zone) and a CU. All member states are also member of ECOWAS. The main objectives are to harmonize the legal environment; to convert the economic policies of the member states and to coordinate the policies on human resources, transport and communication, environment, agriculture, energy, industry and mines.

In 1996, the member states of UEMOA adopted the Community Preferential Tariff Agreement. According to this document, the internal tariffs have been fully eliminated on agricultural commodities and traditional handcrafts in the region. In 1998, the Community Compensation and Solidarity Fund was established pooling 1% of external duties in order to assist some of the member states for the loss of customs revenue arising from the reduction of tariffs on intra-community trade and to "provide a cohesion mechanism aimed at reducing disparities within the region" (Dinka and Kennes, 2007:74).

In addition, UEMOA started to harmonize its policies on other areas like agriculture and industry and adopted a convergence agenda in the areas of sector and macro-economic policy coordination and harmonisation, all conducive to a regional common market (ECA, 2006).

3.3. The West African “spaghetti bowl”

Many policy makers and politicians in West Africa are aware of the duplication between UEMOA and ECOWAS. Both have their separate commission and separate administration, in Ouagadougou and Abuja, respectively. UEMOA is seen as a more effective organisation when it comes to the elaboration of regional economic and trade related rule making or laws directly applicable in its 8 member states, whereas ECOWAS, composed of all UEMOA member states plus 7 Anglophone or Lusophone countries, is older, responds better to what could be called the common West African political identity, and is much more important for regional peace and stability. Convergence efforts between both organisations are ongoing: one president chairs both organisations while both have a commission, many technical exchanges take place, ECOWAS is in the process of adapting the UEMOA common external tariff, furthermore a monetary arrangement is under preparation for the non-UEMOA countries as a complement to the CFA zone.

The “spaghetti bowl issue” in West Africa however is not only relevant for UEMOA and ECOWAS. In addition, many member states are also member of the CILSS (organisation to combat the desert) with its own economic and social initiatives, the Mano River Union, the Gambia River coordination agency, and of course Francophone countries are members of OHADA (See below). One clear policy recommendation for the future of West African integration is that the streamlining and coherence of these organisations is required for West Africa to reach substantial scale effects of regional policy making and regional policy decisions. The possible adoption by ECOWAS of the emerging OHADA labour laws would be one rationalisation of the arrangements for regional integration.

4. The African Union and the New Partnership for Africa’s Development

The African Union (AU) is the umbrella organisation for all African regional arrangements. The AU is designed as an intergovernmental organisation and established in 2002 to promote unity and solidarity of African states, to spur economic development, and to promote international cooperation. The African Union (AU) replaced the Organisation of African Unity (OAU). The OAU was established in 1963 in Addis Ababa, on signature of the OAU charter by representatives of 32 governments. A further 21 states have joined gradually over the years, with South Africa becoming the 53rd member in 1994.

At the 37th Summit of the OAU in July 2001, the African leaders launched the New Partnership for Africa’s Development (NEPAD). NEPAD is designed to address the current challenges facing the African continent. Issues such as the escalating poverty levels, underdevelopment and the continued marginalisation of Africa needed a new radical intervention, spearheaded by African leaders, to develop a new Vision that would guarantee Africa’s Renewal. Its core objectives are:

- a) To eradicate poverty;
- b) To place African countries, both individually and collectively, on a path of sustainable growth and development;

- c) To halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the global economy;
- d) To accelerate the empowerment of women.

5. Other relevant regional initiatives

5.1. OHADA

The organisation for the harmonisation of business law in Africa (OHADA) may at first sight look like a very specialised agency, and not a regional integration body. However, OHADA covers many countries with a French colonial history, both in West and Southern Africa, and links them with a unified business code. Recently, OHADA attempted to achieve labour law uniformity in Africa. If OHADA succeeds, this means that a uniform labour code would become law in many countries of the zone. OHADA covers following countries in W&SA: Benin, Guinea, Guinea Bissau, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, Togo and Congo DRC. Its permanent secretariat is in Cameroon and it has 3 more institutional levels: the Council of Ministers, the Court of Justice (in Cote d'Ivoire) and a regional training school based in Benin. Characteristically, OHADA establishes direct effect of its approved laws in national legal systems.

5.2. ACP African, Caribbean and Pacific Group of countries

All countries of West and Southern Africa, except South Africa, are also member of the ACP group of countries which has signed with the EU the Cotonou convention in 2000, organising the ACP-EU cooperation, a legally binding institution following a set of cooperation principles. The Cotonou convention has many dimensions, from political cooperation to trade preferences, and includes in its article 50 the respect of labour standards referring to the relevant ILO Conventions.

5.3. African Regional Development Banks

African regional development banks (RDB) play an important role in the process of regional institution building. The obviously most important RDB is the African Development Bank (AfDB) with presently has its provisional head-quarters in Tunis, as they had to move out of Abidjan. This institution provides substantial lending support to most African nations in need of structural improvements in their economy, in a way that the private sector banks do not usually provide. Infrastructural improvements are routinely financed by the AfDB and very often the impact of such roads or railways or airports as financed or co-financed by AfDB is of a regional nature. In addition, AfDB likes to develop its profile as a champion of regional integration in Africa by funding studies and organising workshops on regional integration.

At the African regional and sub-regional levels, an extended family of development banks is operational. Usually they have their historic origin in periods where government intervention in the economy was more popular than it is now, but most have converted

into financial support mechanisms for private sector lending via the banking sector, in addition to infrastructure financing as well, often in co-financing schemes.

In West and Southern Africa some key RDB with a clear regional impact are:

- Banque Ouest Africaine de Développement (BOAD)¹⁶, a partner bank for UEMOA and member of the family of post- colonial institutions linked to France and the CFA zone;
- ECOWAS Bank for Investment and Development (EBID)¹⁷, member of the ECOWAS regional group of institutions;
- Development Bank of South Africa (DBSA)¹⁸;
- The Eastern and Southern African Trade and Development (PTA) Bank¹⁹, a development bank originating and linked to the COMESA regional grouping in Southern Africa.

6. EU-ACP Economic Partnership Agreements: an interregional initiative for trade cooperation with development effects

The EPAs originate from the need to transform the trade chapters of the Cotonou agreements as these trade preferences obtained from the EU are a violation of art 1 of WTO, the Most Favoured Nation principle (MFN), by favouring some countries, selected on the basis of their colonial past at the cost of other developing countries. In 2001, the ACP group of countries obtained a waiver, valid until 31 December 2007 without any political consensus to renew that waiver from 2008 onwards.

Although giving preferences to developing countries is desirable on economic grounds - for example through the Generalised System of Preferences (GSP) – and acceptable under WTO rules for both trade in goods and services, the preferences offered to the ACP countries (a grouping based on their colonial past) have led to retaliation measures against the EU approved by the Dispute Settlement Body of WTO. These WTO challenges and the end of the waiver period make the requirement that EPAs should be WTO compatible a strong cornerstone of the whole EPA construction.

A second consideration to introduce EPAs has to do with the poor results of the preferential trade arrangements. Generally, the economic progress in most ACP countries has not improved and in many cases became worse during the decades of trade preferences. The core issue here is competitiveness or the lack of it. There is no point in obtaining preferences which at the supply side cannot be matched by adequate deliveries due to poor economic and political environment, inadequate policies, lack of transport facilities, and conflicts and war. Even peaceful countries with sound policies such as Tanzania were unable to fully exploit trade preferences.

¹⁶ www.boad.org.

¹⁷ www.bidc-ebid.org.

¹⁸ www.dbsa.org.

¹⁹ www.ptabank.org.

Regional integration is another cornerstone of the EPA construction. To bring the current Cotonou agreement into compliance with the obligations in the WTO, the EU and the ACP countries are negotiating EPAs in the form of preferential trade agreements that can be cleared under article 24 of the WTO by building FTA with specific ACP sub-regions. For a FTA to receive clearing from WTO, preferences between the partners have to be reciprocal, and the agreement should cover substantially all trade. Given that in the current Cotonou agreement the EU gives special preferences -better than to any other developing country- to its ACP partners, but not to other WTO member states, such new FTAs with reciprocal trade preferences will be a significant break with the past. The EU therefore negotiated in this sense with groups of countries, including countries in ECOWAS and SADC.

However, the latest developments since the Lisbon summit at the end of 2007 point in another direction: The EU did not succeed in its aim of arranging a number of EPAs and is handling EPA arrangements with only a limited list of individual countries. In addition and of great concern is that there has been limited or no references to labour standards given the difficulties to agree on basic trade issues. We turn to this in the next section.

According to the timetable agreed in the Cotonou agreement new reciprocal trade agreements should have been reached between the EU and RECs within the ACP group by the end of 2007. It did not happen. Nevertheless, some ACP member states (Mauritius, Ghana, Côte d'Ivoire, Botswana, Swaziland, Lesotho) signed an 'EPA light' version, a first step covering trade in goods only, designed towards moving later to a full fledged trade agreement. Two regional entities signed as well: The East African Community (EAC) and CARICOM, but these RECs are outside the scope of this study. Most countries did not sign because of the existing unilateral EBA preferences, while some non- LDC (Nigeria) claimed for GSP status.

The 'EPA light' agreements are the outcome of a double process. On the one hand, the pressure from EU to achieve at least something with a few countries as a stepping stone towards more extensive agreements later, and at the other hand, fear of loss of privileged access and aid for trade support by the ACP states who are non LDC and therefore not eligible for non reciprocal access under Everything But Arms (EBA) and more vulnerable to loss of aid support.

The context is much politicised because of the exchanges at the Lisbon EU-Africa conference in December 2007 where one African Head of state claimed that the "the EPA process is dead". Anyhow, the regional organisations in W&SA have not signed (yet) and are now in a difficult position between the non-LDC signing member states and the great majority of non signing LDC. It looks like national interests are not compatible with regional interests. The promise contained in Cotonou, that the EPA process would be in support of regional integration, could be not realised at all, on the contrary, both in West and Southern Africa the interim agreements are seen more as a threat for existing RECs than as a positive steps towards regional integration.

Altogether, the EU achieved its first objective that is to obtain compatibility with WTO of its trade arrangements in Africa. Its second objective is in doubt since it is hard to see how present arrangements will result in competitiveness. Concerning the third objective, regional integration, it is rather obvious that the impact could as well be negative. In Southern Africa, three members of SACU, Botswana, Lesotho and Swaziland, signed an interim EPA agreement with EU and broke ranks with their customs union partners in SACU. Since an EPA by its very nature includes substantial tariff reduction commitments towards the EU, SACU is now (at the time of writing) split.

EPA is a controversial aspect of inter-regional trade policies and as such in its present format EPAs are unacceptable for some member states in the region. Senegal, for example, has suggested replacing EPA by a Development Partnership Agreement (DPA). According to this view the extreme vulnerability and structural weakness of the economies of developing countries and LDC in particular make reciprocal trade agreements so unequal. Consequently Senegal does not accept EPA as long as the supply side of the economy (= enterprises) is not substantially enforced. The basic difference between an EPA and a DPA is timing: for a DPA, structural improvements must come first, and then the economy can open for reciprocity in trade agreements. Furthermore, measurement of the labor effects of trade agreements and especially EPA/DPA is crucial; as long as there will not be measurable indicators some countries will not sign.

SECTION THREE

Setting the Agenda for decent work and the social dimension of regional integration in W&SA: the views of stakeholders.

This section reviews the ways in which the general policy issues discussed in section one have been articulated within the W&SA socio-economic and institutional context as described in section two. This section reviews the recent views and actions concerning regional integration and decent work at supra-regional and at regional levels by several regional and sub-regional actors including the AU, ILO, UNDESA, UNESCO and civil society organisations, as well as the tripartite stakeholders in both South and West Africa.

1. The African Union, the Ouagadougou Summit and Livingstone

Several important initiatives call attention to the importance of integration of employment and decent work into the African political and civil agendas. A first step was made at the 37th Ordinary Session of the Assembly of Heads of State and Government of the OAU, which was organised in Lusaka, Zambia in July 2001, when it was decided that a Ministerial Meeting on Employment Promotion and Poverty Reduction in Africa would be organised.²⁰ Consequently, in April 2002 in Burkina Faso, a meeting of the OAU's tripartite Labour and Social Affairs Commission was organised, where member States acknowledged the importance of job creation in Africa. Moreover, at the Second Summit in July 2003, in Maputo, Mozambique, the Assembly of African Heads of State and Government decided²¹ to organize an Extraordinary Summit on Employment and Poverty Alleviation in 2004. All the AU Member States were invited to attend the Summit and the AU Commission was asked to organize it, in collaboration with the Regional Economic Communities (RECs), the ILO and other Partners and Stakeholders. The Summit took place in September 2004 in Ouagadougou, Burkina Faso and the result was a Declaration, a Plan of Action, and a Follow-up Mechanism for the promotion of employment and poverty alleviation.

The topic of the Extraordinary Summit on Employment and Poverty Alleviation in Africa was *Strategies for Employment Creation and Enhancing Sustainable Livelihoods*. One of the most important meetings was the African Social Partners' Forum, on the theme *Decent Work: a Driving force for Africa's Development*, which represented the first assembly of the representatives of African workers and employers' organisation as social partners. The promotion of a tripartite social dialogue and decent work were the main topics on the agenda.

The background paper prepared by the AU Commission, highlighted that the main objectives of the Summit should be to: (i) significantly raise the level and increase the growth rate of productive employment in all sector of the economy, (ii) to promote

²⁰ Decision: AHG/Dec.166 (XXXVII).

²¹ Decision: Assembly/AU/Dec.20 (II).

increased and decent employment opportunities throughout the economy with adequate social protection and respect for core labour standards, (iii) to strengthen participation and voice. In the same line, the expected outcomes of the Summit were among others: (i) better institutional arrangements and capacity for delivering employment programmes and poverty alleviation interventions, (ii) partnership and greater participation by all stakeholders and integrated approach in designing and implementing programmes to combat poverty and unemployment (AU, 2004a).

In the Declaration on Employment and Poverty Alleviation in Africa, the Heads of State and Government of the AU acknowledged the importance of strengthening “social dialogue mechanisms and institutions as a means of realising participatory democracy involving the social partners and civil society in policy making, implementation, evaluation, and monitoring” (AU, 2004b). In order to promote productive employment and poverty alleviation, the Economic, Social and Cultural Council (ECOSOCC) and the Labour and Social Affairs Commission of the AU have become the principal fora for discussion and partnership between Governments, social partners and civil society. Additionally, they are devoted to support the ongoing efforts of the Governments, social partners, and civil society organisations to promote the decent work development agenda of the ILO. Furthermore, the Heads of State and Government committed themselves to boost the role of RECs in their attempt to promote a productive employment dimension into the regional and inter-regional cooperation agenda. An important asset is the designation of the Member States and RECs²² as main implementation bodies of the Plan of Action and Declaration, and the AU Labour and Social Affairs Commission is delegated to coordinate the implementing mechanisms. The first comprehensive Evaluation Reports are expected to be presented in 2009 and 2014.

The Plan of Action adopted by Heads of State in Africa committed the AU to develop strategies for generating decent and productive work, and to explicitly address employment generation issues in national poverty reduction strategies. This plan has as its fundamental objective the reversal of the trend of persistent unemployment, underemployment, and poverty. Among priority objectives, areas and strategies to ensure this fundamental objective is met are “promoting and harmonising regional initiatives on poverty alleviation” (2.3.iii), “harmonising and coordinating labour legislation.” (2.3.iv), “strengthening regional cooperation ...through harmonisation of labour laws and regulations, establishing mutual recognition of training and skills” (2.9) (AU, 2004c).

Subsequently the AU organised a series of five sub-regional meetings in 2006 aimed at supporting capacity building in the regional economic communities. Regional frameworks in integrated employment strategies were agreed at each of these. The workshops were held in Khartoum for East Africa, in Yaoundé for Central Africa, in Abuja for West Africa, in Algiers for North Africa and in Windhoek for Southern Africa. The papers presented at those workshops covered elements and strategies that

²² Eight RECs are accredited to the AU: ECOWAS, COMESA, ECCAS, SADC, AMU, IGAD, CEN-SAD, EAC (First Conference of African Ministers of Economic Integration in March 2006, Ouagadougou, Burkina Faso, CAMEI/Consol. Report (I)).

would form part of *Integrated Regional Employment Policy*. The ILO also signed memoranda of understanding with ECOWAS in 2005 and CEEAC in 2006.

However, the concept note for an AU consultative meeting on Employment Policies and Programmes held on 28-29th November 2007 notes the obstacles to progress in this area. Thus, it comments:

“The purpose of this meeting is two-fold. First, the meeting will review the progress that has been made and challenges that have been encountered implementation of the Ouagadougou Summit. Chief among the challenges have been lack of feedback from some RECs and member states in relation to implementation of the recommendations of the Summit including failure to reply to questionnaires from the AU Commission. For instance, at the time of April 2006, only 28 member states and 2 RECs had responded to questionnaires as to what they were doing as part of the follow-up process. It would be necessary to have an update on the responses but also a review of this process including a consideration of the challenges and on how to overcome these challenges to improve the feedback flow and response rate and generally progress reporting system. What national and REC follow-up institutions have been set up and what are their compositions? What have been their core functions, priority tasks and outputs to date?” (AU, 2007:3).

Issues of the institutional capacity of the RECs clearly arise here which will inform the recommendations in section six.

Also of note is the fact that at the 2005 UN World Summit, the African governments reaffirmed their commitment to support “full employment and decent work for all... as a central objective of our... national development strategies”. The decent work agenda is officially supported by UN agencies and by major financiers like the EU. The decent work agenda involves:

- (i) social pacts for employment-generating economic policies;
- (ii) labour standards and fair income;
- (iii) skills development for enhanced productivity; and
- (iv) social protection for all.

Furthermore, at the Third Ordinary Session of the Labour and Social Affairs Commission of the African Union held on April 18-23 2005 a Draft Social Policy Framework for Africa was tabled. (AU, 2005) It envisaged that Regional (Pan African), Sub-Regional (e.g SADC), and National Programmes would be developed by the AU Social Affairs Department working with the UN, ADB, and the ECA. It continued: “However, one vital condition for meaningful ownership by the countries is their full involvement in the formulation of the programmes” (para. 117).

The Draft Social Policy Framework for Africa is a pioneering document that brings social policy at the forefront of AU’s regional agenda. However, it has yet to be adopted as a framework by the AU. The main objective of the Social Policy Framework is to “foster sustainable human and social development in Africa” (AU, 2005:7), achievable through

identifications of the problems and building the capacities of the actors involved at the national and regional levels to implement the proposed strategy. It is stated that regarding social development, the African countries lack the resources to implement policies that are defined and formulated in the official documents. The Strategy is focusing on social development as central goal, but also on investment promotion for employment creation and poverty reduction. One of the main challenge in Africa is the formulation of strategies aiming at maximising the wage income of the active population in order to reduce poverty as a part of economic growth, and moreover to offer the opportunity to the poor to equitable productive employment. The Strategy claims that the quality of access to labour market is the driving force to social integration, poverty reduction and social development. The major problems identified in the paper are among others, (i) the issue of poverty, unemployment, and socio-economic inequalities in the region, and the urban/rural disparities has widened, (ii) the informal sector, which is “the major source of employment in the urban and rural areas” lack appropriate policies, (iii) the social policies are highly “sectorised” and are not mutually integrated, (iv) the inappropriate quality of social services, (v) the economic growth is constrained by lack of decent work resulting from restricting labour movement in Africa, and (vi) the public and private institutions involved in social development have inadequate capacities (AU, 2005). In implementing the present Strategy the African Union should work in collaboration with the UN agencies, Development Banks, employers’ and workers’ and civil society organisations, as well as research centres and universities. Furthermore, “the ILO sub-regional offices are [...] in a position to [...] coordinate implementation jointly with an appropriate national institution” (AU, 2005:53). Regarding the Strategic Social Policy Framework are suggested 15 core regional programmes on social protection, basic infrastructure, education, health, gender, community participation, agrarian reform, labour market and poverty monitoring, urbanisation and habitat, food and nutrition, statistics, governance, development research, and capacity building.

In terms of specific social protection measures, it is to be noted that in March 2006, the African Union (AU) and its development partners in collaboration with the government of the Republic of Zambia organised an inter-ministerial conference in Livingstone, Zambia. The key outcome of the conference was the Livingstone Call for Action which stated that social protection and social transfers have played and do play a key role in ‘reducing poverty and promoting growth’ in African countries. It also acknowledged that they are ‘affordable within current resources’, and that they should be a ‘more utilised policy option in Africa to reach vulnerable children, older people and persons with disabilities’. The Call for Action asked governments to develop plans within three years and to engage in capacity building and experience sharing to support this work. A bi-annual conference under the auspices of the AU (in 2008) was explicitly called for to ensure that follow up dialogue takes place. In September 2006, the Yaoundé Call for Action was agreed at an Africa wide workshop hosted by the government of Cameroon and supported by the AU and its partners. The Yaoundé Call for Action explicitly calls for governments to implement the Livingstone Call for Action. The African Union, in collaboration with HelpAge International has been working on a programme to follow up the Livingstone Call for Action and the Yaoundé Call for Action. The programme aims to inform and build up African constituency on national social protection programmes. The

AU has declared its commitment to these Calls for Action and has commissioned a review of its social policy framework to make explicit the linkages with social protection. This framework will be debated at a Conference of Ministers for Social Development (the first of its kind) scheduled for October 2008. To support this ministerial conference, 6 national consultations and 3 regional experts meetings have been convened in 2008 to review the progress on social protection action in Africa and feed the findings into the Ministerial debate. It is expected that this process will help to develop an AU led Africa-wide social protection 'network group' and activities with core regional and international stakeholders (AU, 2008).

2. ILO: Regional Integration and Decent Work

Since the report of the World Commission on the Social Dimension of Globalisation (WCSDG, 2004), the issue of regional social integration has received increasing attention particularly within the ILO; moreover, the ILO commissioned and sponsored this study. This report referred to the regional governance level in relation to a) the need to build representative institutions and organise regional social dialogues, b) the need to link trade liberalisation and the regional level to labour standards and c) the need to provide a regulatory framework for migration. It argued that regional integration might be a stepping stone to a fair globalisation so long as it embodied a social dimension. The proposition that regional integration might be a stepping stone to a fair globalisation has informed much of the ILO's work on the topic. Over the years, the ILO has signed agreements with fourteen different regional communities for the sharing information and cooperating on matters of mutual concern. In practice the day to day interaction between the ILO and the RECs varies from one region to the next. The social dimension of RI is largely dealt with through a mixture of projects and research whenever sub-regional developments correspond to ILO policy priorities (e.g. regional labour migration protocols, poverty reduction and related development plans, skills and social security portability, regional labour law harmonisation or regional social dialogue). Among the projects in Africa are a) the Promotion of Social Dialogue in Francophone Africa (PRODIAF) reviewed later in this section, b) Labour migration for integration and development in the Euromed context and West and East Africa, c) Strengthen the capacity of SADC to promote Social Dialogue and Corporate Social Responsibility, d) Support to the Ouagadougou Summit (AU) on employment and poverty alleviation, and e) Secondment to Gabarone in 2008 of a Senior Programme Manager (Employment, Productivity, Labour, and Social Security) whose function is to coordinate labour and employment programmes within the SADC secretariat.

In Africa the ILO regional office is conveniently located in Addis Ababa which is home to both the AU and the UN's ECA. This enabled close cooperation recently between the ILO and African governments at the Summit of Heads of State and Governments in Ouagadougou in 2004 on Poverty Alleviation and Employment. The ILO signed memoranda of understanding with ECOWAS in 2005 and CEEAC in 2006. And the ILO International Training Centre has subsequently secured funds in 2007, from the French and Flemish governments, to provide in association with the UNU-CRIS capacity

building activities in regional employment and social protection policies for ECOWAS and SADC.

In terms of the follow up to the Ouagadougou summit the 11th African Regional Meeting of the ILO held on April 24-27 2007 in Addis Ababa focused on defining the steps that Member States, the ILO and its development partners need to take in the coming years to make decent work a reality in the region and thus provide an effective way to reduce poverty in a sustainable fashion. Debate at the meeting centred around two reports presented by the ILO's Director-General. The first report described how the ILO had worked with its Member States and development partners, particularly the African Union Commission and the Regional Economic Communities, to implement the Plan of Action adopted by the Ouagadougou Summit. The second report, entitled *Decent Work: A Global Goal, an African Reality*, identified a number of policies and practical actions that are necessary to implement the decent work agenda in the different areas of ILO's mandate: international labour standards and fundamental rights at work, employment, social protection, and social dialogue. The report focussed on linking the Decent Work Agenda to the MDGs and on work to strengthen the ILO's tripartite constituents across Africa.²³ The meeting agreed a large number of targets²⁴ that three quarters of Africa countries would try to ensure including targets relating to investment in decent work, closing the skills gap, investing in basic social protection, implementing labour standards at the workplace, getting children into school, and escaping the informal employment trap. The International Institute of Labour Studies (IILS) followed this up with a meeting in September 2007 bringing together researchers in Africa to strengthen research on labour issues in Africa. A further consequential follow up event was the first Africa-EU trade union meeting held on October 26-27th which generated a joint statement to the AU-EU summit.

3. UNDESA and the Johannesburg Declaration on Regional Social Policy

In recognition of the slow process being made by the AU in finalising an African Social Policy framework the South African government requested the help of the UN Department of Economic and Social Affairs to convene a workshop of SADC Ministers of Social Development to pursue the issue. The Meeting in Johannesburg on November 24th 2006 gave rise to the Johannesburg Declaration in Support of an Africa Regional Social Policy (Annex 3.2). It resolved to endorse the principles of the Johannesburg draft document Towards an African Regional Policy, dated 24 November 2006 and commit themselves to expedite the process of finalising the draft document and facilitate its adoption as a SADC Sub-regional Social Policy (Annex 3.3).

²³ www.ilo.org/public/english/standards/relm/rgmeet/africa.htm.

²⁴ ILO: AfRM/XI/D.3 (Rev).

The draft document drawn with UNDESA advice and reflecting the principles of the UNDESA Social Policy Guidance Notes (Ortiz, 2007) covered the following issues with *specific regional social policy* recommendations in each topic:

- a. Employment and Decent Work
- b. Social Protection
- c. Cross-border Aspects of Health
- d. Higher Education and Regional Research
- e. Housing
- f. Social Regulation of Services and Water, Electricity and Other Utilities
- g. Disaster Prevention, Management and Mitigation
- h. Gender
- i. Children, Youth, Older persons, Persons with Disabilities, Refugees and Minorities
- j. Human Rights, Social and Economic Empowerment

In terms of the first of these; Employment and Decent Work, the draft principles envisaged a number of capacity building and regional funded projects to enhance SADC regional labour markets. These included:

A) Capacity building activities to:

- Ensure policy-makers understand the links between economic and social policies;
- Enhance inter-ministerial cooperation (economic and social sectors) to ensure that economic policies are employment generating;
- Promote sharing of experiences and best practices in the areas of employment, sustainable livelihoods and labour standards to combat Africa's race-to-the-bottom;
- Develop appropriate legislative frameworks that strike a balance between economic efficiency and labour protection, and create disincentives for migration;
- Strengthening capacity of labour market institutions in areas such as employment statistics and labour inspections, to better inform social dialogue for evidence-based and employment sensitive economic policies.

B) Regional funds for:

- Programmes for employment generation and for promoting formalisation of informal work (promoting small and medium enterprises, cooperatives, wage subsidies, public works, guaranteed job schemes, and special employment programmes for women, youth, and persons with disabilities);
- Skills development programmes (training and retraining of labour to enhance employability and productivity).

This proposal for a Regional Social Policy is now being considered by the SADC Ministers of Labour and their social partners. The recommendations of the Johannesburg document concerning capacity building inform the recommendations in Section six of this report.

4. UNESCO and the Cape Verde Regional Research Centre

Rather separately but not unimportantly has been the work of UNESCO on regional social policy in Africa. UNESCO convened in February 2004 a High Level Symposium on the Social Dimension of Regionalism in Uruguay within the context of its International Social Sciences-Policy Nexus event. At this symposium, some regional secretariats engaged with scholars from the TNI programme, UNU-CRIS and GASPP on the topic of regional social policy. The Buenos Aires Declaration resulting from the Policy Nexus “call[ed] upon the regional organisations such as MERCOSUR and the Africa Union, in association with social scientists and civil society, to further develop the social dimension of regional integration, and call[ed] upon the United Nations to facilitate inter-regional dialogues on regional social policies” (UNESCO, 2006).

UNESCO itself through its MOST programme has subsequently organised regional meetings of Ministers of Social Development. Zola S. Skweyiya, Minister for Social Development in South Africa and chair of MOST has ensured that the focus of such meetings in Africa has been on regional integration. The Management of Social Transformations (MOST) Programme’s initiative emphasizes some very important aspects of this new dynamic in Africa’s regional integration processes, notably: promoting awareness of the added-value that social sciences can bring to this process of regional integration, and fostering the dialogue between decision makers and social scientists. It is within this perspective that MOST organizes a series of seminars on regional integration policies in the ECOWAS region, called *Nation-states and the challenges of regional integration in West Africa*, which has now ended with a call to establish a regional integration studies centre in Cape Verde (Barry, 2008).

5. Stakeholders in SADC and ECOWAS

Within the SADC sub-region the social partner organisations and broader civil society organisations have articulated their views on the issue of regional integration, inter-regional trade arrangements and the relationship to employment, decent work and labour and social policy.

The Southern Africa Trade Union Coordination Council (SATUCC) has recently resolved its position on the regional integration process and on the EU EPA process and published these in the form of both a long (Kanyenze, Kondo, and Martens, 2006) and short (ANSA, 2007) texts both entitled *ANSA: Alternatives to Neo-Liberalism in Southern Africa*. The view is taken that SADC has not achieved regional economic let alone social integration on its own terms. It should focus on a “home-grown” development strategy to increase cross border investment to enhance industrialisation and regional trade and labour mobility rather than let its development be dictated by outside pressures. The development of the Southern African regional market should take precedence over international trade deals. In this context it perceives the current EU EPAs as both divisive of the region and serving the needs of the EU at the expense of the Southern Africa economy and society. They need to be renegotiated. The orientation is to return to a state lead developmental import substitution regime in the region which is

seen a having served regional development in East Asia and Latin America in the past. Of note is the membership of SATUCC on the Council of SADC NGOs who are consulted on some aspects of SADC affairs.

The Business Unity of South Africa (BUSA) on the other hand, representing Southern African Employers Group (SEG) interests, takes a totally different view. Its three papers on EPA Market Access, Services and Investments²⁵ reflect the standpoint that the SADC FTA is unfeasible and that the way forward is a SACU-EU EPA. SADC needs small steps towards trade facilitation and infrastructure development before embarking on an impossible FTA. The current separate trade deal that South Africa has with the EU will have to be renegotiated in the context of a SACU deal. To make this work South Africa will have to give some ground to the interests of other SACU members and for example countenance some kind of resource transfer within the region. The challenge to SADC here is obvious and raises the issue discussed in Section One and again in Section Five concerning the Variable Geometry of the Regional Integration Process in the region. Of note however, is BUSA's commitment to the concept of socially responsible business; this has been enhanced by the current ILO project working with BUSA on this topic.

The Southern Africa Trust²⁶, which was established with financial support from UK DFID, has become a significant player in SADC affairs. Its major achievement to date is to have won the agreement of SADC governments to the holding of the SADC International Consultative Conference on Poverty and Development on April 18th-20th in Mauritius.²⁷ The Conference provided a platform for SADC, civil society, the private sector and the international community to...."forge a consensus and review progress of the SADC economic integration agenda" ...and "link the poverty agenda to the regional integration mandate of SADC". SATUCC, BUSA and a host of other civil society actors as well as governments took part. One outcome was a new declaration by all SADC governments signed on 20th April to give priority to poverty reduction and development in the context of regional integration (SADC, 2008). Another was the establishment of a Poverty Observatory.

In West Africa the Friedrich Ebert Stiftung has organised seminars for trade unions on the impact of globalisation and EPA for 5 West African Countries. Formally speaking there arose a West Africa Labour Union Position on EPAs. This is supported by the Organisation of Trade Unions of West Africa (OTUWA/OTAO). This position reflects that of the Nigerian Labour Congress which is that the EPAs undermine ECOWAS.

The movement towards decent representation of business at regional level is growing although still weak in terms of active presence at the regional level. One example is the FOPAO, The West African Federation of Employers. Within each country employers have divided organisations: manufacturers wanting to retain tariffs, chambers of commerce wanting to reduce them. There is no formal Business position on EPAs in

²⁵ http://www.busa.org.za/docs/170308/StatementforMandelsonmeeting_000.doc.

²⁶ www.southernafricatrust.org.

²⁷ www.sadc.int/conference/content/english/informationnote.htm.

West Africa. Furthermore, there is no equivalent of the Southern African Trust covering civil society; nonetheless, the Forum of Associations Recognised by ECOWAS (FARE) has convened meetings at which its members have expressed anti EPA views. However within Francophone Africa there is the PRODIAF initiative described in the following sub-section.

It is relevant however, to mention two regional pan-African meetings that took place at the end of year 2007. The first conference was the “Forum du Secteur Privé Africain sur les Défis Sociaux et Économiques des Accords de Partenariat Économique (APE)”, in Dakar (28-30 November). The Forum was planned to take stock of the negotiation process of the EPAs and to analyze the impact on employment and companies, and in addition, to work out a realistic action plan for the organisations of employers. It was organised by the office in charge of the Activities for Employers (ACT/EMP) of the ILO, in collaboration with the sub-regional offices of the ILO of Abidjan, Dakar and Yaoundé, in partnership with the National Council of the Employers of Senegal (CNP), the Panafrican Confederation of the Employers (CPE), and the International Organisation of the Employers (OIE). The Forum emphasised the importance of the social aspect by introducing a special session on “The social dimension of the Africa-EU Strategy and the EPAs”. The main conclusions of the session were (i) the need for a better correlation between economic and social development, (ii) the insufficient role of the EPAs in resolving the socio-economic issues, and (iii) the inclusion in the agreement of all actors dealing with the social dimension.²⁸ The Forum report included the “Déclaration sur le Partenariat UE-Afrique pour le développement des affaires, l’emploi productif et le travail décent pour tous”, in which the importance of including the Decent Work Agenda into the EU-Africa Strategy and the EPAs was highlighted. Furthermore, it is stressed that inappropriately negotiating the EPAs would induce several risks to Africa including (i) de-industrialisation and consequently accelerated proliferation of the informal economy, and (ii) severe losses of productive and decent employment.²⁹

The second conference to be mentioned is “The Regional Conference on Social Dimensions of Economic Partnership Agreements between the European Union and African Countries”, in Kampala, Uganda (19-21 December). The conference was organised by the Bureau for Workers Activities of the ILO (ACTRAV) in collaboration with National Organisation of Trade Unions, Uganda (NOTU). Five objectives were the core of the conference, namely (i) “to enhance participants’ understanding about the EPA and the progress to date concerning the on-going negotiations between the EU and ACP governments, (ii) to assess the potential negative impacts of EPAs on achieving Decent Work most particularly in Africa, (iii) to identify the critical challenges inherent to the EPAs that ought to be addressed in order for the EPAs to contribute to meaningful regional integration, poverty eradication and pro-poor development, (iv) to formulate a chapter on social dimensions of EPAs, which trade union leaders should lobby their

²⁸ Rapport General, 2007.

²⁹ Déclaration sur le Partenariat UE-Afrique pour le developement des affaires, l’emploi produtif et le travail décent pour tous, 2007.

governments to include in the final agreements should they choose to negotiate the EU, and (v) to formulate plans of action and follow-up mechanisms that will ensure the effective involvement of trade unions in monitoring the implementation of the social chapter in the future EPAs.”³⁰ The main aim of the conference was to offer “technical support to trade unions organisations in Africa in ensuring that the bilateral and multilateral economic agreements with the region and its individual member countries integrate a strong social and development dimensions” (ILO, 2008:1). One of the main conclusions was that if the EPAs will focus just on trade liberalisation, the results for Africa will be mixed and therefore there is a need for “balance in the negotiations towards a comprehensive EPAs between trade liberalisation and development issues” (ILO, 2008:5). Moreover, it is envisaged the need to place the Decent Work Agenda at the heart of the EPAs, which provides a concrete basis for both economic and social development, social protection, and social dialogue. The conference restated demands from trade unions of Africa and Europe that regional integration should include “a real social dimension” (ILO, 2008:7). The main achievement of the Regional Conference was the deliberation of a generic social charter to be included in the EPAs. This will include binding commitments on the promotion of Decent Work Agenda, and should also address the unforeseen social impacts “likely to be engendered by the implementation of the EPAs” (ILO, 2008:8), especially for the vulnerable groups. Another noteworthy result of the Conference is the “Kampala Trade Union Declaration on Social Agenda and Economic Partnership Agreements”. In its recommendations the Declaration calls for, among others, (i) the EU-ACP countries to include a social chapter in all EPAs, (ii) the need to strengthen the assessment of social and labour impacts of trade policy and to promote labour standards, (iii) the need for the trade unions to campaign for a social dimension of EPAs and to raise awareness at the governmental levels of the impacts of EPAs, and (iv) the need for the ILO and the EU to mobilize resources for capacity building of trade unions and respective negotiators (ILO, 2008:18).

6. PRODIAF and Social Dialogue

The Regional Programme for the Promotion of Social Dialogue in Francophone Africa (PRODIAF) of the ILO has strengthened the capacities of governments, employers, and unions in various countries of S&WA including Senegal, Togo, Mali, Burkina Faso, and Congo. Social dialogue has been actively promoted through PRODIAF initiatives and interactive workshops debating social negotiation and mediation techniques.

A social charter in Senegal, a social pact in Mali and other initiatives came out of the PRODIAF efforts. Moreover, the programme contributed to the creation of the Tripartite Social Dialogue Committee (CEMAC), and the Labour and Social Dialogue Council (UEMOA).

The ILO-PRODIAF programme started in 1998, financed by the Belgian government. During the first phase, (1998-2003) PRODIAF activities included 21 national studies on

³⁰ http://eatuc.net/press_publications.

the state of social dialogue and tripartite cooperation, as well as assistance in four sub-regional tripartite meetings. The adoption of the declaration of Ouagadougou regarding the strengthening of social dialogue at the sub-regional level of the UEMOA in 1999 and the tripartite meetings of CEMAC are considerable results of the PRODIAF programme. Consequently, in its second phase, PRODIAF encouraged the creation of a network of social dialogue experts for the French speaking countries of Central Africa and the Great Lakes region. The meeting held in Kigali in May 2005 gathered numerous participants and they expressed the need to strengthen the capacity of government officials as well as of social partners to mediate in labour disputes.

PRODIAF is an example of the broad efforts in W&SA, coordinated and/or implemented by ILO, to support at national levels social dialogue, tripartite negotiations, labour codes and employment programmes. These efforts go well beyond the Francophone zone: indeed Ghana and Liberia, among other countries in the West African zone, have also benefited from support for improvements of labour conditions. Similar efforts took place in Southern Africa.

7. Civil Society Organisations and EPAs

Some civil society organisations³¹ on the African continent and within Europe have been in the forefront of the criticisms of the emerging EPAs. The Alternative Regionalisms Project of the Trans National Institute, which is in favour of strengthened regionalism within Africa, has set the terms of the debate. Keet (2007) sets out the problems as they see them for developing countries. The EPAs, she argues, are a means of the EU to gain a) preferential investment liberalisation agreements, b) protection of EU corporate intellectual property, and c) preferential EU company access to service liberalisation and government procurements. Being set up as the basis for EPAs, however, the artificially constructed groupings of countries cut across, in some cases, organic and actually existing regional groupings. In sum, according to the TNI (2007:8) “ACP governments must be persuaded not to sacrifice long-term development co-operation among themselves by making highly questionable compromises with the EU in EPAs under pressure.” She notes further that the US has continued its preferential trading deal with Africa under the Economic Opportunities Act until 2015 without invoking WTO reaction against such a discriminatory deal. The EU should be persuaded to continue its preferential deals in the same way and not capitulate to the WTO official position that such deals end by 2008. In order to review the latest developments in the EPA negotiations, at the meeting in Cape Town, South Africa (20-23 February 2008), under the umbrella of the Africa Trade Network, the organisation reaffirmed its opposition to these agreements.³² It is to be noted within this context that the report of the UN’s Economic Commission for Africa on EPAs states that Regional Economic Integration should always be given priority over EPAs and is critical of the artificial groupings of countries set up by the EU in the context of the EPA process (UNECA, 2006).

³¹ www.stopepa.org.

³² www.tni.org.

At the annual meeting held in December 2006, the Africa Trade Network of civil society organisations reiterated their opposition to the EPAs calling for “changes in the EC negotiating directives and more coherence to African negotiators’ approaches to reconciling the architecture of EPAs with underlying development concerns”.³³ The statement issued at the end of the meeting calls for a new approach based on “non-reciprocity, protection of ACP producers and regional markets, exclusion of trade-in-services issues”.

The Africa Trade Network (ATN) in collaboration with the Economic Justice Network (EJN)³⁴ hosted in June 2007 a Pan African ‘Stop EPA Peoples’ Forum’. The main focus areas of debate were (i) EPAs African unity and regional integration, (ii) EPAs in Africa: social and human rights, (iii) EPAs HIV/AIDS, and (iv) EPAs anti-development and anti-democratic. The two-day meeting concluded that the EPAs, currently formulated, will jeopardize the local African businesses, farmers, and social services. Furthermore, the EPAs will open up the market to the European imports in detriment of local one and the well-being of Africans.³⁵

In November 2007, the Southern African civil society organisations campaigning on the EPAs held a meeting in Gaborone, Botswana to review the EPAs negotiations. In the statement issued after the meeting it is declared that “the proposal on market access contained in the interim agreement still reflect the offensive interests of the EU and are not comprehensively linked to addressing supply-constraints in the region”³⁶. Furthermore, it is stated that the CSO are not involved in the EPAs negotiations process and that the governments do not consult the stakeholders in the negotiations. The current EPAs/FTAs are “anti-developmental and will have tremendous potential to destroy the economies” of Southern African countries.³⁷

The next section turns to a consideration of the empirical evidence about the impact of regional integration and inter-regional trade deals on employment and on labour and social conditions. This evidence might enable a considered view to be taken on the controversial issue of whether to give priority to African sub-regional integration or to the EPAs and how to reconcile both developments.

³³ <http://agritrade.cta.int/en/content/view/full/3081>.

³⁴ ATN is a coalition of Pan African civil society groups involved in trade issues and EJN is a coalition of civil society groups in Ghana.

³⁵ http://www.bilaterals.org/article.php3?id_article=8818.

³⁶ http://europafrica.info/docs/pol_comm/epa_interim_agreement.pdf.

³⁷ Ibid.

SECTION FOUR

The impact of regional integration, EPAs and open trade and investment regimes on labour markets and labour conditions in SADC and ECOWAS: overview of selected studies

This section reviews a selection of recent empirical studies that seek to assess the impact or potential impact of regional integration agreements, inter-regional agreements like EPAs, and, more generally, open trade and investment regimes on SADC and ECOWAS regions and/or their respective countries or sub-regions. The purpose of this review is to give an idea of the current state of research on the inter-linkages between (the negotiation and implementation of) N-S and S-S trade agreements, on the one hand, and relevant socio-economic variables, on the other. This should help in identifying priorities for new initiatives with respect to capacity building programmes for the ILO constituents.

1. Selection of the studies

The selection of studies surveyed is not exhaustive. We have only selected more recent studies (i.e. published since 2000) and have tried to include studies that show a variety of approaches (i.e. methodologies), a variety of institutional contexts (academic papers, reports commissioned by international institutions, etc.), and which address impacts on relevant variables. On the basis of the findings of Section One, relevant variables for our purpose are: employment (including: sectoral employment, employment by gender, employment by skill level, employment by contract-type, employment flexibility, employment conditions, remunerations, informal employment, child labour, and functioning of the labour market), trade unionism, poverty levels, income distribution (by production factors, by gender), labour productivity, training and education, social transfers, and labour migration. The selection focused on studies that are specifically dealing with Africa, African sub-regions, or countries. Wider studies, for example econometric studies linking trade liberalisation to one or more of the relevant impact variables, using global cross-section or panel data, are not included in our review.

The total number of studies in our review is 29 (table 4.1). In summary table 4.2 their combined thematic and geographic coverage is shown. Complete references can be found in the general list of References.

As can be seen from table 4.1 most of the studies focus on open trade and investment regimes (including unilateral liberalisation schemes), in general, while only few studies focusing on the signing of regional integration agreements or inter-regional economic agreements. We consider the variables that capture trade liberalisation (be it as an ‘event’ or as a phasing-out of tariffs) as ‘independent’ variables. The table shows which impact variables are within the scope of the study. It also shows for which countries and/or regions the impact is being assessed and whether the study is commissioned by a national, regional, or international organisation or not.

Table 4.1 General overview of selected studies

Studies	Independent variable(s)	Dependent/impact variable(s)	Geographical coverage	Commissioning institution
Adepoju (2006)	<ul style="list-style-type: none"> - Globalisation - Inter-regionalism (Sub-Saharan Africa, Maghreb, EU) 	<ul style="list-style-type: none"> - International labour migration - Irregular migration 	ECOWAS (, Maghreb)	ILO, European Commission
Aryeetey et al. (2005)	<ul style="list-style-type: none"> - trade and investment - liberalisation 	<ul style="list-style-type: none"> - sectoral employment - value added per worker - training per worker - rural/urban poverty levels 	Ghana	
Bezuidenhout et al. (2004)	<ul style="list-style-type: none"> - trade and investment - liberalisation 	<ul style="list-style-type: none"> - non-standard employment (casualisation, externalisation, informalisation) - labour conditions (social security and social protection, skills development, collective bargaining, minimum conditions) 	South Africa	Department of Labour (South Africa)
Bhorat et al. (2002)	<ul style="list-style-type: none"> - globalisation - trade liberalisation 	<ul style="list-style-type: none"> - labour markets - employment flexibility - employment conditions 	South Africa	ILO Employment Strategy
Davies and Rattsø (2000)	<ul style="list-style-type: none"> - trade liberalisation 	<ul style="list-style-type: none"> - sectoral income distribution 	Zimbabwe	The MacArthur Foundation, United Nations
Dunne and Edwards (2006)	<ul style="list-style-type: none"> - trade 	<ul style="list-style-type: none"> - employment 	South Africa	UK Department for International Development (through RTFP and the Trade and Industry Policy Strategies), the Department of Trade and Industry and USAID.
Edwards (2004)	<ul style="list-style-type: none"> - trade liberalisation (ad valorem tariffs) 	<ul style="list-style-type: none"> - factor cost shares (skilled and less-skilled labour, capital) - capital/labour ratios 	South Africa	-
Edwards (2005)	<ul style="list-style-type: none"> - trade liberalisation 	<ul style="list-style-type: none"> - employment - factor remuneration 	South Africa	Cornell, USAID
HRW (2003)	<ul style="list-style-type: none"> - trade 	<ul style="list-style-type: none"> - child traffic - informal employment 	Togo	- Human Rights Watch's Program on HIV/AIDS and Human Rights - HIV/AIDS and Human Rights Program and the Children's Rights Division
Jauch (2004)	<ul style="list-style-type: none"> - trade liberalisation 	<ul style="list-style-type: none"> - labour market 	Southern Africa	Alternatives to Neo-Liberalism in

	- structural adjustment programmes	- labour migration - trade unionism		Southern Africa (ANSA)
Johanson (2004)	- Globalisation - Trade liberalisation - Economic restructuring	- Skills development	Sub-Saharan Africa	ILO
Kayizzi-Mugerwa (2003)	- Globalisation - Trade liberalisation	- Income inequality	Sub-Saharan Africa	OECD, Ford Foundation
Keck and Piermartini (2005)	- EU-SADC EPA	- employment of skilled and unskilled labour	SADC	World Trade Organisation (WTO)
LaRRI (2001)	- Globalisation	- labour market - trade unionism	SADC	SATUCC
Mabugu (2004)	- trade liberalisation	- revenues of 'poor' and 'rich' households - social transfers	South Africa	Poverty and Economic Policy (PEP) Research Network
Mabugu and Chitiga (2007)	- trade liberalisation	- remuneration of skilled and unskilled labour - revenues of 16 household types - social transfers	South Africa	Poverty and Economic Policy (PEP) Research Network
Mkenda (2005)	- globalisation - economic reforms - trade liberalisation	- labour market	Tanzania	Economic and Social Research Foundation Tanzania (ESRF)
Mohamed and Motinga (2002)	- trade liberalisation - SACU	- sectoral employment - sectoral wages/wage inequality - labour-saving technologies	Namibia	Trade and Industrial Policy Strategy (TIPS) Annual Forum
Pauw et al. (2006)	- trade liberalisation	- poor households - employment and wages	South Africa	
Pretorius (2002)	- globalisation - trade liberalisation	- employment and wages in the manufacturing sector	South Africa	
PricewaterhouseCoopers (2007)	- EU-ACP EPAs	- employment - ownership - human capital	ACP	European Commission
Roberts and Thoburn (2003)	- trade liberalisation since 1990s - African Growth and Opportunity Act (AGOA)	- employment - upgrading - wages	South Africa (Textile Sector)	
Tekere (2001)	- trade liberalisation	- formal/informal employment - income distribution (by production factors, by gender)	Zimbabwe	The Poverty Reduction Forum
Theron, Godfrey and Visser (2007)	- globalisation - trade liberalisation	- employment - wages - labour law	South Africa	ILO
Verick (2005)	- globalisation	- labour market	Africa	Economic and Social Policy

	- trade liberalisation	- informal sector		Division, United Nations Economic Commission for Africa (ECA), Institute for the Study of Labor (IZA)
Webster (2005)	- open trade and investment regime	- formal and informal employment - trade unionism	South Africa	-
Webster, Bezuidenhout (2003)	- globalisation - trade liberalisation	- labour market	South Africa	
Webster, Mosoetsa, (2001)	- globalisation	- labour market - labour relations	SADC	
Zafar (2005)	- trade liberalisation - EU-UEMOA Economic Partnership Agreement (EPA) - UEMOA	- fiscal revenue - activity levels	Niger/UEMOA	The World Bank

TABLE 4.2: SUMMARY OF REVIEWED STUDIES

Impact variables	Geographical coverage	
	SADC	ECOWAS/UEMOA
<i>Labour migration</i>		
- national		
- international	1	1
<i>Employment</i>		
- general	7	
- by sector	1	1
- by gender		
- by contract type	1	
- by skill-level	2	
- flexibility	1	
- conditions	2	
- regulations/law	1	
- remunerations	7	
- informal	4	1
- child labour		1
- labour market functioning	7	
<i>Labour productivity</i>		1
<i>Trade unionism</i>	4	
<i>Training</i>	4	2
<i>Income distribution</i>	5	1
<i>Poverty</i>		
- absolute	1	
- rural/urban		1
<i>Customs and fiscal revenues</i>	1	1
<i>Social transfers</i>	2	

Note: cells show number of relevant studies in the review.

2. Methods and models

As we have argued before, a combination of qualitative and quantitative techniques is needed to understand the complexity of impacts of open trade regimes or (inter-) regional trade agreements on socio-economic variables, in general, and decent work variables, in particular.

Table 4.1 shows that although most studies focus on the effects of trade liberalisation on the quantity of (un)employment and average wage levels, often distinguished by category, many take other impacts, including qualitative impacts, into account which are directly relevant from the perspective of the decent work agenda. Table 4.3 shows how the relevant impact variables identified by us in the selected studies correspond to the decent work indicators proposed by the ILO (ILO, 2006a).³⁸ The qualitative or ‘soft’ approaches to impact assessment, taking into consideration a wider range of indicators,

³⁸ See Table 1.1 on Decent work Indicators Section 1.2.

also allow to obtain a better understanding of the micro-dynamics of adaptation processes and can better serve the purpose of designing targeted policies and accompanying measures for specific groups. These decent work indicators are generic and need to be adjusted to the specific context in each country. The list of indicators has been kept as concise as possible to enable countries to measure a full range of decent work concerns with limited resources. Compromises will often be necessary between what is preferred conceptually and data availability, and between depth and breadth of decent work measurement.

Table 4.3: Impact variables versus decent work indicators

Decent Work indicators	Impact variables
Employment opportunities	Employment (general) Employment (by sector) Employment (informal) Unemployment Poverty
Unacceptable work	Employment (child labour)
Adequate earnings and productive work	Employment (remunerations)
Hours of work	Employment (conditions) Employment (regulations)
Stability and security of work	Employment (by contract type) Employment (flexibility)
Fair treatment	Employment (conditions) Employment (regulations) Employment (by gender)
Safe work	Employment (conditions) Employment (regulations)
Social dialogue and participation	Employment (regulations) Trade Unionism
Social protection	Employment (regulations) Poverty Income distribution Social transfers

Sources: Table 4.1 and ILO (2006).

Table 4.4 gives an overview of the methods that were used to establish the relationships between our independent and dependent variables. Whereas some clearly choose for either a quantitative or qualitative approach, a significant number of the selected studies opt for a combination of both.

The studies that present original quantitative research fall, broadly speaking, into three categories. Firstly, different types of descriptive statistical analysis are presented, including the calculation of correlations and the use of decomposition techniques. Also of interest here, is the presentation of jurimetric work which seems to be quite promising to

assess different aspects of decent work (including: fair payments, fair treatment, safety, social protection, and participation), provided that data on the functioning and output of tribunals is made available. Secondly, partial equilibrium models and regressions are presented, which attempt to establish the relationships between the independent variable(s) and one or a few dependent variables for particular economic sectors (for example, Aryeetey et al., 2005; Edwards, 2004,2005; Pretorius, 2002; PricewaterhouseCoopers, 2007; Zafar, 2005). Thirdly, the results of more encompassing applied computable general equilibrium models are presented (for example, Davies and Rattsø, 2000; Keck and Piermartini, 2005; Mabugu, 2004; Mabugu and Chitiga, 2007; PricewaterhouseCoopers, 2007). The latter are obviously much more demanding in terms of data availability and technical skills.

The studies that present original qualitative research are mostly based on case studies or comparative case studies (for example, Bezuidenhout et al., 2004; HRW, 2003; Johanson, 2004; PricewaterhouseCoopers, 2007; Tekere, 2001; Theron, Godfrey and Visser, 2007; Webster, 2005; Webster and Bezuidenhout, 2003), combining individual interviews with collective assessment methods (expert meetings and other participatory methods) and with other sources of data. Generally speaking, methodological aspects of qualitative research often receive less attention than in the case of quantitative research. However, a few applications explicitly address interview and survey techniques, the case-study method, participatory methods, causal-chain analysis, and SWOT analysis.

Finally, it is also clear from our review of studies that the application of methods crucially depends on the availability of data.

Table 4.4 Methodological aspects of selected studies

Studies	Qualitative methods used	Quantitative methods used	Statistical data coverage	Statistical data sources
Adepoju (2006)	- Literature review	-		
Aryeetey et al. (2005)	-	- Descriptive statistics, correlations - Weighted Least Squares regression	1964-2000 (regression); 2001-2004	Quarterly Digest of Statistics, Ghana Statistical Services; Ghana Living Standards Survey (GLSS); Ghana Investment Promotion Centre Investment Report
Bezuidenhout et al. (2004)	- Literature survey - Comparative case-study method (Australia, The Netherlands, India) - Review of legislation, court cases, legal literature - Case studies (mining, construction, household appliance manufacturing, and retail industries)	- Descriptive jurimetrics analysis - Descriptive analysis of trade and employment indicators	1990-2002	Statistics South Africa (Survey of Employment and Earnings, Labour Force Survey, Household Survey); Department of Labour; Department of Trade and Industry
Bhorat et al. (2002)	- literature survey - review of legislation framework for labour market policy	- descriptive analysis of economic and employment indicators	1995-1999	Statistics South Africa World Bank Survey Report, 2000
Davies and Rattsø (2000)	-	- CGE model (Davies et al., 1998) - Regressions		Quarterly Digest of Statistics, CSO; National Accounts, CSO; PE Consulting, Annual Survey of Salaries
Dunne and Edwards (2006)	-	- econometric analysis (panel data) - decomposition technique (Chenery 1979)	1970-2002	Statistics South Africa; South African Standardised Industrial Database (Quantech, 2004)
Edwards (2004)	- Literature survey	- Error-component two-stage least-squares (Baltagi, 1981)	1988-2002	South African Standardised Industrial Database (3-digit SIC); Statistics South Africa (Supply-Use Tables); World Bank; Greater Johannesburg Metropolitan Council Survey; TRAINS; Industrial Development Corporation; TIPS.
Edwards (2005)		- OLS regressions - Descriptive statistics - Decomposition techniques	1990-2004	TRAINS (8-digit HS), IDC, TIPS, South African Government Gazettes
HRW (2003)	- Field mission - Open-ended interviews - Literature survey - Case-studies		2002	Human Rights Watch, UNICEF, WHO/UNAIDS
Jauch (2004)	- Literature survey			
Johanson (2004)	- Literature review - Case studies (assessments of vocational skills training)			
Kayizzi-Mugerwa (2003)		- descriptive statistics	1965-2000	

Keck and Piermartini (2005)	-	- applied CGE model (expanded GTAP)		GTAP 6 Database
LaRRI (2001)	- literature survey	-		SADC official documents
Mabugu (2004)	-	- Social Accounting Matrix - Intertemporal CGE model with perfect foresight	calibration with SAM of 2000	IFPRI (Social Accounting Matrix)
Mabugu and Chitiga (2007)	-	- Dynamic microsimulation CGE model (Annabi et al., 2005a,b; EXTER model, see: Decaluwé et al., 2001)	calibration with SAM of 2000	IFPRI (Social Accounting Matrix)
Mkenda (2005)		- descriptive statistics		International Trade and Development Database (WB 2001) Ministry of Finance Tanzania Integrated Labour Force Survey 2000/01
Mohamed and Motinga (2002)	- Literature survey	- Descriptive statistics (incl. revealed comparative advantage indicators, factor intensities)	1993-2000	Central Bureau of Statistics, National Accounts
Pauw et al. (2006)				Income and Expenditure Survey (IES) of 2000 (IES 2000) (SSA, 2002a) the LFS September 2000 (LFS 2000) (SSA, 2002) merged database IES/LFS 2000
Pretorius (2002)	- literature survey	- regression analysis	1993-2001	SARB Quarterly Bulletin June 2000
PricewaterhouseCoopers (2007)	- case-studies - causal-chain analysis - SWOT analysis - participatory methods (stakeholder workshops, electronic mechanisms, expert meetings, specialised interviews, field missions)	- CGE model - partial-equilibrium models		
Roberts and Thoburn (2003)	- surveys - interviews	- descriptive statistics		
Tekere (2001)	- case studies	- descriptive statistics	1985-1997	- Quarterly Digest of Statistics, CSO
Theron, Godfrey and Visser (2007)	- literature survey - case-study method agriculture, clothing)	- descriptive statistics		-
Verick (2005)	- literature survey	- descriptive statistics		- World Bank Doing Business database - ILO
Webster (2005)	- 6case-studies (manufacturing, retail and self-employed sectors)	-	-	-
Webster, Bezuidenhout (2003)	- literature survey	- descriptive analysis of economic and	1972-2002	- SADC Human Development Report, UNDP

	- case-studies	employment indicators		country reports, Department of Trade and Industry trade data, Human Development Index
Webster, Mosetsa (2001)	- monitoring and evaluating techniques - literature survey	- descriptive analysis of economic and social indicators		- SADC Human Development Report
Zafar (2005)		- descriptive statistics - static partial equilibrium model (UNCTAD-WB SMART)	1980-2003	- Ministry of Finance, Directorate of Customs, Directorate of Statistics, Directorate of Taxation, the Treasury

3. Data issues

Table 4.4 apart from showing the (qualitative or quantitative) methods that were used in the respective studies, also shows the statistical data that were used by the analysts.

Generally speaking, we can say that there are severe data restrictions for analytical work on the different aspects of the labour market in Sub-Sahara Africa (wages, conditions, informality, skill-levels, etc.) as acknowledged by Mohamed and Motinga (2002) among others.³⁹ Data on the different forms of labour migration are also particularly problematic (Adepoju, 2006). Additional efforts are therefore needed to further develop labour and income surveys. Data availability and quality seems relatively good in South Africa; the survey methodology of Statistics South Africa could be looked at in detail and possibly used as a benchmark for other countries.

Mutual learning and best practices at the regional level should be promoted.

4. Main findings of the selected studies

In this section we present an overview of the main findings of the different studies that were reviewed by us, with respect to the linkages between trade (and investment) liberalisation, on the one hand, and the relevant labour-related impact variables, on the other.

Findings with respect to impacts of trade liberalisation on employment and wages

Empirical results with respect to the employment impact of trade measures do not always coincide with theoretical expectations or prescriptions from standard trade theories, based on the Heckscher-Ohlin-Samuelson framework. Generally speaking, the results are mixed.

Positive net employment growth following trade liberalisation is often not observable, at least not in the short run. This was shown for Ghana (Aryeetey et al., 2005) and South Africa (Bhorat, 2002; Roberts and Thoburn, 2003; Edwards, 2004; Mabugu and Chitiga (2007); Dunne and Edwards, 2006; Theron, Godfrey and Visser, 2007) and Zimbabwe (Davies and Rattsø, 2000; Tekere, 2001). If there are positive employment effects related to trade liberalisation there are usually compensated or over-compensated by corresponding employment losses due to import penetration (Edwards, 2005; Dunne and Edwards, 2006). Slightly positive net employment effects are reported by Edwards (2005). Edwards (2004) and Dunne and Edwards (2006) show evidence of productivity gains caused by trade liberalisation.

It is important to mention that short-term and long-term effects should be clearly distinguished. Having said this, it should be acknowledged that, on the one hand, the short run is often driving the political agenda, and that, on the other, the effects in the long run are generally more difficult to separate from other influences, policies and circumstances.

³⁹ As also acknowledged by Cornia (2003) in the case of income surveys allowing assessing income inequality quantitatively. For a selection of comparable data available from the World Development Report on poverty issues, labour and employment, and the economy, see Annexes 2.1-5.

Studies like Mabugu and Chitiga (2007) argue that the long term effects are more in line with expectations and show positive net employment effects.

Contrary to theoretical expectations and linked to the previous point, low-skilled workers in export-oriented sectors, which are the relatively abundant factor in African countries in a North-South context, do not necessarily see their employment and wage levels rise. This has been observed for the export-oriented agricultural sector in Ghana (Aryeetey, 2005), for the manufacturing sector in South Africa (Bhorat et al. 2002; Pretorius, 2002; Theron, Godfrey and Visser, 2007), and for Namibia (Mohamed and Motinga, 2002).

Edwards' results (Edwards, 2004) are more in line with theoretical expectations, as well as the CGE simulations of the potential impact of EPAs for SADC countries reported by Keck and Piermartini (2005). Considering that the SADC countries being big, and sectors of economic activity being widely dispersed, the authors conclude that the effects of EPAs could be very un-even within and across countries, even if beneficial overall.

The (theoretically) unexpected impacts of trade on employment and wages according to skill-level, meaning that skilled workers benefit more from trade than unskilled workers, is often related to skill-biased technological change which is promoted by the increased market pressures and FDI flows that come with trade liberalisation (Bhorat et al., 2002; Roberts and Thoburn, 2003; Edwards, 2004, 2005; Dunne and Edwards, 2006; Mohamed and Motinga, 2002).

There is support for industrial policies to accompany trade policies, using selective protection and other measures to shield certain categories of workers (Davies and Rattsø, 2000).

With respect to the effects of FDI, in his study on Tanzania, Mkenda (2005) emphasizes the employment generating effect of foreign firms and exporting firms. Aryeetey (2005) warns, however, that direct employment effects of FDI inflows in the mining sector, which is a capital intensive sector, are normally very limited.

With respect to the distribution of the effects, the implication of the above is that trade liberalisation often leads to rising inequality between skilled and unskilled workers, and/or between regions (Tekere, 2001; Aryeetey et al., 2005; Davies and Rattsø, 2000). There is no direct positive effect to be expected from trade liberalisation on poverty alleviation; therefore focused re-distribution policies have to be called upon in contexts of budgetary constraints (Davies and Rattsø, 2000; Tekere, 2001; Mabugu and Chitiga, 2007). These budgetary constraints can even be sharpened by the negative fiscal impact of trade liberalising measures (Zafar, 2005).

It should also not be forgotten that the impacts found for middle-income countries cannot simply be extrapolated to low-income countries in the regions, because of different factor supplies, economic structures, skill levels, etc. (Edwards, 2005). The effects of trade liberalisation can vary significantly between countries of a given region. This is also corroborated by Keck and Piermartini's (2005) simulations of the signing of an EPA for the

SADC countries, who suggest that this might imply adaptations of SACU revenue sharing arrangements.

Finally, there seems to be a great need for more up-to-date analysis on the socio-economic impact of the South-South arrangements in the respective regions.⁴⁰ Their under-representation in our sample reflects the existing research deficit on S-S arrangements.

Findings with respect to impacts on labour conditions

In their study on the clothing sector in South Africa Theron, Godfrey and Visser (2007) have shown that the structure of employment is likely to change with liberalisation programmes. It is not impossible that formal employment declines relative to non-standard and/or informal employment. As a result, there are unknown numbers of informal unskilled workers, rendering services to the formal economy, with obvious implications for their level of legal protection. Similar observations were made by Tekere (2001), Bezuidenhout (2000), Mkenda (2005) and Webster (2005).

Evidence for South Africa shows also that empirical results concerning the effects of open trade regimes on standard employment and related labour conditions cannot be simply extrapolated to non-standard employment. Impacts on stability of employment, protection etc. for both categories of workers can have opposite signs (Theron et al., 2007).

The SIA Report on the EU-ACP EPAs undertaken by PricewaterhouseCoopers (2006) for the SADC region points further to the fact that the impact of trade liberalisation on the quality of employment and labour conditions varies from sector-to-sector. The report shows, for example, that in the fishery sectors in Mozambique and Namibia employment growth is expected to have disproportionately high impacts on the formalisation of employment, female employment and poverty alleviation through fair wages. Policy responses should take these sector-specificities into account.

Finally, child labour and trafficking need specific attention. The HRW report (2003), for example, shows that in the case of Togo, there is insufficient progress in reducing the numbers of child trafficking cases. There is an inadequate system of protection and rehabilitation.

Findings with respect to impacts on labour migration

The effects of open trade regimes on intra- and extra-continental labour migration are not very well understood, and require new monitoring and policy tools at the regional level.

⁴⁰ An earlier study by Evans (2000), although not focusing on labour-related issues, can serve as a good point of reference. The study concludes that although open regionalism produces the best economic results in the model simulations, it is not necessarily the best policy option because open regionalism does not imply deep integration.

On the basis of Adepoju's work on ECOWAS and the Maghreb, it can be argued that with respect to migration issues, which are becoming more and more complex, more coherent inter-governmental, regional and/or inter-regional policy initiatives are needed (Adepoju, 2006). At the same time, other African regions can learn from the ECOWAS experience with free movement of persons (Adepoju, 2006). Webster and Bezuidenhout (2003) also argue for new initiatives to better manage intra-regional labour migration in the Southern African region and to set-up a regional social security system in SADC.

Labour market and labour policy implications

Trade liberalisation processes should be accompanied by adjustments and upgrading in labour market policies and legislations. This is argued by Bhorat et al. (2002) and Jauch (2004) for the SADC region. These adjustments should also be part of a broader agenda of institutional reform which accompanies the opening of the economy and constitute pre-conditions for reaping its potential benefits, preferably, and which should be backed by a strong and focused leadership. This is what the relatively 'successful' cases of Ghana, Uganda and Mozambique suggests (Kayizzi-Mugerwa, 2003). The recommendations from the trade SIAs for the EPAs also suggest that regulatory frameworks require adaptation (Box 4.1). In the case of the SADC group countries, efforts are recommended towards strengthening the development and enforcement of basic social protection and workers' rights, poverty alleviation and gender equality (PricewaterhouseCoopers, 2006).

On the basis of the case of Namibia, Mohamed and Motinga (2002) observe, however that the effects and implications of labour policies and institutions are not necessarily fully understood. This implies that the formulation and implementation of new policies should be accompanied by careful analysis and monitoring of the effects on both the quantity and quality of employment.

Regional harmonisation of labour laws towards best practice and implementation of the SADC Social Charter⁴¹ is recommended by Jauch (2004), and Webster and Bezuidenhout (2003).

Protective measures should also be directed towards non-standard employment and the informal sector (Bhorat et al., 2002; Bezuidenhout et al., 2004). However, it is obviously not easy to design adequate policies that deal with this informal/formal dualism in the labour market. If new policies imply that the informal sector loses part of its cost advantage, this may lead to more unemployment of unskilled workers. Verick (2005) proposes to focus on two objectives: (i) to assist the informal sector in taking advantage of opportunities in a global market, and (ii) to stimulate job creation in the formal sector.

⁴¹ To consult the SADC Social Charter see Annex 2.6.

Box 4.1: Recommendations of EPA-SIA

“[...] Recommendation 1: The EU and ACP countries should strive to ensure coherence between EPA negotiating configurations and overlapping efforts at regional integration and should ultimately pursue, at regional level, strategies for the developing key economic and industrial sectors and for promoting sustainability. [...]

Recommendation 3: To mitigate potential negative impacts of reciprocity and encourage positive impacts, negotiators should classify some products as ‘sensitive’ and ensure that there is a safeguard provision taking into account the goal of promoting sustainable development.

Recommendation 6: The EPAs should contribute to a stable climate for FDI and encourage FDI and regional investment that support sustainability through, inter alia, including means of cooperation to achieve compliance with the enforcement of environmental and social regulations at the national level.

Recommendation 7: EU-ACP cooperation on standards should focus on addressing obstacles to trade, maintaining high levels of protection for consumers and the environment and assisting ACP countries to develop their own national and regional approaches to SPS and TBT.

Recommendation 8: The EU should engage in ongoing cooperation with the ACP in several areas related to trade facilitation including [...] and human resources.

Recommendation 9: Development cooperation should focus on priority needs for diversification of production and exports towards higher value added products, with an emphasis on reinforcing economic and industrial sectors impacted by the EPAs, while ensuring the sustainability of new development. [...]

Recommendation 11: Development cooperation should focus on capacity building to promote sustainable development in both the private and public sectors, with an emphasis on training, research and development, and a sound regulatory framework. [...]”

Source: PricewaterhouseCoopers (2007).

Implications for training of workers

The findings in the sections above have obvious implications for training and training policies. The fact that trade liberalisation and FDI inflows are likely to lead to a labour demand biased towards skilled workers poses challenges for the education and training policies. Adequate policy responses in these areas to raise skill levels are needed to fully reap the benefits of open trade and investment regimes, as argued by Pretorius (2002), Lewis (2001,2002), PricewaterhouseCoopers (2007; box 4.1), and Mabugu and Chitiga (2007) in the case of South Africa, and Johanson (2004) for Zambia. The latter warns however that reforming training systems time and that the effects on the labour markets are also only visible with a considerable delay.

Training should not be too narrow, providing the workers population with skills that are compatible with a continuously changing economic and technological landscape (Johanson, 2004).

Johanson (2004) develops the idea of joint training programmes involving both authorities and social partners, which should lead to a better link between the supply and the demand of the labour market. It has also been suggested that multinational companies could be involved in innovative programmes for capacity building.

Finally, in the case of inter-regional trade agreements, aid for trade constructions could and should be set up and focus on capacity building and knowledge transfer (PricewaterhouseCoopers, 2006; box 4.1).

Implications for social partner organisations

Several studies emphasize the need for labour unions and employers' organisations to play a more active and pro-active role in the design of appropriate policy responses to the challenges of more open trade regimes and regional integration processes. Webster and Mosetsa (2001), Jauch (2004), and Mkenda (2005) call for more active and representative labour movements, who should define their role, not just as negotiators, but also as promoters of workers interest on broader socio-economic issues in more competitive circumstances. Trade unions should also enter into alliances with other social organisations that are linked to the informal sectors. LaRRI (2001) also stresses the need for common and coordinated trade union action in SADC, which should be pro-active and contribute to setting the agenda for further regional integration in the region and to building a Southern African negotiation position in the context of the EPA and WTO negotiations.

Both trade unions and employers' organisations should be better equipped to be able to play a more active role. This could be achieved by developing a 'toolbox' of methods that allow them to quickly prepare a position on trade negotiations and participate and influence the processes from the beginning. The toolbox should, on the one hand, include qualitative tools that allow to rapidly sense what the perceptions are of their constituents in different (sub)sectors, sub-regions etc. with respect to announced negotiations or decisions. Survey methods and participatory foresight methods are useful tools. The toolbox should also include case-study methods that allow for a quick assessment of the impact of new decisions (for example, tariff cuts) on their constituents, in order to be able to give rapid feed-back to the policy level. This is also a partial substitute for scarce or absent socio-economic data. The toolbox should also help them to develop quantitative models (general equilibrium models, partial equilibrium models, and other statistical tools) to quantify different scenarios ex ante, to assess ex post, or –at least- to critically assess the results of modelling approaches presented to them by governmental authorities, international organisations, or other actors.

SECTION FIVE

Observations regarding the regional integration and the way labour and social policies are handled by RECs in W&SA; issues of complexity and capacity

This section discusses issues of complexity, capacity and effectiveness of current processes of regional integration in W &SA. The discussion includes insights from the analysis in this report and the fact finding missions to West and Southern Africa, organised to find out how labour and social policies are or could be handled by regional integration bodies in W&SA. The section ends with a concluding remark on the need for capacity reinforcement.

1. On the political relevance and difficulties of the integration process in W&SA

Strong political will at the highest levels and strong adherence by civil society at the basis are very much needed in order to build successfully regional integration. However, virtually all W&SA states face problems of political and economic viability including huge challenges in the area of employment creation and decent work conditions. Integration, managed by the regional institutions is at the same time very difficult and very much needed in both areas to realise political stability, widened markets, additional investment, employment creation, the fight against contagious diseases and the struggle for the approval and implementation of social policies. Although there are some effective regional institutions in West Africa, the real political will to give up national powers in most member states is very low. Furthermore there are many regional organisations at work: in West Africa, in addition to UEMOA and ECOWAS organisations such as OHADA, Mano River Union and CILSS claim some sovereign decision making for themselves leaving the coherence issue for the other organisations (the “spaghetti bowl”). In Southern Africa, the dual organisation SADC-SACU is a serious issue and there are also several other organisations at stake such as the East African Community⁴², COMESA, and the Indian Ocean Commission⁴³.

2. Characteristics of the integration process

The need to exchange sovereignty for chosen regional public goods is not evident and not well understood in W&S Africa. Some regional organisations are heritages from the past and essentially rather a political and technical meeting place and have not been as yet well revamped and readjusted to respond to the requirements of globalisation. Although policy makers understand that creating and deepening a real common market may attract large trade flows and substantial FDI the actual state of the integration in both regions is far away from such a common market.

⁴² Tanzania-member of SADC is part of it.

⁴³ Mauritius-member of SADC is a member state.

Regional integration in the zone is at the same time shallow and deep, depending on the configuration and matters involved. ECOWAS and SADC are intergovernmental agencies and have historically played more a role of peace makers and stabilising agencies in the political arena. Both UEMOA and SACU have succeeded to install and monitor some kind of “deeper” trade and monetary integration through a common external tariff and common currency, and have more the character of a supranational agency, as they can enact, enforce and impose some trade related rules on member states.

The issue of inefficient and confusing multiple memberships are a real stumbling bloc. A strong voice at the pan-African level to overcome national constraints and institutional vested interests is needed, although at the level of AU and other agencies including NEPAD and AfDB efforts are undertaken to streamline and manage the institutional design of regional integration in Africa. Here the concept of variable speed and variable configuration is useful as it helps those nations which need more time and more political problem solving to move towards integration nevertheless.

Furthermore, the actual role played by regional organisations, beyond the declarations and intentions, is in practice limited in scope and implementation because the technical human resource capacity is insufficiently available. A major condition for deep regional integration, beyond the political will, is available expertise and institutional capacity. Both major organisations ECOWAS and SADC certainly have a highly qualified core team but this group is a very small group of leading experts and managers in key areas such as political affairs, health, education, macro economic policies and labour issues. The funds involved for attracting a broader and critical mass of top analysts are an essential condition for sound internal human resource policies which should include also training modalities of existing and incoming staff members.

3. Economic issues

The core issue in the economic arena directly related towards employment creation is the drive towards competitiveness of the private sector. In a globalize open international economic environment, all economic activity is subject to the law of competitiveness based on factor endowments and efficient utilisation of comparative advantage. Regional integration can serve as a stepping stone in W&SA because it opens markets while allowing new entrants in international trade to test the challenge of a larger (regional) market and facilitating entry into world wide value chains; such challenge is a key factor towards sustainable employment creation.

Macro economic coherence and stability is an equally vital element in the move towards deeper integration, and it is a necessary precondition for monetary integration. Although a common currency is seen as a public good, there are also some doubts about the way monetary integration takes place. For example, the CFA Franc in West Africa, as managed by the BCEAO, an example of a long standing old monetary union, existing before trade and macro economic integration, is a coin with two sides. The positive side is that transaction costs are reduced and monetary policies are obviously harmonised. At the other hand it is also seen as bottleneck in the move towards stronger economic policies, not allowing

member states to react to threads and challenges with national financial policy measures because of the common currency linked to the EURO. Outside the UEMOA and SACU zones, where monetary integration is a reality, the drive towards a single currency is a long term process because of very wide differences in economic development between the concerned member states but efforts are undertaken.

Creating open markets does not only have a positive impact on job creation. There are in the short term losers in the process of regional economic integration and open trade because increased trade flows move to less productive units (trade diversion). As a consequence of trade moving away from previously protected markets, poverty may actually increase temporarily in some areas. This requires adequate measures, social protection policies, and appropriate assistance during the transition period. Furthermore, budget reductions are inevitable when tariff revenues are reduced through intra trade tariff reductions and reduced external tariffs. This national budget impact should be monitored at regional level and adequate regional compensation mechanisms have to be designed to secure that social budgets do not suffer from these reductions.

4. Decent work and labour issues

Although economic and trade dimensions are an important component of regionalism in view of “decent work” for all, at the regional level some efforts for co-ordinated socio-economic development strategies take place as a complement to national strategies. Such multi-dimensional regional strategies include active employment policies, support for national labour laws, and monitoring of labour conditions. Regional strategy documents are in place and concentrate on employment opportunities and access for jobs through static and dynamic effects of opening regional markets, trade liberalisation schemes, and common external tariffs. Stable and sustainable decent jobs creation is recognised as key objectives at the regional level.

When it comes to institutional capacity, the same capacity limitation is valid for the social partners in the tri-partite set up. Neither labour unions nor employer’s organisations dispose as yet of strong regional representations. The most important structural lack of capacity is at the side of the informal sectors, which are large and predominant in most member states. Informal sectors lack institutional forums for negotiations and representation by representative leaders as they are reluctant to take time off for fear of losing income. The need for stronger regional representation and intensive capability efforts at regional level are obvious.

Regional coherence in labour law making is necessary which means that regional organisations have to find and elaborate common synergies in law making for labour rights. The need for coherence between ECOWAS and UEMOA, and between SADC and SACU, is an example. Another example is the need for coherence with OHADA. There are several legal and governance systems in West and Southern Africa: the civil law system, typical for the UEMOA zone (and OHADA), the common law system, typical for countries members of the Commonwealth, and the Sharia, adopted by some states of the Federal Republic of Nigeria, the Portuguese and the traditional system. The complexity of several law systems

within the zone has a serious impact when it comes to labour policies and enactment/enforcement of labour laws. For example, civil law traditions vs. common law traditions mean in fact very different approaches to law making and law enforcement; in the first case, formal and elaborated codes are the rule, whereas in the second, the approach on legislation as such is rather minimalist.

While labour laws are essentially a national responsibility, regional institutions should support national governments, parliaments, and institutions in the implementation of what these authorities accept and enact as labour laws and conventions. Regional parliaments, commissions, and courts of justice in W&SA should play specific roles to reinforce labour policies.

Trade in services in W&SA has a high potential for job creation in several sub-sectors such as tourism, transportation, banking and telecommunications. Interregional agreements (EPA, AGOA etc.) could contain chapters negotiated on a quid pro quo basis. Acceptance by the developing states of highly specialised intra-corporate specialists from developed countries to manage FDI and growing service businesses, against market access for labour force teams from the developing into the developed countries. This is why mode 4 of the GATS could become a substantial contribution to the solution of the huge unemployment challenge in most W&SA states.⁴⁴

Migration is a huge challenge but also part of the solutions as stated in the ECOWAS approach to migration. As there is not yet a strong supranational enforcing authority for migration issues, migration needs specific well designed strategies and policy making at regional level and this should be well monitored. This is especially true for the “mode 4”, the temporary movements of natural persons which are a trade matter (part of the GATS) which through regional support can be brought into trade negotiations.

5. The interaction between trade and labour

This paragraph refers to the final paragraphs of section 1 and the interaction between trade integration and labour standards. Regional organisations in the zone are more seen as a platform, a meeting point for coordination of national policies while real and large common markets are not yet in existence in W&SA. Engaging companies and creating jobs via truly enlarged markets is not very well understood and certainly not yet implemented as a desirable outcome to be obtained from regional integration.

Trade and economic issues should be handled by specialists who interact adequately with the employment and social policy experts. This does not happen either in SADC, SACU, ECOWAS or UEMOA. There is an underlying reason for this state of affairs: LDC member states are of the view that for developing countries WTO is not the right partner when it comes to negotiate labour issues. Since the Singapore WTO Ministerial the position of developing countries has not changed: labor issues are of the resort of ILO, not of WTO.

⁴⁴ See for an extensive debate Pritchett (2006).

In reality trade and labour issues are very much interlinked. In order to understand the employment effects of trade deals, trade and economic experts should sit down with social experts and stakeholders both in the preparation and implementation phases of major trade deals. The labour and social experts cannot deal effectively with employment creation unless they sit down with the trade and economic experts and stakeholders.

In this respect, it deserves to be mentioned that the different actors met during the consultative mission that informed the present report welcomed the ongoing ITCILO-UNUCRIS training effort as a good initiative.

As expressed in Section 1, new regionalism in W&SA requires a combination of economic, social, legal and governance dimensions and measures. Regional support for “decent work” includes market access and competitiveness, institutional reinforcement measures, labour clauses in trade related arrangements and corporate social responsibility of entrepreneurs and the private sector.

6. Concluding remark: the need for capacity reinforcement

It is reconfirmed that the ILO tripartite constituents (government officials, employers, unions) in S&WA can benefit from technical assistance to study, fully understand, and adequately follow up the processes related to the social dimension of regionalism and trade liberalisation. Future training in this area should target mixed audiences and treat adequately both trade and labour issues in regional integration.

The above certainly applies to government associations. In SADC (and therefore SACU) and also in ECOWAS (and therefore UEMOA) the question of the form to be taken by the regional bodies within the next few years and how to deal with the EU or other partners is top of the agenda.

With regard to the regional integration agenda, it is also evident too that while the ILO’s tripartite constituents in SADC are addressing the question of the place of employment, labour and social policies, this is not impacting upon the deliberations of the regional trade, economy and foreign affairs ministries and task forces. Within ECOWAS an effective system of tripartite labour policy making is only now being attended to and so the input of labour and business views is even less effective.

SECTION SIX

Recommendations concerning regional capacity building and related training

1. Regional Training Needs

It follows from the previous chapters that the prospects for decent work in Southern and Western Africa could be improved if the capacity of the sub-regional institutions and organisations to deal with relevant issues were strengthened. Maximising the opportunities for decent work in the context of regionalism *within* Africa and in the context of *inter-regional* negotiations such as those involving EPAs requires that the different regional actors acquire appropriate analytical and operational (negotiating) capacity.

At the same time it is clear that while the labour and social dimensions of regional integration are on the agenda the exact ways in which and the exact policies by which these aspects of regional integration are to be strengthened is only partly understood by the actors involved. There is the need for more detailed debate of alternative forms of regional labour and social policies. As part of this strategy to strengthen regional labour and social policies more dialogue between regional Ministers of Social Development who are concerned with poverty issues and regional Ministers of Labour who are concerned with employment issues is needed. (In this respect the ongoing consideration by the SADC Ministers of Labour of the SADC Ministers of Development document on regional social policy is a good example of what is needed).

Neither is it the case that political debate within the regions has generated a consensus as to how to move forward even on the free trade and customs union dimensions. Complex negotiations between SADC and SACU countries, ECOWAS and UEMOA (not to mention OHADA) countries and between all of these and the EU (not to mention India and China) are only just beginning with no clear regional perspectives or consensus as to how to resolve them. This is an opportunity for the ILO's tripartite constituents to play a part in shaping the uncertain future but only if they are better informed about the links between trade and labour. A strengthened capacity to engage with trade and economy Ministries on their terms is required both in terms of undertaking and understanding research on this topic and in terms of negotiating on these issues.

Therefore, training for ILO constituents covering the topics mentioned in this review is timely and can contribute to enhancing employment and decent work in the regions to advance their development.

The training programmes both within SADC and ECOWAS need to be understood as an INTERVENTION in the process of region building, and in particular regional labour and social policy building. The training would help to promote the formal tripartite structures of SADC and the envisaged ECOWAS Social Dialogue Forum. It would also facilitate dialogue among a larger group of key regional actors.

While focussed on the needs of the ILO constituents, the training activities should also include elements where other significant national and regional actors are involved, namely Ministries of Trade and Economy and Ministries of Social Development. This mixing of the constituencies will help kick start the desired dialogue between labour and other players.

This is in also line with the conclusions of the Johannesburg Document on Regional Social Policy (See Annex 3.2) agreed by the Ministers of Social Development and now being considered by the SADC Ministers of Labour. The recommendations of that document, with regard to the goal of ensuring decent work for all, called for donors to fund capacity building activity to among other things a) ensure policy-makers better understanding of the links between economic and social policies, b) enhance inter-ministerial cooperation (economic and social sectors) to ensure that economic policies are employment generating, c) promote sharing of experiences and best practices in the areas of employment, sustainable livelihoods and labour standards to combat (the danger of) Africa's race-to-the-bottom; and d) develop strengthened capacity of labour market institutions in areas such as employment statistics and labour inspections, to better inform social dialogue for evidence-based and employment sensitive economic policies.

2. Skills enhancement

Training should aim to enhance some or all of the following skills:

Analytical, for a better understanding of:

- A. Regional integration processes and their different components.
- B. Regional labour and social policy development and implementation.
- C. The trade-labour relations.
- D. Trade impact assessment methods.
- E. Policy options for integration and sustainable development.

Representation/negotiation, for increased capacity to:

- F. Represent labour and social interests at a regional level.
- G. Negotiate intra- and inter-regional trade deals by addressing labour concerns.
- H. Disseminate protocols and their outcomes to the general public.

3. Training topics

The training topics relevant to the current needs include:

On regionalism:

- A. Regionalism. Its history and distinct phases.
- B. The Concept of variable geometry of regional integration.
- C. Regional economic integration.
- D. Regional political integration.
- E. Regional social integration.
- F. Regional labour integration: migration and work.
- G. Regional redistribution, regulation and rights.
- H. Regional social policies.
- I. Funding Regional Integration.
- J. Comparative Regionalism (learning from best practice).
- K. Inter-regionalism (Trade and Labour standards).
- L. ACP-EU-EPA process and prospects and their employment implications.
- M. Regionalism and the WTO.
- N. Regionalism and Global Governance.

On trade-labour relations:

- 1. Study, analysis and measurement of the impact of regional trade arrangements, especially FTA and CU, on employment creation, with special attention to the trade creation and trade diversion effects.
- 2. Methods for analysing the impact of regional trade arrangements on labour conditions in the region including core standards and the broader range of wages and other labour issues.
- 3. Analysis of what the EPA interim and final agreements could contribute in terms of employment creation and labour conditions.
- 4. The regional dimension of the employment impact of the efforts of harmonised labour legislation such as the OHADA proposals.

5. Actual and improved design of regional institutional modalities, at the law making, executive and judiciary levels, in relation to the promotion and defence of core labour rights in order to secure better enforcement throughout the territory of the regional integration community.
6. Knowledge of the specific pros and contras and possible alternative ways to introduce clauses for labour right enforcement into trade deals of a regional nature.
7. Specific elaboration and training of the regional social partners, and especially of the employers, in the promotion of regionally acceptable corporate social responsibility manuals as instruments in enforcing core labour rights and promoting broader labour rights.

On regional Labour and Social Policy:

Focus on policies to strengthen the labour and social policy dimension of regionalism in ways which both create decent work within the regions and provide social protection. Among the policy options to be explored:

- a) Regional redistribution mechanisms to ensure investment in impoverished localities, to build government capacity and to support poorer countries and localities cover the costs of social protection.
- b) Regional regulation promulgation to ensure public knowledge about, popular support for and recognition and effective monitoring of core (and other) labour standards in all countries and enterprises.
- c) Regional labour and social rights declarations backed up either a) with regional courts of justice to enable citizens to claim their rights when a member government lets them down or b) by national courts which embed regional law within their own legislation.
- d) Regional cross border co-operation mechanisms to ensure reciprocal entitlements to contributed social security benefits.
- e) Regional agreements on cross border labour migration which both deter unwanted migration with regional investments in labour exporting countries and also respect the social and labour rights of legalised mobile labour.
- f) Regional cross border co-operation agreements on the level of and target groups for cash transfers and social pensions and the degree of accessibility of these for those legally crossing borders.
- g) Regional cross border procedures to compare labour and social policy practices to enable learning from best national practice.
- h) Regional policy agreements on mechanisms for revenue-raising to compensate for the loss of customs duties consequent upon reductions in intra-regional tariffs.
- i) Regional investments in commonly used education, health and other social infrastructure (specialist research centres, specialist hospital units).
- j) Regional agreements on educational and skills qualifications.
- k) Establishment of regional disaster mitigation funds and regional food security programmes.

We restate the case here for the training programmes to include sessions where trade and economy players are invited to join the labour and social partners (**including Ministers of Social Development as well as Labour**) in a workshop setting designed to enhance dialogue and synergy between the sides of the debate.

Within the ECOWAS context we would stress that a major challenge which must be faced is to create a training programme (together with the subsequent further cascading of the ideas) that includes ECOWAS, UEMOA and OHADA; French and English speaking partners, the trade and social sides of ECOWAS/UEMOA/OHADA, formal trade and business sectors and NGOS/civil society representing the informal sector.

It was the view of the labour unions in both SADC and ECOWAS that serious consideration should be given to a training of the trainer's perspective with a plan made for subsequent cascading of the training to others.

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Annex 1.1.

Glossary of terms

Aid for Trade

Refers to the help promised by the multilateral agencies to support trade in developing countries based on the fact that unless these countries get substantial support on how to organize themselves for the liberalisation of international trade, socio-economic development will not be triggered.

http://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm

Capacity building

Means by which skills, experience, technical and management capacity are developed within an organisational structure (contractors, consultants or contracting agencies) - often through the provision of technical assistance, short/long-term training, and specialist inputs (e.g., computer systems). The process may involve the development of human, material and financial resources.

<http://www.adrc.or.jp/publications/terminology/top.htm>

Common external tariff

This is a tariff used by the member countries of a custom union, common market or economic community at an agreed similar rate on imports from non-member countries.

(Pearce, 1994)

Common market

This term is reserved for a common trade space between member states where it is maintain a common external tariff and no internal customs, and free movement of labour and capital among the member states.

(Rosenberg, 1994, and Todaro and Smith, 2003)

Customs Union

A stage in economic integration where, in addition to the liberalisation of internal trade (as in a free trade area), member states agree on a common external tariff and on coherence in other trade policy matters not harmonised in a free trade area.

(Todaro and Smith, 2003)

Decent work

Productive work under conditions of freedom equity, security, and dignity, in which rights are protected and adequate remuneration and social coverage are provided. It is about productive, secure work, respect of labour rights, adequate income, offers social protection, and it includes social dialogue, union freedom, collective bargaining, and participation.

http://www-ilo-mirror.cornell.edu/public/spanish/region/ampro/cinterfor/publ/sala/dec_work/ii.htm

Enabling environment

An enabling environment is a government responsibility towards the private sector, meaning that market forces can operate within a sound political and economic environment and that

care is taken by government for political stability and macro economic management including control of inflation, credit and exchange rate management favourable for business growth.

<http://unfccc.int/ttclear/jsp/EEnvironment.jsp>

Everything But Arms (EBA)

EBA refers to the fact that EU has unilaterally declared that all least developed countries (LDC) will get unlimited access to the EU market for goods originating in the LDC except for arms.

http://ec.europa.eu/trade/issues/global/gsp/eba/index_en.htm

Fair trade

As a generic definition, fair trade means trade relations based on fairness, an approach to trade with a strong equity and development rationale, whereas the specific definition refers to ethical sourcing (fair rewards to farmers and workers) especially in food and related agricultural products originating from developing areas.

http://en.wikipedia.org/wiki/Fair_trade#Definition_of_fair_trade

Free trade

Trade among countries in the absence of policy restrictions that may interfere in its flows. (Rosenberg, 1994)

Free trade area

A regional group of countries which has removed or agreed to remove all internal barriers to trade, both of a tariff and non tariff nature, whereas each country retains its trade barriers towards third countries.

(Pearce, 1994)

Foreign direct investment

Overseas investment by private multinational corporations in a foreign country through the set up of a new business operation ("Greenfield" investment) or a joint venture with a local company.

(Todaro and Smith, 2003)

Import substitution

A policy directed at replacement, through protection, tariffs and related policy measures, of imported items, by locally produced goods or services.

(Rosenberg, 1994, and Todaro and Smith, 2003)

Informal sector

A (substantial) part of the economy where activities of a commercial and productive nature are undertaken without formal approval and regulation by the authorities.

<http://stats.oecd.org/glossary/detail.asp?ID=1350>

Intellectual property rights

Temporary monopoly right accorded to the inventor or developer of an intellectual novel product or process. Such rights may be patents, trademarks, copyrights, trade secrets.

(Rosenberg, 1994)

Market access

The degree of difficulty of admittance to an overseas market by an exporting nation, and also the ability of a domestic industry to penetrate a related market in a foreign country.

(Rosenberg, 1994)

Most favoured nation

The basic guiding principle of international trade and the World Trade Organisation (WTO), meaning that any trade concession allowed to one country - member state of WTO, is also available to all other member states.

http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

New regionalism

'*New regionalism*' refers to a new form of regionalism as a multidimensional form of integration which includes economic, political, social and cultural aspects far beyond the goal of creating region-based free trade regimes or security alliances.

(Hettne et al, 1999)

Poverty

The absolute poverty approach defines minimum levels of income required to sustain life; the relative approach defines poverty relative to appropriate comparator group.

(Pearce, 1994)

Public private partnership

A strategy at country level aiming at dialogue and consensus between government and representative bodies of the private sector in areas such as macro economic management or business laws in the country.

<http://www.pppbulletin.com>

Regional integration

Regional integration is about the emergence of a governance level between the national and the global levels within the system of world governance, based on (regional) cooperative behaviour and the design of common policies and institutions by actors that traditionally belong(ed) to the national governance level.

(De Lombaerde and Van Langenhove, 2007)

Underemployment

A situation in which a worker is employed, but not in the desired capacity, whether in terms of compensation, hours, or level of skill and experience.

<http://industrialrelations.naukrihub.com/labor-market-related-terms.html>

Social dialogue

All types of negotiation, consultation, or simply exchange of information between, or among, representatives of governments, employers, and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only

between labour and management (or trade unions and employers' organisations), with or without indirect government involvement.

<http://www.ilo.org/public/english/dialogue/themes/sd.htm>

Socio – economic development

Economic growth with equity including respect of basic social principles such as respect of human rights, fair rewards, good governance, and redistribution through taxation and careful government spending.

(Torado and Smith, 2003)

Trade facilitation

Technical term of the WTO referring to the upgrading of transport and communication infrastructure for trade, harmonisation and simplification of custom procedures, better transit facilities, and improved trade finance.

[http://siteresources.worldbank.org/EXTTRADECOSTANDFACILITATION/Resources/Trade_Facilitation_Doha_Agenda_Issue_Brief_Jul08.pdf](http://siteresources.worldbank.org/EXTTRADECOSTANDFACILITATION/Resources/Trade_Facilitation_Doha_Agenda_Issue_Brief_Jul08.pdf?resourceurlname=Trade_Facilitation_Doha_Agenda_Issue_Brief_Jul08.pdf)

Tripartite consultation

Effective consultations, with respect to the matters concerning the activities of the International Labour Organisation between representatives of the government, of employers and of workers.

http://training.itcilo.it/ils/CD_Use_Int_Law_web/Additional/Library/English/ILO_S_B/general_surveys/25003.htm

Variable geometry

A useful concept to bring regional integration modalities in line with different perceptions between member states concerning the speed and configuration of the integration process.

http://www.unctad.org/en/docs/osgdp20045_en.pdf

Annex 2.1
Track record WDR 2007

Regional organisation	Country	Poverty (2005)				
		GDP (current US\$) (millions)	Industry, value added (% of GDP)	Agriculture, value added (% of GDP)	Trade (% of GDP)	Exports of goods and services (% of GDP)
SADC SACU	Angola	32,811	74.0	7.2	121.8	73.5
	Botswana	10,445	53.5	2.0	84.6	52.8
	Congo	7,104	26.9	45.5	70.9	31.6
	Lesotho	1,457	42.2	16.5	135.3	47.7
	Madagascar	5,040	15.5	28.2	67.9	26.9
	Malawi	2,076	19.4	34.7	79.3	27.3
	Mauritius	6,290	28.2	6.1	117.4	56.5
	Mozambique	6,823	28.6	21.7	73.2	31.7
	Namibia	6,185	30.5	11.8	93.5	47.9
	South Africa	242,059	30.3	2.5	55.1	26.8
	Swaziland	2,613	46.0	11.2	165.0	80.2
	Tanzania	12,586	16.9	46.1	54.4	23.5
	Zambia	7,270	25.1	18.5	41.6	16.4
	Zimbabwe	3,418	23.9	19.1	129.8	56.8
ECOWAS UEMOA	Benin	4,287	13.4	32.2	39.6	13.5
	Burkina Faso	5,698	18.9	31.0	31.9	8.5
	Cape Verde	999	19.7	6.8	98.0	31.7
	Cote d'Ivoire	16,055	21.2	21.7	90.7	50.4
	Gambia	461	13.1	32.6	110.2	44.8
	Ghana	10,720	23.2	37.5	97.7	36.1
	Guinea	3,331	34.5	19.8	58.2	27.8
	Guinea-Bissau	301	11.7	60.3	88.5	37.7
	Liberia	529	15.8	66.0	90.0	38.0
	Mali	5,305	24.2	36.6	63.1	25.1
	Nigeria	97,018	56.8	23.3	90.1	54.2
	Niger	3,398	16.8	39.9	39.3	15.1
	Senegal	8,238	18.9	17.9	69.0	27.3
	Sierra Leone	1,218	24.6	45.7	65.4	23.5
	Togo	2,109	24.0	43.6	83.9	35.2

Annex 2.2
Track record WDR 2007

Regional organisation	Country	Labour and Employment (2005)				
		Labor force, total (millions)	Unemployment total (% of total labor force)	Labor force, female (% of total labor force)	Employees, agriculture, female (% of female employment)	Employees, agriculture, male (% of male employment)
SADC SACU	Angola	7	...	45.8	...	...
	Botswana	1	...	41.8	18.6	25.9
	Congo	23	...	41.2	...	...
	Lesotho	1	...	44.5	...	...
	Madagascar	9	4.5	48.4	79.3	76.7
	Malawi	6	...	49.8	...	...
	Mauritius	1	8.5	35.7	8.9	10.5
	Mozambique	9	...	53.4	...	...
	Namibia	1	...	43.6	...	...
	South Africa	20	27.1	38.2	7.4	12.6
	Swaziland	0	...	32.9	...	...
	Tanzania	19	...	49.4	...	...
	Zambia	5	...	42.2	...	...
	Zimbabwe	6	8.2	44.0	...	...
ECOWAS UEMOA	Benin	3	...	38.3	...	...
	Burkina Faso	6	...	46.6	...	...
	Cape Verde	0	...	33.9	...	...
	Cote d'Ivoire	7	...	29.3	...	...
	Gambia	1	...	41.6	...	...
	Ghana	10	...	48.0	...	...
	Guinea	4	...	46.6	...	...
	Guinea-Bissau	1	...	40.9	...	...
	Liberia	1	...	39.9	...	...
	Mali	5	8.8	47.5	...	...
	Nigeria	48	...	34.7	...	...
	Niger	6	...	42.0	...	...
	Senegal	5	...	42.5	...	...
	Sierra Leone	2	...	38.5	...	...
	Togo	2	...	36.9	...	...

Source: World Development Report 2007

<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20394859~menuPK:1192714~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

Annex 2.3
Track record WDR 2007

Regional organisation	Country	Economy (2005)				
		GDP (current US\$) (millions)	Industry, value added (% of GDP)	Agriculture, value added (% of GDP)	Trade (% of GDP)	Exports of goods and services (% of GDP)
SADC SACU	Angola	32,811	74.0	7.2	121.8	73.5
	Botswana	10,445	53.5	2.0	84.6	52.8
	Congo	7,104	26.9	45.5	70.9	31.6
	Lesotho	1,457	42.2	16.5	135.3	47.7
	Madagascar	5,040	15.5	28.2	67.9	26.9
	Malawi	2,076	19.4	34.7	79.3	27.3
	Mauritius	6,290	28.2	6.1	117.4	56.5
	Mozambique	6,823	28.6	21.7	73.2	31.7
	Namibia	6,185	30.5	11.8	93.5	47.9
	South Africa	242,059	30.3	2.5	55.1	26.8
	Swaziland	2,613	46.0	11.2	165.0	80.2
	Tanzania	12,586	16.9	46.1	54.4	23.5
	Zambia	7,270	25.1	18.5	41.6	16.4
	Zimbabwe	3,418	23.9	19.1	129.8	56.8
ECOWAS UEMOA	Benin	4,287	13.4	32.2	39.6	13.5
	Burkina Faso	5,698	18.9	31.0	31.9	8.5
	Cape Verde	999	19.7	6.8	98.0	31.7
	Cote d'Ivoire	16,055	21.2	21.7	90.7	50.4
	Gambia	461	13.1	32.6	110.2	44.8
	Ghana	10,720	23.2	37.5	97.7	36.1
	Guinea	3,331	34.5	19.8	58.2	27.8
	Guinea-Bissau	301	11.7	60.3	88.5	37.7
	Liberia	529	15.8	66.0	90.0	38.0
	Mali	5,305	24.2	36.6	63.1	25.1
	Nigeria	97,018	56.8	23.3	90.1	54.2
	Niger	3,398	16.8	39.9	39.3	15.1
	Senegal	8,238	18.9	17.9	69.0	27.3
	Sierra Leone	1,218	24.6	45.7	65.4	23.5
	Togo	2,109	24.0	43.6	83.9	35.2

Source: World Development Report 2007

<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20394863~menuPK:1192714~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

Annex 2.4
Track record WDR 2007

Regional organisation	Country	Education (2005)				
		Literacy rate, adult total (% of people ages 15 and above)	School enrollment, primary (% gross)	School enrollment, primary, female (% gross)	School enrollment, primary, male (% gross)	School enrollment, tertiary (% gross)
SADC SACU	Angola	...	...	...	...	2.9
	Botswana	81.2	106.0	105.1	106.9	5.1
	Congo	...	61.7	54.1	69.2	...
	Lesotho	...	131.6	131.5	131.7	3.4
	Madagascar	...	138.5	135.5	141.4	2.6
	Malawi	...	122.3	123.7	120.9	0.4
	Mauritius	...	102.2	102.3	102.1	16.9
	Mozambique	...	102.8	94.3	111.4	1.5
	Namibia	...	99.3	99.8	98.8	6.1
	South Africa	...	104.1	102.2	105.9	15.3
	Swaziland	...	107.2	103.5	110.9	4.5
	Tanzania	69.4	106.0	104.1	108.0	1.4
	Zambia	...	111.1	108.0	114.2	...
	Zimbabwe	89.4	96.0	95.2	96.9	3.7
ECOWAS UEMOA	Benin	34.7	96.2	85.3	106.8	...
	Burkina Faso	23.6	57.7	51.2	64.0	2.4
	Cape Verde	81.2	108.0	105.0	110.9	6.9
	Cote d'Ivoire	...	71.8	63.4	80.1	...
	Gambia	...	81.4	83.7	79.2	1.2
	Ghana	...	88.4	86.6	90.0	5.2
	Guinea	29.5	81.4	74.0	88.2	3.0
	Guinea-Bissau	...	...	...	...	...
	Liberia	51.9	...	...	...	...
	Mali	24.0	66.4	58.8	73.8	2.6
	Nigeria	69.1	102.9	94.7	110.7	10.2
	Niger	28.7	46.7	39.2	53.7	0.9
	Senegal	39.3	78.4	77.0	79.8	5.4
	Sierra Leone	34.8	155.1	139.1	171.1	2.1
	Togo	...	100.2	91.9	108.5	...

Source: World Development Report 2007

<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20394704~menuPK:1192714~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

Annex 2.5

Track record general

Regional organisation	Country [°]								
		General		GDP figures		Poverty and unemployment figures		Employment by economic activity	
		Life expectancy at birth (years) 2005	Adult literacy rate (%aged 15 and above) 1995-2005	GDP (PPP US\$) Billions 2005	GDP per capita (PPP US\$) 2005	National Poverty Line [€] 1990-2004	Unemployment rate [°] (%of labour force) 1996-2005	Agriculture (%) 1996-2005	Industry (%) 1996-2005
SADC SACU*	Angola	41.5	67.4	10.9	2,335	...	...	...	...
	Botswana	48.1	81.2	21.9	12,387	...	23.8	23	22
	Congo	54	84.7	5.0	1,262	...	...	...	...
	Lesotho	42.6	82.2	6.0	3,335	...	...	...	....
	Madagascar	58.4	70.7	17.2	923	71.3	4.5	78	7
	Malawi	46.3	64.1	8.6	667	65.3	....	....	...
	Mauritius	72.4	84.3	15.8	12,715	...	9.6	10	32
	Mozambique	42.8	38.7	4.9	1,242	69.4	...	...	...
	Namibia	51.6	85.0	15.4	7,586	...	33.8	31	12
	South Africa	50.8	82.4	520.9	11,110	...	26.6	10	25
	Swaziland	40.9	79.6	5.5	4,824	...	...	...	...
	Tanzania	51.0	69.4	28.5	744	35.7	5.1	82	3
	Zambia	40.5	68.0	11.9	1,023	68.0	12.0	70	7
	Zimbabwe	40.9	89.4	26.5	2,038	34.9	6.0	...	...

[°] All the countries are member of the African Union (AU)

[€] Data refer to the most recent year during the period specified

[°] Data refer to the most recent year during the period specified

* Member countries of SACU: Botswana, Lesotho, Namibia, South Africa, Swaziland

ECOWAS/ UEMOA*	Benin	55.4	34.7	9.6	1,141	29.0	...	...	...
	Burkina Faso	51.4	23.6	16.0	1,213	46.6	...	...	...
	Cap Vert	71.0	81.2	2.9	5,803	18.7	...	...	...
	Cote d'Ivoire	47.4	48.7	29.9	1,648	...	...	...	...
	Gambia	58.8	42.5	2.9	1,921	57.6	...	...	...
	Ghana	59.1	57.9	54.8	2,480	39.5	...	55	14
	Guinea	54.8	29.5	21.8	2,316	40.0	...	...	...
	Guinea-Bissau	45.8	44.8	1.3	827	...	...	...	...
	Liberia								
	Mali	53.1	24.0	14.0	1,033	63.8	8.8	...	...
	Nigeria	46.5	69.1	148.3	1,128	34.1	...	3	22
	Niger	55.8	28.7	10.9	781	63.0	...	...	...
	Senegal	62.3	39.3	20.9	1,792	33.4	...	...	...
	Sierra Leone	41.8	34.8	4.5	806	70.2	...	...	...
	Togo	57.8	53.2	9.3	1,506	32.3	...	...	...

Source: Human Development Report 2007/2008

* Member countries of UEMOA: Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo

Annex 2.6

SADC Social Charter

(Underlining added)

ARTICLE 2: OBJECTIVES OF THE CHARTER

1. The objective of this Charter shall be to facilitate, through close and active consultations among social partners and in a spirit conducive to harmonious labour relations, the accomplishment of the following objectives:

- a. ensure the retention of the tripartite structure of the three social partners, namely: governments, organisations of employers and organisations of workers;
- b. promote the formulation and harmonisation of legal, economic and social policies and programmes, which contribute to the creation of productive employment opportunities and generation of incomes, in Member States;
- c. promote labour policies, practices and measures, which facilitate labour mobility, remove distortions in labour markets and enhance industrial harmony and increase productivity, in Member States;
- d. provide a framework for regional co-operation in the collection and dissemination of labour market information;
- e. promote the establishment and harmonisation of social security schemes;
- f. harmonise regulations relating to health and safety standards at work places across the Region;
- g. promote the development of institutional capacities as well as vocational and technical skills in the Region.

ARTICLE 4: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Member States shall create an enabling environment consistent with ILO Conventions on freedom of association, the right to organise and collective bargaining so that:

- a. employers and workers of the Region shall have the right to form employers associations or trade unions of their choice for the promotion and defence of their economic and social interests;
- b. every employer and every worker shall have the freedom to join or not to join such employers associations or trade unions without any personal or occupational damage being thereby suffered by him or her;
- c. employers associations and trade unions shall have the right to negotiate and conclude collective agreements under the conditions laid down by national legislation and practice;

- d. the industrial disputes settlement machinery and method of operation shall be autonomous, accessible, efficient and subject to tripartite consultation and in agreement with guaranteed right of recourse to established appeals or review procedures;
- e. the right to resort to collective action in the event of a dispute remaining unresolved shall:
 - i. for workers, include the right to strike and to traditional collective bargaining;
 - ii. for employers, include traditional collective bargaining and remedies consistent with ILO instruments and other international laws;
- f. organisational rights for representative unions shall include:
 - i. the right of access to employer premises for union purposes subject to agreed procedures;
 - ii. the right to deduct trade union dues from members' wages;
 - iii. the right to elect trade union representatives;
 - iv. the right to choose and appoint full time trade union officials;
 - v. the right of trade union representatives to education and training leave;
 - vi. the right of the trade unions to disclosure of information;
- g. essential services and their parameters shall mutually be defined and agreed upon by governments, employers associations and trade unions;
- h. due to the unique nature of essential services, appropriate and easily accessible machinery for quick resolution of disputes shall be put in place by governments, employers and trade unions;
- i. freedom of association and collective bargaining rights shall apply to all areas including export processing zones.

ARTICLE 5: CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION

For the purposes of attaining the objectives of this Charter:

- a. Member States shall establish a priority list of ILO Conventions which shall include Conventions on abolition of forced labour (Nos. 29 and 105), freedom of association and collective bargaining (Nos. 87 and 98), elimination of discrimination in employment (Nos. 100 and 111), and the minimum age of entry into employment (No. 138) and other relevant instruments;
- b. Member States shall take appropriate action to ratify and implement relevant ILO instruments and as a priority the core ILO Conventions;
- c. Member States shall establish regional mechanisms to assist Member States

Source: http://www.iss.co.za/Af/RegOrg/unity_to_union/pdfs/sadc/socialchar.pdf

The directorate of Social and Human Development & Special Programmes comprises of the following programmes:

1. Culture and Information
2. Health and Pharmaceuticals
3. HIV and AIDS
4. Education, Skill, Development and Capacity Building
5. Employment, Productivity, Labour, Social Security
6. Special Programmes

Source: <http://www.sadc.int/shdsp/index.php>

Annex 2.7

Treaty of ECOWAS

(Underlining added)

ARTICLE 14 THE ECONOMIC AND SOCIAL COUNCIL

1. There is hereby established an Economic and Social Council which shall have an advisory role and whose composition shall include representatives of the various categories of economic and social activity.

ARTICLE 61 SOCIAL AFFAIRS

1 . Member States undertake to cooperate with a view to mobilise, the various sections of the population and ensuring their effective integration and involvement in the social development of the region.

2. For the purposes of paragraph 1 of this Article, Member States undertake to:

- a) encourage the exchange of experiences and information on literacy, professional training and employment;
- b) harmonise their labour laws and social security legislations;
- c) promote women's and youth organisations and professional associations as a means of ensuring mass involvement in the activities of the Community;
- d) encourage and strengthen co-operation amongst themselves in health matters; and
- e) promote and enhance the practice of sports with a view to bringing together the youth of the region and ensuring their balanced development.

Office of the (previous*) Commissioner Human Development and Gender:

Humanitarian and Social Affairs Department: Units under the Social Affairs Division,

1. Labour Programmes Unit: is involved in harmonising labour laws for the purpose of creating industrial peace in the region; promoting the welfare and security of workers for the purpose of regional integration and development; revitalising the labour sector to make it proactive in the regional integration process.

2. Trafficking in Persons Unit: involved in counter trafficking activities within the sub region and provides Member States with technical support to fight the trafficking phenomenon mobilizes resources for Member States and monitors overall implementation of related activities of the Region. It also implements the Joint ECOWAS/ECCAS Plan of Action on Trafficking in Persons.

3. Health Programme Unit: This Unit in collaboration with WAHO is implementing the ECOWAS Health Development Programme. West African Health Organisation (WAHO) is a specialised Institution of ECOWAS established with a responsibility for health matters in the region.

6. Child Protection Programme Unit: ECOWAS Child protection programme is devoted to the protection of the inalienable rights of a child during conflict and peace times, giving attention to their physical, mental welfare. Source: <http://www.ecowas.int>

*NOTE: The newly created (2007) Commission for Humanitarian and Social Affairs is now responsible for the Department of Social Affairs which is concerned with Labour Policy, Health Policy and the Public Services provision ethos. (www.ecowas.org)

Annex 3.1

Track record of ratified ILO fundamental labour rights

Regional organisation	Country [°]	Status of fundamental labour rights (ILO)							
		Freedom of association and collective bargaining		Elimination of forced and compulsory labour		Elimination of discrimination in respect of employment and occupation		Abolition of child labour	
		Convention 87 ⁱ	Convention 98 ⁱⁱ	Convention 29 ⁱⁱⁱ	Convention 105 ^{iv}	Convention 100 ^v	Convention 111 ^{vi}	Convention 138 ^{vii}	Convention 182 ^{viii}
SADC SACU*	Angola	2001	1976	1976	1976	1976	1976	2001	2001
	Botswana	1997	1997	1997	1997	1997	1997	1997	2000
	Congo	2001	1969	1960	2001	1969	2001	2001	2001
	Lesotho	1966	1966	1966	2001	1998	1988	2001	2001
	Madagascar	1960	1998	1960	2007	1962	1961	2000	2001
	Malawi	1999	1965	1999	1999	1965	1965	1999	1999
	Mauritius	2005	1969	1969	1969	2002	2002	1990	2000
	Mozambique	1996	1996	2003	1977	1977	1977	2003	2003

[°] All the countries are member of the African Union (AU)

ⁱ Freedom of Association and Protection of the Right to Organize Convention (1948)

ⁱⁱ Right to Organize and Collective Bargaining Convention (1949)

ⁱⁱⁱ Forced Labour Convention (1930)

^{iv} Abolition of Forced Labour Convention (1957)

^v Equal Remuneration Convention (1951)

^{vi} Discrimination Convention (1958)

^{vii} Minimum Age Convention (1973)

^{viii} Worst Forms of Child Labour Convention (1999)

* Member countries of SACU: Botswana, Lesotho, Namibia, South Africa, Swaziland

	Namibia	1995	1995	2000	2000	-	2001	2000	2000
	South Africa	1996	1996	1997	1997	2000	1997	2000	2000
	Swaziland	1978	1978	1978	1979	1981	1981	2002	2002
	Tanzania	2000	1962	1962	1962	2002	2002	1998	2001
	Zambia	1996	1996	1964	1965	1972	1979	1976	2001
	Zimbabwe	2003	1998	1998	1998	1989	1999	2000	2000
ECOWAS/ UEMOA *	Benin	1960	1968	1960	1961	1968	1961	2001	2001
	Burkina Faso	1960	1962	1960	1997	1969	1962	1999	2001
	Cap Vert	1999	1979	1979	1979	1979	1979	-	2001
	Cote d'Ivoire	1960	1961	1960	1961	1961	1961	2003	2003
	Gambia	2000	2000	2000	2000	2000	2000	2000	2001
	Ghana	1965	1959	1957	1958	1968	1961	-	2000
	Guinea	1959	1959	1959	1961	1967	1960	2003	2003
	Guinea-Bissau	-	1977	1977	1977	1977	1977	-	-
	Liberia	1962	1962	1931	1962	-	1959	-	2003
	Mali	1960	1964	1960	1962	1968	1964	2002	2000
	Nigeria	1960	1960	1960	1960	1974	2002	2002	2002
	Niger	1961	1962	1961	1962	1966	1962	1978	2000
	Senegal	1960	1961	1960	1961	1962	1967	1999	2000
	Sierra Leone	1961	1961	1961	1961	1968	1966	-	-
	Togo	1960	1983	1960	1999	1983	1983	1984	2000

Source: Human Development Report 2007/2008

* Member countries of UEMOA: Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo

Annex 3.2

JOHANNESBURG DECLARATION IN SUPPORT OF AN AFRICAN REGIONAL SOCIAL POLICY

MINISTERS OF SOCIAL DEVELOPMENT OF SADC

24 November 2006

We, the Ministers of Social Development of the Southern African Development Community (SADC) of Angola, Botswana, Democratic Republic of Congo, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, as well as participants from other African countries and representatives from international organisations, gathered in Johannesburg on 23-24 November 2006 upon an invitation of the United Nations and the Government of South Africa, concerned at the slow progress in addressing Africa's severe social challenges;

NOTING

That rising poverty levels and social exclusion faced by most African countries require significant changes in the way we think of social policy. Comprehensive social policies are needed to reduce poverty, to ensure employment creation, social inclusion, political stability and the protection of human rights and fundamental freedoms as well as to achieve Africa's social and economic development objectives;

That local and national social policies receive all the attention and that regional and global policies continue to lag behind;

The need for a regional social policy which will equip the governments of the region to tackle regional social challenges;

The ongoing efforts by the African Union to finalize a continent-wide Social Policy Framework;

ACKNOWLEDGING THAT

The international community has a critical role to play in contributing to the ongoing efforts in capacity building of regional and sub-regional institutions dealing with social policy;

Mobilisation of resources for social policy at all levels is essential to facilitate the realisation of the objectives of a Regional Social Policy.

CALL

For a SADC Sub-regional Social Policy as a building block towards a Social Policy Framework for Africa.

CONFIRM THAT

The aim of our deliberations in Johannesburg is to develop and consider ways and means of future implementation of a Social Policy in the SADC sub-region;

Social policy, as a way of understanding and addressing social challenges, must be developed at local, national, regional and global levels;

The AU, NEPAD and SADC institutions dealing with social policy issues must be strengthened for the realisation of the objectives of regional social policy; and

ENDORSE

The principles of the Johannesburg draft document *Towards an African Regional Policy* dated 24 November 2006 and commit ourselves to expedite the process of finalising the draft document and facilitate its adoption as a SADC Sub-regional Social Policy; and

INVITE

The international community to support all efforts and initiatives towards the development and implementation of a SADC Sub-regional Social Policy and similar initiatives of other African Sub-regions.

Adopted by acclamation in Johannesburg on 24 November 2006.

Annex 3.3

TOWARDS AN AFRICAN REGIONAL SOCIAL POLICY

Preliminary First Draft - Work in Progress

17 Oct 2006

I. INTRODUCTION.

1.1. **Overview of Social Challenges in Africa:** *Looking at NEPAD Action Plans, they start by an overview of the challenges – if this could be done in 1 or 2 paragraphs (really short as we want a concise document), can be taken from the draft SPF. Pls. Check the writing style of NEPAD Action Plans.*

1.2. Overview of responses: AU, NEPAD, SADC

1.. **The AU.** To respond to this challenges, at the Third Ordinary Session of the Labour and Social Affairs Commission of the African Union held on April 18-23 2005 a Draft Social Policy Framework (DSPF) for Africa was tabled (EXP/LSC/5 (111). It asserted (Section 3.1.3) that the SPF should be founded on the following pillars:

- Social Protection
- Basic Infrastructure
- Education
- Health
- Population and Development (including gender)
- Community Participation
- Agrarian Reform
- Labour Market

I would suggest to add something on equity from the SPF that supports our arguments, 1 paragraph only

2. It envisaged that Regional (Pan African), Sub-Regional (e.g SADC), and National Programmes would be developed by the AU Social Affairs Department working with the UN, ADB, and the ECA. It continued: “However, one vital condition for meaningful ownership by the countries is their full involvement in the formulation of the programmes”(para117).

3 **NEPAD.** The New Partnership for Africa’s Development (NEPAD), the socio-economic programme of the African Union, has increasingly become the cornerstone and driver of development on the continent. NEPAD, created in 2001 under the African Union, is designed to address the current challenges facing the African continent. Issues such as escalating poverty levels and the continued marginalisation of Africa need a new radical vision and new plans, championed by African leaders, to guarantee Africa’s renewal.

4. NEPAD’s primary objectives are: (i) to eradicate poverty; (ii) to place African countries, both individually and collectively, on a path of sustainable growth and development; (iii) to halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the global economy; and (iv) to accelerate the empowerment of women. NEPAD works with regional Action Plans and, despite its objectives, these have mostly focused on economic and governance topics, leaving social development lagging behind. Until 2006, NEPAD Action Plans have dealt with social development only in its human development aspects, education and health. This is insufficient for achieving NEPAD's objectives. Social policies to promote equity, decent employment and social integration are necessary to ensure social development. The broader thrust of the numerous base documents clearly demonstrate a greater awareness of the need for comprehensive social policy at the national, regional and continental level. The opportunity can now be taken to strengthen the Social

Policy Dimension of NEPAD in tandem with the further development of the Draft Social Policy Framework for Africa.

5. A number of African governments have recognised these gaps and have suggested the development of an African Regional Social Policy to become part of NEPAD Action Plans. The United Nations Commission for Social Development and the 2005 United Nations Social Summit have welcomed NEPAD and urged African countries to better incorporate social dimensions among the priorities of the New Partnership.

6. **SADC.** Subsequently SADC partners took the initiative to elaborate a more operational SPF for Africa, commencing by the position of the SADC sub-region. SADC has developed an infrastructure and capacity for the implementation of sub-regional social policy. It has established Directorates of Food; Agriculture and Natural Resources; Trade Industry, Finance and Investment; Infrastructure and Services; Social and Human Development and Special Programmes; and HIV and AIDS. (one more paragraph providing more detail on the history and current state of SADC social policy)

7. At the same time it was suggested that these deliberations be fed into the NEPAD process to strengthen the Social Dimension of NEPAD with a view to the development of specific programmes to be implemented possible with donor funds.

II. PURPOSE OF THIS DOCUMENT.

8. In the context of the above, this document:

- Articulates a conceptualisation of Social Policy at Regional, Sub-regional and National level to inform the AU's SPF and the Social policy Dimension of NEPAD
- Expands and operationalises the AU's Draft Social Policy Framework including suggested redistribution mechanisms like regional funds for social policy
- Proposes a series of Regional Programmes that could be implemented as NEPAD projects with donor funds
- Suggests a road map and next steps to be taken to reach agreement on a SPF for Africa and a set of social policy programmes in NEPAD
- Suggests a set of feasible proposals for the institutionalisation of Social Policy within NEPAD and the AU.

9. Because NEPAD already has programmes in education and health this document pays less attention to these sectors and more to employment and social protection except where there is a clear overlap between the policy sectors. Thus in the formulation of education and health policy it is important to address the impact of any user charges on the standard of living of poor users. Issues of equitable access through free services or the establishment of funds to cover the cost to poor people become important. Conversely systems of cash transfers can be made conditional upon attendance at school and attendance at health clinics thus contributing to human capital formation. By the same token this document pays attention to HIV/AIDS not so much from the standpoint of its prevention and treatment but from the social consequences of the pandemic. Issues of orphan allowances for example are addressed.

III. DEFINING REGIONAL SOCIAL POLICY.

III.1. Definition

10 Social policy at national level is conceptualised in the existing SPF (Section 1.1.2 Paragraph 18) as "mechanisms that allow for collective state-lead measures, implemented by the state and its partners, the private sector, civil society and international development partners. Social policy is geared to ushering in the best possible socio-economic conditions, addressing the structural irregularities in wealth and means of production (and) distribution, ensuring greater equality for all, and correcting market short-comings, thereby protecting the most vulnerable groups"

11. Social policy at national level can also be conceptualised as *sector investments and programmes* in the fields of employment, education, health, social protection and utilities (water).

12. Social policy at national level has also been conceptualised as policies and mechanisms of *social redistribution* (land reform, taxation, cash transfers, targeted subsidies), *social regulation* (of business, trade and agriculture to ensure they serve a social purpose) and *social rights* (to enable citizens to make claims about social entitlement from their governments)

13. Social policy has also been described as policies addressing a range of *social issues* such as disaster mitigation, social exclusion and inclusion, social justice and equity, social empowerment and voice.

14. Regional and subregional social policies therefore address these same aspects. Regional social policy is defined as policies necessary for intergovernmental cross-border cooperation on (a) social sector investments, (b) redistribution, regulation and rights and (c) social issues at a supranational level.

AREAS OF REGIONAL SOCIAL POLICY

I. Intergovernmental cross border cooperation (and best practice lesson learning) in sectoral investments and programmes in the fields of employment, education, health, social protection and utilities.

II. Supra-national policies of cross-border redistribution (e.g regional social funds/food banks), regulation (e.g common labour standards and migration policies), and rights (e.g a sub-regional charter of human and social rights).

III. Intergovernmental cross border co-operation addressing disaster mitigation, social exclusion and inclusion, social justice and equity, social empowerment and voice.

III.2. Regional Social Policy and National Sovereignty

15. Interstate cooperation on social policy is a voluntary accession to policies and codes that does not challenge the principle of sovereignty in a fundamental sense. As states agree to the codes and practices, they are the authors of their destiny and consent to bind themselves to measures that may constrain their exercise of power. This is not the same as other states or bodies imposing their will on a nation state. Consensual and self-binding measures only commit states to aligning national policy with the broad principles of the programme. Through intra-state collaboration, no state concedes sovereignty. Cooperation of neighbouring states on regional and common policy priorities has the potential to make each one better off.

16. Intergovernmental cooperation also facilitates the articulation of a common regional or sub-regional position on international issues and hence increases the strength of the African voice in global forums. An African Regional Social Policy could then contribute to the emergence of a common global social policy.

IV. TOWARDS AN AFRICAN REGIONAL SOCIAL POLICY AND NEPAD ACTION PLAN

17. Utilising the conceptualisation of national and regional social policy set out above, this section presents programme areas for an African Regional Social Policy. Each area starts by a brief statement defining its relevance, and continues listing some possible options for potential programmes, for future international funding.

REGIONAL SOCIAL POLICY: MAIN ASPECTS

A. SOCIAL SECTORS: (including cross-border cooperation, capacity building, sharing best practice)

1. Employment
3. Social Protection
4. Health (Social Protection Dimensions of)
5. Education (Social Protection Dimensions of): just a sentence on user fees?

B. SOCIAL ISSUES: (including cross border cooperation)

1. Disaster Prevention/Management (Social Dimensions of)
2. Gender
3. Youth, Elderly, Persons with Disabilities, Indigenous Populations, Minorities;
5. Migration
6. Conflict Prevention

C. REGIONAL SOCIAL REDISTRIBUTION, REGULATION and RIGHTS

1. Regional Social Funds/Regional Research
2. Social Regulation of Service Delivery
3. Social Empowerment

D. COMMON POSITION/VOICE IN INTERNATIONAL SOCIAL POLICY

Employment

Context: All African governments committed to support “full employment and decent work for all...as a central objective of our...national development strategies” at the 2005 World Summit. The decent work agenda is officially supported by UN agencies and by major financiers like the EU. The decent work agenda involves (i) social pacts for employment-generating economic policies; (ii) labour standards and fair income, (iii) social protection for all, (iv) skills development for enhanced productivity, and (v) social dialogue. With respect to the Core Labour Standards, no explicit ratification is needed for them to be part of the legislative framework of a country; by virtue of their membership in the ILO, all countries are held to promote the fundamental Core Labour Standards consisting of: (i) freedom of association and the effective recognition of the right to collective bargaining, (ii) abolition of all forms of forced or compulsory labour, (iii) elimination of discrimination in respect of employment and occupation, and (iv) elimination of child labour.

- **Priority Direction:** Decent work as top priority to reduce poverty. Creating decent employment is a result of employment-sensitive economic policies, combined with adequate labour market interventions.
 - **Potential Programmes:** Capacity building activities to:
 - Ensure policy-makers understanding of the links between economic and social policies
 - Enhance inter-ministerial cooperation (economic and social sectors) to ensure that economic policies are employment generating;
 - Promote sharing of experiences and best practices in the areas of labour standards and employment to combat Africa’s race-to-the-bottom;
 - Appropriate legislative frameworks that strike a balance between economic efficiency and labour protection, and disincentivise migration;
- Establish regional funds for employment generation programmes (promoting small and medium enterprises, cooperatives, wage subsidies, public works, guaranteed job schemes).and skills development programmes (training and retraining of labour to enhance employability and productivity)
- Collaborate with the Infrastructure Unit in the NEPAD Secretariat to integrate regional public works programmes into cross-border developments;
 - Reconcile extractive and other industries with the needs and rights of communities.

Social Protection

Context: In March 2006, the Government of Zambia and the African Union held an intergovernmental conference on social protection in Livingstone, Zambia, that brought together ministers and senior representatives from 13 African countries. The delegates at the conference called for:

- greater cooperation between African and other countries in the sharing and exchange of information, as well as experiences and action on social protection and cash transfers;
- social transfer programmes, including the social pension and social transfers to vulnerable children, older persons and people with disabilities and households to be a more frequently utilised policy option in African countries;
- African governments to put together costed national social transfer plans within two-three years that are integrated within national development plans and within national budgets, and that development partners can supplement;
- increased investment in institutional and human resource capacity and accountability systems;
- reliable long-term funding for social protection, both from national budgets and development partners;
- the institutionalisation of a biannual conference on social protection under the auspices of the African Union.

- **Priority Direction:** Social pensions/cash transfers for children, orphans, disabled, old people are a priority instruments to expedite poverty reduction.
- **Potential Programmes:** Capacity building activities to promote social grants in the region. These may take the form of:
 - Best practices in benefit determination, eligibility criteria, actuarials, (child care, aged pensions, disability, war veteran, foster care for HIV and AIDS orphans, unemployment);
 - Establishing an infrastructure for the effective delivery of grants, especially in areas where banking facilities and ICT are unavailable;
 - Ensuring the secure transport of cash to isolated areas, especially in post-conflict environments with a high prevalence of armaments;
 - Awareness campaigns for families where a member is a grant recipient to prevent inter-family violence – certain grants have a gender focus and this should not lead to or exacerbate spousal abuse;
 - Effective forms of disbursement to prevent fraud and theft – portable finger-print recorders in areas with high rates of illiteracy;
 - Arrangements with small businesses for the exchange of vouchers for consumables;
 - Awareness campaigns, focusing on the aged, on the availability of grants for caregivers to HIV and AIDS orphans;
 - The availability of application forms for child care and other grants at appropriate government and civil society offices.

Health

Context: *Something on UN AIDS conference recommendations?*

The SADC HIV/AIDS Strategic Framework and Programme of Action 2003-2007 (see Appendix G) focuses on measures to combat the spread of this disease.

- **Priority Directions:** Cross-border spread of diseases (i.e. HIV and AIDS, Ebola, Tuberculosis, Malaria, etc) must be prevented. The social consequences of HIV/AIDS must be addressed through cash transfers and an orphan policy.
- **Potential Programmes:** Capacity building programmes to:
 - Develop early warning systems of epidemics coupled to the regional coordination of specialists for rapid deployment to effected areas;
 - Bolster the ability of border controls to monitor the movement of persons from and into affected areas;
 - Establish effective procedures for disinfecting people, livestock and vehicles;
 - Ensure that transport workers using regional road corridors are aware of anti-HIV and AIDS practices;

- Facilitate regional access of citizens to specialised health care facilities through partnerships with privately-owned hospitals;
- Establish emergency transport infrastructure for patients requiring specialised treatment;
- Coordinate regional procurement of medicines to standardise prescriptions where appropriate and benefit from economies of scale;
- Share expertise in primary and community-based care;
- Investigate the viability of mobile medical and health care units to ensure that rural communities have access to diagnosis and treatment;
- Coordinate a systematic campaign to rid the region of damaging, yet preventable, diseases like malaria and various water-borne diseases that impact on health.

Disaster Management

Context: ?

- **Priority Direction:** Disaster management is essential to avoid human and economic losses.
- **Potential Programmes:** Capacity building programmes to:
 - Establish effective regional early warning systems for:
 - Food security by coordinating agricultural information from member states on expected crop yields;
 - Effective food storage facilities and transport logistics;
 - Drought through scientific collaboration amongst member states on weather patterns and climate change;
 - Floods based on seasonal rainfall patterns coupled to emergency transport infrastructure;
 - Ensuring regional links with international aid agencies for rapid response infrastructure.
 - Establish regional agricultural insurance instruments —ie. crop and cattle insurance
 - Establish infrastructure and resources for regional emergency relief funds;
 - Coordinate the management of natural resources, especially fresh water dams and forests, to ensure sustainability and address environmental impact;
 - Coordinate the collection and interpretation of relevant regional satellite geophysical data.

Gender

Context: The codes in the SADC Charter on Fundamental Rights as well as the Declaration by SADC Heads of State or Government on Gender and Development.

- **Priority Direction:** Development must provide equal opportunities for men and women of all African countries. In particular,
- **Potential Programmes:** Capacity building programmes to:
 - Establish effective monitoring and evaluation systems within the SADC to ensure and document progress on gender mainstreaming at the national and regional levels;
 - Establish a fund for supporting gender mainstreaming in all aspects of development;
 - Ensure that employment and freedom of association codes, as set out in the SADC Social Charter, are effectively implemented with regard to women's rights.
 - It needs more stuff.... What about legal rights of woman (ie. Inheritance), sexual rights etc (I know problematic particularly in muslim countries, but we must put it, governments could erase if they want)

Youth, Elderly, Persons with Disabilities, Indigenous Populations and Minorities

Context: AU FRAMEWORK ON AGEING (explain). SADC Social Charter refers explicitly to the aged and disabled. Also, the SADC Children's Broadcast Charter (?).

- **PRIORITY DIRECTION:** A focus on African people requires special attention to the needs of youth, elderly, persons with disabilities, indigenous populations and minorities.
- **Potential Programmes:** Capacity building programmes to:
 - Draft and implement National Action Plans for Youth, Old-Age, Indigenous Populations, in accordance with UN international agreements
 - Establish effective monitoring and evaluation systems to ensure that policy objectives are implemented effectively;
 - trade in children and narcotics;
 - Establish and manage funds to support results of National Action Plans for Youth, Old-Age, Indigenous Populations
 - Establish and manage a regional fund to finance the implementation of the UN Convention on Disability;
 - Establish and empower a regional human rights agency to investigate and protect the rights of indigenous communities and minorities;
 - Cooperate with NEPAD's e-Learning initiative to ensure the widest possible provision of educational programming in the region;

Migration

Context: Something on UN High Level Discussion on Migration and/or SADC policy

- **Priority Direction:** Regulate migration and protect fundamental rights of migrants.
- **Potential Programmes:** Capacity building programmes to:
 - Create employment opportunities in countries of origin;
 - Ensure that human rights agencies are able to investigate and protect the rights of migrants;
 - Finalise and then implement the Draft SADC Protocol on the Facilitation of Movement of Persons;
 - Establish system to ensure that intellectual and professional resources remain in countries of origin thereby preventing a "brain drain";

Conflict Prevention

Context: Some explanation that this is an emerging issue of critical importance given number of conflicts in Africa and spread of conflict and refugees across borders.

- **Priority direction:** Social integration requires conflict prevention.
- **Potential Programmes:**
- Support early warning systems. Conflict prevention starts by detecting its probability through risk screening indicators: (i) conflict mapping, (ii) high prevalence of poverty and inequality, (iii) economic structure and exports (statistically, countries dependent on a few primary exports face higher risk), (iv) political instability and non-responsive governments, (v) denial of political and civil rights, (vi) militarisation, (vii) ethnic dominance, (viii) conflicts in neighbouring states, (ix) high male youth unemployment, and (x) culture of violence, myth-making, public perceptions.

Funds to tackle the potential causes of conflict to prioritize interventions to deal with the internal sources of tension identified, before conflict takes violent forms, e.g. reforms aimed at equity and youth employment programmes.

Regional Research

- **Priority Direction:** Regional research and development policies on new local technologies which meet social and environmental needs are important for national development.

- **Potential Programmes:** Programmes for capacity building to:
 - Develop and apply indigenous knowledge systems for national and regional development;
 - Establish and manage a fund for providing regional academic fellowships to build research capacity in national and regional institutions;
 - Identify regional areas for policy analysis and applied research;

Regulation of Public and Private Social Services Delivery

- **Priority Direction:** Private providers of water, health and education services need to be regulated to ensure equitable access by the poor.
- **Potential Programmes:** Capacity building programmes to:
 - Establish and manage a regional fund to cover the costs of subsidised access to water, electricity, environment management etc.;
 - Establish a regional regulatory authority with the power to enforce contractual terms and ensure oversight of service providers;
 - Collaborate with the NEPAD Secretariat's unit on infrastructure to facilitate public and private partnerships in the development of regional services infrastructure, ensuring that services are affordable to citizens;
 - Ensure civil society participation as stakeholders in such service provision enterprises;
 - Integrate future planning on electricity generation using data from member states to ensure adequate supply;
 - Identify convenient centres in the region for establishing specialised service delivery infrastructure with particular reference to health and education.

Social Empowerment

Context: Something on UN Declarations, or African Charter an/or SADC declarations

- **Priority Direction:** Empowering people is critical to social development and inclusion.
- **Potential Programmes:** Programmes for capacity building to
 - Develop cross border regional and sub-regional INGOs addressing cross border social issues
 - Develop cross border Social Consultative Councils to facilitate regular
 - Consultations between Ministers of Social Development and trade unions and other social interest groups.

Regional and Sub-Regional Common Positions

I am not sure about this one – there is regional representation in NEPAD and AU management. It seems that the principles that inform this are representivity and inclusivity. Currently, there does not appear to be any movement towards the promotion of regional positions in continental and global institutions. I don't mind to erase but this was requested by South Africa, actually they want common voices at the UN.

- **Priority Direction:** Common positions are important to strengthen Africa's role in world affairs
- **Potential Programmes:** Support to regional and sub-regional high-level meetings to develop common policies and statements that reflect a united voice.

V. IMPLEMENTATION

V.1. Institutional Requirements of a SPF for Africa and its Sub-Regions

18. Mechanisms may involve:

- a) Strengthening the AU and NEPAD Secretariats dealing with Social Policy Issues
- b) Strengthening the Sub-Regional Secretariats dealing with Social Policy Issues
- c) Strengthening the National Ministries of Social Development/Social Policy
- d) Establishing more Frequent Meetings of Councils of Ministers/civil servants at Pan African and sub-regional level to learn best practice, undertake peer review and to develop the planned cross border co-operations
- e) Ensuring the contribution of the ECA, ILO, WHO, UNDP, UNESCO regional offices in Africa and the ADB at these meetings.
- f) The institutionalisation of interregional meetings of Secretariats dealing with Social Policy. I mean this at two levels. Meetings of the equivalents in each African sub-region. Meetings between the Social Development/Policy Secretariats of the AU/SADC etc and MERCOSUR, ASEAN, SAARC, the EU etc.
- g) The institutionalisation under chapter 8 of the UN charter of a standing meeting of the Social Policy/Social Development Secretariats of Regional formations
- g) The acceptance and recognition by the donor community, the UN, the World Bank, the ADB

and of the several global funds of the need to allow funds to flow through the Regional Social Policy/Development authority and be allocated on agreed criteria by this authority to sub regions and in turn countries. Mechanisms such as matching funds and the development of socio-economic criteria of development needs should be utilised.

Needs further development

V.2. Financing of Regional Social Policies

19. Developing policies and programmes at the regional level as described above requires funding. Funding may originate in NEPAD, the Global Solidarity Fund or a new fund to be created, with adequate institutional arrangements and good-governance to attract donor financing.

20. In the light of the sensitivity of donor conditionalities linked to development assistance, such funds ought to be of a special kind. The APRM Secretariat established a blind trust to manage all donations for its functioning and the implementation of country reform initiatives. The point here is that a blind trust prevents recipients from knowing who the donors are and this prevents donors from influencing the use of funds to shape policy choices. There are many advantages to a blind trust and regional funds should be managed in this way and in accordance with the principles of good governance. Sound management practices and controls will be necessary as implementing basic regional social policy will require large amounts of finance as indicated by the suggested implementation programmes listed above.

Needs further development whenever possible – following earlier paras (ie. Setting the funds, criteria for eligibility, typical disbursements, reporting, good governance etc – all in summary form but a specific proposal)

V.3. Road map (first draft for discussion, suggested by South Africa)

Milestone	Activity descriptive	Date
<i>Phase I (Consolidating the SADC integration and harmonisation process)</i>		
2 nd Forum of SADC Ministers responsible for social development	5 Day SADC meeting which will address harmonisation and sub regional position with regards to AU Social Policy, social dimensions of NEPAD and the UN Commission for Social Development	September 2006
	Production and dissemination of report to UN, AU and SADC through copy and presentations to lobby for further support	October – December 2006
UN General Assembly	Informal dialogues and sessions within the Africa Group to gain momentum for Africa Forum proposals	September – December 2006
44 th Session of the Commission for Social Development	Formal tabling of SADC Positions and statements to the Africa Group, G77 and Commission, which would elaborate the Social Dimensions of NEPAD, and future themes and methods of work of the Commission	February 2007
African Union Commission for Labour and Social Affairs	Formal tabling of SADC position with regards to AU Social Policy, social dimensions of NEPAD and future methods of work of AU Commission, and proposal to have AU Forum for Social Development Ministers.	April 2007
<i>Phase II (Consolidating the African integration and harmonisation process)</i>		
3 rd Forum for Social Development Ministers	2 Day SADC meeting which would reassess harmonisation and sub regional position with regards to AU Social Policy	June 2007
1 st Forum of African Social Development Ministers	<p>5 Day AU meeting which will address harmonisation and regional position with regards to AU Social Policy, social dimensions of NEPAD and the UN Commission for Social Development. The meeting based on research undertaken by a consultant would mirror the SADC paper and further;</p> <ol style="list-style-type: none"> 1. Briefly examine national [needs], policies and practices, and assess their adequacy in addressing the challenges identified, 2. Review social development related legislation, including treaties[and other legal instruments, and make recommendations regarding overcoming the existing bottlenecks], 3. Propose and formulate regional social development policy objectives and strategies consistent with the SADC overall objectives and the process of regional integration, 4. Propose regional financing mechanisms and capacity building initiatives for social 	September 2007

	development, [including discussing issues of affordability and equity-enhancing interventions].	
	Production and dissemination of report to UN and AU through copy and presentations to lobby for further support	October 2007 – January 2008
<i>Phase III (synchronisation and formalisation of processes)</i>		
45 th Session of the Commission for Social Development	Formal tabling of AU Positions and statements to the Africa Group, G77 and Commission, which would elaborate the Social Dimensions of NEPAD, and future themes of the Commission	February 2008
African Union Commission for Labour and Social Affairs	Formal tabling and finalisation of AU Social Policy, social dimensions of NEPAD and future methods of work of AU Commission, and finalise 5 year implementation plan of the AU Forum for Social Development Ministers.	April 2008
4 th Forum for Social Development Ministers	2 Day SADC meeting which would reassess harmonisation and sub regional position with regards to AU Social Policy	June 2008
2 nd Forum of African Social Development Ministers	3 Day AU meeting which will address implementation, harmonisation and regional position with regards to AU Social Policy, social dimensions of NEPAD and the UN Commission for Social Development.	September 2009

Annex 3.4

An Introduction to SADC and SADC Tripartite Structures

Arnold Chitambo,

Employment and Labour Affairs, SADC Secretariat, Gabarone, 2007

1.0 Introduction

The Southern African Development Community (SADC) traces its origin from the principles and objectives outlined in the Summit Declaration of the independent states of Southern Africa: Towards Economic Liberation made at Lusaka, Zambia in 1980. At that time, the Southern African Development Coordination Conference (SADCC) came into being. One of the main aims was to reduce economic dependence on, but not only, the then Apartheid South Africa. The SADCC was transformed into Southern African Development Community (SADC) in 1992 through a Declaration by Heads of State or Government in Windhoek, Namibia.

The Southern African Development Community (SADC) comprises fourteen Member States: Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The Secretariat of SADC is based in Botswana. The region has a population of about 220 Million people.

1.1 Vision and Mission of SADC

The vision of SADC is to have a common future within a regional economic community while the mission is to promote a sustainable and equitable economic growth and socio-economic development.

1.2 SADC Objectives

The overarching objectives of SADC are two- fold:

- i) Promoting economic growth and social –economic development with a view to eventually eradicating poverty in the region; and,
- ii) Promoting and maintenance of peace, security, and democracy through regional cooperation and the process of integration.

2.0 SADC Programme of Action (SPA)

The SADC programme of Action is guided by the two key Instruments: Regional Indicative Strategic Plan (RISDP) and the Strategic Indicative Plan for the Organ (SIPO). While the SADC Treaty defines the broad objectives of SADC, the RISDP and SIPO give specific objectives, strategies, programmes, targets and in most cases timeframes for implementation. Implementation challenges are also outlined in the RISDP.

The RISDP that was launched in 2004 is a fifteen year strategic document and provides Member States with a coherent and comprehensive development agenda on socio-economic policies. It also provides the SADC Secretariat and member States with clear guidelines on regionally approved policies and priorities for implementation.

The SIPO that was launched in 2004 is the political and security plan for the organ on politics, defence and security. It provides for the five-year period strategic guidelines on the implementation of the Protocol for the Organ.

The formulation of RISDP was informed by NEPAD and the MDGs.

2.1 Programme Development and Implementation Principles

In the development and prioritisation of programmes and projects towards the implementation of the SADC common agenda the following principles have been set forth:

i) Subsidiarity: SADC work should be executed at levels where they can best be handled (E.g. In order to serve on resources, SADC supports implementation of projects by stakeholders such as NGOs, civil society under approved guidelines).

ii) Additionality: Programmes and projects to be undertaken and prioritised should add value to and enhance the SADC integration agenda.

iii) Variable Geometry: Given the different levels of economic development of SADC Member States, those Member States that can move at a faster rate towards realising the SADC objectives may do so without hindrance.

iv) Development Orientation: The programmes and projects to undertaken should contribute to the sustainable socio-economic development and poverty eradication in the region.

v) Broad Participation and Consultation: Implementation of programmes and projects should be based on broad participation and consultations involving key stakeholders.

2.2 The SADC Core Areas of Integration

SADC core areas of integration include the following:

- i) Trade, Industry, Finance, Investment;
- ii) Infrastructure and Services;
- iii) Food, Agriculture and Natural Resources;
- iv) Social and Human Development and Special Programmes; and
- viii) Politics, Diplomacy, International relations, Peace and Security

3.0 The SADC Structures

SADC has established structures to realise its objectives. These have been established at various levels as indicated below;

3.1 Summit of Heads of State or Government

At the apex of the SADC Structure is the Summit of Heads of State or Government whose function is to provide overall policy direction and control of the SADC. The Chairperson of Summit is elected for a period of one year on rotational basis among Member States. Summit meets at least two times in one year.

3.2 Council of Ministers

The Council of Ministers comprises ministers responsible for Foreign or/ External Affairs/Economic Planning, one drawn from each Member State. Council oversees the development and functioning of SADC common agenda, implementation of policies and execution of programmes. It also approves policies, strategies and programmes for

implementation and provides advice to the Summit on various issues of regional integration.

3.3 Committees of Ministers of Clusters

These Committees constitute one Minister from each Member State responsible for the various portfolios in the clusters making up the areas of integration. The clusters are:

- a) Trade, Industry, Finance and Investment (TIFI);
- b) Infrastructure and Services (I&S);
- c) Food, Agriculture and Natural Resources (FANR);
- d) Social and Human Development and Special Programmes (SHD &SP).

The Committees are responsible for overseeing the activities in the respective areas of integration and they propose policy and programmes to Council for approval/adoption as regional policies and programmes pertaining to their areas of competence and responsibility.

3.4 Standing Committee of Officials

The Standing Committee of Officials consists of senior officials at the level of Permanent Secretaries/ Director Generals from the Ministry serving as national contact point (Foreign or External Affairs/Economic Planning) in respective Member States. The Committee plays a technical advisory role to the Council of Ministers, prepares the agendas for the Council of Ministers and processes documentation from Cluster Ministers for Council of Ministers' consideration.

3.5 The Secretariat

The SADC secretariat is headed by Executive Secretary (ES) and is to be deputised by two Deputy Executive Secretaries (One for administration and finance & the other for Programmes and strategic planning and policy analysis).

There are four directorates supervised by Directors. The Directorates are:

- Trade, Industry, Finance and Investment
- Food Agriculture and Natural Resources
- Infrastructure and Services
- Social and Human Development and Special Programmes

The functions of the Secretariat include management and coordination of the SADC programmes as stipulated in the RISDP, mobilisation of resources and strengthening capacities for the implementation of the RISDP, servicing of Summit, Council, and Ministerial meetings and providing strategic advice and direction and Strategic Planning and policy analysis.

3.6 SADC National Committees (SNCs)

The SNCs comprise key stakeholders and should in its composition reflect the core areas of integration referred to in paragraph 3.5 above. The SNCs will also create a national steering committee, subcommittees and technical committees. The national steering committee will consist of the chairperson of the SNC and the chairpersons of the subcommittees. A national secretariat to facilitate the work of SNC is created. The responsibilities of SNCs include the following at the national level:

- Provide input in the formulation of SADC policies, strategies and Programmes of Action;
- Coordinate and oversee the implementation of SADC programmes of Action;
- Initiate projects and issue papers as an input to the RISDP;
- Create a national steering committee, sub committee and technical committee;
- Each national secretariat of SNC will produce and submit reports to the SADC Secretariat at specified intervals.

4.0 The SADC Tripartite Structure

The SADC Treaty and Regional Indicative Strategic Development Plan (RISDP) have allowed for full participation of all key stakeholders in the formulation and implementation of SADC programmes and projects. The new SADC structures have provided for, and ensured the participation of relevant stakeholders such as trade unions, employers, NGOs and other representatives of civil society in SADC Programme of Action as stipulated in the RISDP.

In order to ensure that the principle of tripartism (i.e. Governments, workers and employers' representatives working together) is maintained and upheld, the tripartite partners have been integrated in the structures of SADC and is fully operationalised under the Directorate of Social and Human Development and Special Programmes.

4.1 At the Regional Level

4.1.1 Tripartite Committee of Ministers and Social Partners

At the regional level and within the Cluster of Social and Human Development and Special Programmes, a Tripartite Committee of Ministers and Social Partners has been established. The Committee constitutes, three social partners from each Member State representing, Government-(Ministry responsible for employment and labour), Workers (trade Union representatives) and Employers' associations representatives. The workers' and employers' regional bodies (Southern African Trade Unions Coordination Council-SATUCC and the SADC Employers' Group-SEG) coordinate the activities of the Social partners respectively and also provide the link between the SADC Secretariat and social partners in the region. The Committee is responsible to the Council of ministers and meets at least once a year. The structure exists at both Ministerial and officials levels.

In the main, the composition, structure and conduct of business of this SADC structure is based on the principles of the International Labour Organisation (ILO) and has established a very strong working relationship with the ILO through a Memorandum of Understanding. The ILO participates in meetings and activities of this Committee as an observer and plays a critical advisory role.

4.1.2 Technical Tripartite Sub Committees

In order to assist in the formulation and implementation process of programmes and projects; specialised tripartite sub committees are established to address specific tasks and have specific terms of reference.

Currently the tripartite subcommittees under the Committee of Ministers and Social Partners are:

- i) Technical Tripartite Sub-Committee of Experts on Social Protection;
- ii) Technical Tripartite Sub-Committee of Experts on Employment and Labour.

The Members of technical Sub committees are drawn from Member States' tripartite representations and they meet as and when necessary. The sub committees report to the Committee of Ministers and Social Partners.

The SADC Secretariat services both the Committee of Ministers and Social Partners and the technical tripartite Sub Committees.

4.2 At the Secretariat Level

At the SADC Secretariat, the tripartite partners' activities are coordinated within the Directorate of Social and Human Development and Special Programmes. A position of Senior Programme Manager Employment, Productivity, labour and Social Security has been established as part of the SADC Secretariat's structure.

4.2.1 Functions of Employment and Labour Desk at the Secretariat

The main functions of this Desk in the Directorate of Social and Human Development and Special Programmes included:

- Assist in Planning, Coordination and Harmonisation of regional policies and strategies on employment generation and promotion of labour standards and Productivity improvement;
- Coordinating , monitoring and evaluating the implementation of on-going major regional programmes, projects and events in the area of labour and employment such as productivity improvement programme, implementation of regional instruments such as the Codes in various areas of cooperation.;
- Liaising with the relevant regional, international Institutions and key stakeholders such as the tripartite partners and NGOs on issues relating to employment creation and promotion of productivity;
- Provision of inputs in the area of labour and employment major studies, particularly the Regional Indicative Development Programme (RISDP) and the Job Evaluation Study, under the restructuring exercise and
- Convening and servicing policy and technical -related meetings as well as preparing quarterly and annual reports on Employment and Labour issues.

4.3 At the national level

At national level, all SADC National Committees should include representatives of workers and employers in all the SADC Committees including the steering Committee and Sub committees so that they may articulate tripartite issues, and be fully involved in the formulation and implementation of SADC activities and programmes in accordance with the Regional Indicative Strategic Development Plan (RISDP).

The respective tripartite partners in Member States should place SADC programmes and activities on their Agenda for discussion during their Annual and other local and National consultative meetings. The resolutions of these meetings are shared and fed into SADC National and regional meetings to facilitate implementation at local, national and regional levels.

4.3.1 Contact points in Ministries responsible for employment and labour issues in Member States

Contact points in each member State has been established within the Ministry responsible for employment and labour matters to work directly with the SADC Secretariat desk in the Social and Human Development and Special Programmes Directorate. The contact point also serves as the SADC national secretariat for employment and labour matters.

5.0 Strategic objective of Tripartite Committee on Employment and labour

The pertinent challenges faced in the area of employment and labour include in the region include high levels unemployment and underemployment, low labour standards and differences in regulatory frameworks and social protection and low productivity. Taking into account these challenges, the strategic objective pursued in line with the Regional Indicative Strategic Development Plan (RISDP) in this area by SADC is *to promote employment creation and efficient human resource utilisation by stimulating demand for labour in the SADC economies and ensure minimum labour standards and social protection.*

5.1 Regional Policy Documents developed by the Tripartite SADC Structure of Employment and Labour Sector

In the process of implementing the RISDP and the SADC agenda in general, the employment and labour sector in the region has developed programmes and policy documents. These are outlined in the following paragraphs:

5.1.1 Policy Documents

The following are the Policy Documents so far developed and are at various stages of implementation in the Member States:

5.1.1.1 Policies, Priorities and Strategies on Employment and Labour in the SADC

The Document is aimed at promoting a coordinated approach to the challenges of widespread poverty, unemployment and underemployment, and creating a conducive environment for labour productivity and employment opportunities. The document was approved in 2003 by the committee of Ministers and Social partners and its implementation by Member States is being monitored on annual basis.

5.1.1.2 Charter of Fundamental Social Rights in SADC

The Charter is aimed at ensuring minimum labour standards and social protection and to facilitate adoption of a common approach to labour market regulations. It also reinforces

the International Labour standards and adheres to the SADC principle of variable geometry. The Charter entered into force on 26th August 2003. Mechanisms to monitor the operationalisation of the Charter have been put in place by some constituencies in the region.

5.1.1.3 SADC Code of Conduct on Child Labour

The SADC Code of Conduct on Child Labour provides Guidelines to Member States on combating child labour in the Region, taking into account the International Labour Organisation (ILO) proposals on the National Actions against child labour. Member States are progressively implementing components of the Code.

5.1.1.4 Code of Conduct on HIV and AIDS and Employment

The Code was developed taking into account Member States' National Codes the principles of World Health Organisation (WHO) and the International Labour Organisation (ILO). The Code balances individual rights and social needs and provides a platform on which to build strategies for prevention and management of the pandemic. It therefore, represents the common standard by which the region will deal with the rights and duties relating to HIV and AIDS and Employment.

Most member States have internalised components of the Code in their national legislations and implementation is at various stages.

5.1.1.5 Code on the Safe Use of Chemicals

The objective of this Code is to provide guidance to Member States on:

- a) basic standards for the safe use of chemicals that apply in all areas of trade, investment and production;
- b) a framework for inspection and enforcement of those standards;
- c) a framework for tripartite communication, information, networking and training in the safe use of chemicals;

The Code is aimed at ensuring the protection of workers from chemicals hazards, prevent or reduce the incidence of chemically induced illnesses and injuries resulting from the use of chemicals at work, and consequently to enhance the protection of the general public and the environment. Some member States are implementing components of the Code. A reporting format has been developed to assist in monitoring implementation of the Code.

5.1.1.6 Code on Social Security

This Code has been developed in collaboration with a Task Team comprising key stakeholders and regional experts. The purposes of the Code are to:

- i) Provide member States with strategic direction and guidelines in the development and improvement of social security schemes to enhance the welfare of the people of the SADC Region.
- ii) Provide Member States with a set of general principles and minimum standards of social protection as well as a framework for monitoring at national and regional levels
- iii) Provide Member States with an effective instrument for coordination, convergence and harmonisation of social security systems in the region.

In addition, the Code has been developed within the context of the SADC Charter of Fundamental Social Rights and the RISDP.

5. 2 Regional Programmes and Projects being pursued

Some of the programmes and projects being pursued by the Tripartite Structure of employment and labour relate to:

i) Regional Productivity Improvement Programme

The main focus of the programme is to establish a mechanism for sharing experiences and good practices on productivity improvement among Member States and stakeholders.

ii) Capacity Building Programme on Occupational Health and Safety.

This programme is intended to contribute to the socio-economic development of the region through improved Occupational Health and Safety at work places in the SADC Region. This is a comprehensive Programme to be implemented over a period of 12 years

iii) Capacity Building in Labour Migration Management Programme for the Southern Africa Development Community (SADC)

The programme is aimed at developing a mechanism for data collection and analysis at both national and regional levels. It involves strengthening Member States capacity in data management and will develop a mode for a coordinated approach to labour migration management at the SADC level including the facilitation of and effective management of labour mobility within the SADC region.

6.0 Conclusions

Since its inception in 1980, the SADC has undergone structural changes and strategic focus from a Development Coordination Conference (SADCC) into a Development Community (SADC). These changes are aimed at streamlining the operations of the organisation to enhance its delivery to the people of the region. Following the establishment of the structures of employment and labour in 1995/6, SADC has, through out the stages of structural changes, maintained some form of tripartism.